



PROVINCE OF KWAZULU-NATAL

**ESTIMATES
OF
PROVINCIAL REVENUE AND
EXPENDITURE**

2012/13

**for the
financial year ending 31 March 2013**

**Presented to Provincial Legislature
9 March 2012**

Quantity Printed 680

ISBN: 0-86967-421-8

To obtain further copies of this document, please contact:

Provincial Treasury

5th Floor

Treasury House

145 Chief Albert Luthuli Road

3201

P.O. Box 3613

Pietermaritzburg

3200

Tel: +27 (0) 33 – 897 4310

Fax: +27 (0) 33 – 897 4617

FOREWORD

The 2012/13 MTEF for South Africa, and consequently KwaZulu-Natal, was crafted during a period of serious economic uncertainty, largely as a result of the debt crisis crippling the euro-zone – our major trading partner. The lack of decisive action, mainly by Germany, to resolve the crisis will certainly prolong the period of uncertainty and, as a result, the world economic growth prospects will remain subdued for the time being.

KwaZulu-Natal, and South Africa as a whole, have been affected by this prevailing economic scenario, and the country's projected growth rate has been revised downward slightly. In fiscal terms, the low economic growth rate means less tax revenue for government spending and thus requires a conservative fiscal policy stance and calls for all government spending agents to exercise prudence. As evident from the budgetary allocations contained in this *Estimates of Provincial Revenue and Expenditure*, the effects of the global economic slowdown have not resulted in a reduction in provincial allocations. In fact, there is still healthy growth in most government spending programmes. For KwaZulu-Natal, the revisions in the data that informs the equitable share formula have resulted in a slight increase in the equitable share allocation. This increase has been allocated to various service delivery programmes. However, given the uncertainties, it is only logical to ensure that fiscal discipline is maintained going forward.

To provide some cushion against unforeseeable fiscal shocks, the Province of KwaZulu-Natal therefore continues to budget for a surplus of R1 billion per annum in the next three MTEF years. This will ensure that government programmes remain funded in cases where national tax revenues fall short of budget in the period ahead.

The benefits of fiscal prudence have been demonstrated beyond doubt in the Province of KwaZulu-Natal. Those who closely follow the budget affairs will know that, between 2008/09 and 2010/11, the province was highly indebted to the tune of more than R3 billion cumulatively. But the fiscal austerity measures introduced in 2009/10 changed the fortunes. In the 2011/12 Adjustments Budget, the province paid back all its debt and is now in a very healthy financial state. It is only because of fiscal prudence that such a milestone could be achieved. It is therefore our intention to continue with good fiscal management.

It is my honour to present the *Estimates of Provincial Revenue and Expenditure (EPRE)* to the people of KwaZulu-Natal and beyond. As you will note, these estimates are presented in two parts, the first being aggregates of revenue and expenditure, including the budget strategy adopted and the fiscal framework in general. Part two provides a detailed account of budget allocations per department. These estimates provide an opportunity for the citizens to hold the provincial government departments accountable for the public funds they spend.



S'miso Les Magagula

Head: KwaZulu-Natal Provincial Treasury

CONTENTS

FOREWORD	i
CONTENTS	iii
LIST OF ANNEXURES	v
LIST OF ABBREVIATIONS	vii

OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE

1.	Socio-economic Outlook	1
2.	Summary of Budget Aggregates and Financing	19
3.	Budget Process and Medium Term Expenditure Framework	25
4.	Receipts	35
5.	Payments	55
6.	Measuring Performance in Government	91
7.	Review of Municipal Finance Management	93

ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

Departmental Estimates

Vote 1:	Office of the Premier	1
Vote 2:	Provincial Legislature	41
Vote 3:	Agriculture, Environmental Affairs and Rural Development	71
Vote 4:	Economic Development and Tourism	133
Vote 5:	Education	185
Vote 6:	Provincial Treasury	239
Vote 7:	Health	281
Vote 8:	Human Settlements	343
Vote 9:	Community Safety and Liaison	383
Vote 10:	The Royal Household	409
Vote 11:	Co-operative Governance and Traditional Affairs	433
Vote 12:	Transport	485
Vote 13:	Social Development	525
Vote 14:	Public Works	559
Vote 15:	Arts and Culture	593
Vote 16:	Sport and Recreation	635

LIST OF ANNEXURES

Overview of Provincial Revenue and Expenditure	99
Estimates of Provincial Revenue and Expenditure	
Vote 1: Office of the Premier	31
Vote 2: Provincial Legislature	65
Vote 3: Agriculture, Environmental Affairs and Rural Development	105
Vote 4: Economic Development and Tourism	169
Vote 5: Education	223
Vote 6: Provincial Treasury	271
Vote 7: Health	325
Vote 8: Human Settlements	371
Vote 9: Community Safety and Liaison	403
Vote 10: The Royal Household	427
Vote 11: Co-operative Governance and Traditional Affairs	465
Vote 12: Transport	513
Vote 13: Social Development	551
Vote 14: Public Works	583
Vote 15: Arts and Culture	623
Vote 16: Sport and Recreation	661

LIST OF ABBREVIATIONS

Abbreviation	Full description
ABET	Adult Basic Education and Training
ADA	Agri-business Development Agency
AET	Adult Education and Training
AFS	Annual Financial Statements
A-G	Auditor-General
AMIP	Asset Management Improvement Plan
ANA	Annual National Assessments
APAC	Association of Public Accounts Committee
APP	Annual Performance Plan
ARRUP	African Renaissance Roads Upgrading Programme
ART	Anti-retroviral Therapy
ARV	Anti-retroviral
BAS	Basic Accounting System
BBBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BIS	Business Intelligence System
BPO	Business Process Outsourcing
BRIC	Brazil, Russia, India and China
BUFAC	Building a United Front Against Crime
C-AMP	Custodian-Asset Management Plan
CAPS	Curriculum and Assessment Policy Statements
CARA	Conservation of Agricultural Resources Act
CASP	Comprehensive Agricultural Support Programme
CCMA	Commission for Conciliation, Mediation and Arbitration
CDW	Community Development Worker
CEO	Chief Executive Officer
CETA	Construction Education Training Authority
CFO	Chief Financial Officer
CHC	Community Health Clinics
CIDB	Construction Industry Development Board
ciDP	Communities-in-Dialogue Programme
CoGTA	Co-operative Governance and Traditional Affairs
COP	Conference of Parties
CPA	Commonwealth Parliamentary Association
CPD	Corporate for Public Deposit
CPF	Community Policing Forum
CPI	Consumer Price Index
CRU	Community Residential Unit
CTA	Common Task for Assessment
CWP	Community Works Programme
DAEARD	Department of Agriculture, Environmental Affairs and Rural Development
DBSA	Development Bank of South Africa
DEDT	Department of Economic Development and Tourism
DHIS	District Health Information Services
DIS	Development Information Services
DMC	Disaster Management Centre
DORA	Division of Revenue Act
DPSA	Department of Public Service Administration
DPSS	Development Planning Shared Services
DRD & LR	Department of Rural Development and Land Reform
DSD	Department of Social Development
DTI	Department of Trade and Industry
DTP	Dube TradePort Corporation
EAP	Economic Active Population
ECB	European Central Bank
ECD	Early Childhood Development

List of Abbreviations

Abbreviation	Full description
ECM	Enterprise Content Management
EEDBS	Enhanced Extended Discount Benefit Scheme
EIA	Environmental Impact Assessment
EKZNW	Ezemvelo KZN Wildlife
ELRC	Education Labour Relations Council
EMF	Environmental Management Framework
EMIS	Education Management Information System
EMS	Emergency Medical Services
EPHP	Enhanced People's Housing Process
EPI	Expanded Programme on Immunisation
EPRE	Estimates of Provincial Revenue and Expenditure
EPWP	Expanded Public Works Programme
ERP	Enterprise Resource Planning
ETDP	Education, Training and Development Practice
EU	European Union
FAL	First Additional Language
FBO	Faith Based Organisation
FBS	Free Basic Services
FET	Further Education and Training
FETC	Further Education and Training College
FFC	Financial and Fiscal Commission
FINMIP	Financial Management Improvement Plan
FPC	Finance Portfolio Committee
FTE	Full-time Equivalent
GDCSC	Gender, Disability, Children and Senior Citizens
GDP	Gross Domestic Product
GDP-R	Gross Domestic Product by Region
GEPF	Government Employees Pension Fund
GET	General Education and Training
GHS	General Household Survey
GIAMA	Government Immoveable Asset Management Act
GIS	Geographical Information System
GROW	Guiding Recovery of Women
HCBC	Home/Community Based Care
HDI	Human Development Index
HIV and AIDS	Human Immune Virus and Acquired Immune Deficiency Syndrome
HOD	Head of Department
HR	Human Resource
HWSETA	Health and Welfare Sector Education Training Authority
IA	Implementing Agent
IALCH	Inkosi Albert Luthuli Central Hospital
IASP	Invasive Alien Species Programme
ICD	Independent Complaints Directorate
ICD10	International Classification of Disease and Diagnostic Grouping 10
ICT	Information Communication Technology
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Plan
IDRMS	Integrated Document and Records Management System
IDT	Independent Development Trust
IEC	Independent Electoral Commission
IES	Income and Expenditure Survey
IFMS	Information Financial Management System
IGCC	Inter-Governmental Cash Co-ordination
IGP	Infrastructure Grant to Provinces
IGR	Inter-Governmental Relations
IMCI	Integrated Management of Childhood Illnesses
IMDP	Integrated Master Development Plan
IMF	International Monetary Fund
IOC	International Olympics Committee
IPTNs	Integrated Public Transport Network

Abbreviation	Full description
ISDM	Infrastructure Service Delivery Model
IT	Information Technology
ITB	Ingonyama Trust Board
IWMP	Integrated Waste Management Plan
IYDS	Integrated Youth and Development Strategy
IYM	In-Year Monitoring
IZ	<i>Izandla Ziyagezana</i>
JCPS	Justice Crime Prevention and Security
JE	Job Evaluation
KSIA	King Shaka International Airport
KWANALOGA	KwaZulu-Natal Local Government Association
KWANALU	KwaZulu-Natal Agricultural Union
KZN	KwaZulu-Natal
KZNGBB	KwaZulu-Natal Gaming and Betting Board
KZNSB	KwaZulu-Natal Sharks Board
L:E	Learner: Educator
LAP	Local Area Planning
LED	Local Economic Development
LES	Local government Equitable Share
LIV	<i>Lungisisa Indlela</i> Village
LTMS	Learner Teacher Support Material
LUMS	Land Use Management Strategy
MAP	Management Assistance Programme
MDG	Millennium Development Goal
MDR	Multi-Drug Resistant
MDR/XDR	Multi-Drug Resistant/Extreme Drug Resistant
MEC	Member of Executive Council
MERSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MFMA	Municipal Finance Management Act
MIDI	Msunduzi Innovation and Development
MIG	Municipal Infrastructure Grant
MinComBud	Ministers' Committee on the Budget
MIS	Municipal Information System
MNC&WH	Maternal, Neo-natal Child, and Women's Health
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPCC	Multi-purpose Community Centre
MPRA	Municipal Property Rates Act
MPSD	Mass Participation and Sport Development
MRO	Maintenance Repair and Overhaul
MSA	Municipal Structure Act
MSP	Municipal Support Programme
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MYHDP	Multi-year Housing Development Plan
NATED	National Education
NC(V)	National Curriculum (Vocational)
NCOP	National Council of Provinces
NCS	National Curriculum Statement
NDHS	National Department of Human Settlements
NDoSR	National Department of Sport and Recreation
NDOT	National Department of Transport
NEPA	National Education Policy Act
NGO	Non-government Organisation
NHBRC	National Home Builders Registration Council
NHI	National Health Insurance
NHLS	National Health Laboratory Service
NHS	National Health System
NIP	National Integrated Plan
NPO	Non-profit Organisation

List of Abbreviations

Abbreviation	Full description
NQF	National Qualifications Framework
NRS	Non-Repudiation System
NSC	National Senior Certificate
NSF	National Skills Fund
NSLA	National Strategy for Learner Attainment
NSNP	National School Nutrition Programme
NT	National Treasury
NUFFIC	Netherlands Organisation for International Co-operation in Higher Education
NYS	National Youth Service
OBE	Outcomes Based Education
OHS	Occupational Health and Safety
OPD	Out Patients Department
OPRE	Overview of Provincial Revenue and Expenditure
OSD	Occupational Specific Dispensation
OTP	Office of the Premier
OVC	Orphans and Vulnerable Children
PAES	Protected Area Expansion Strategy
PALC	Public Adult Learning Centre
PARMED	Parliamentary Medical Aid
PBS	Performance Budgeting System
PCR	Polymerase Chain Reaction
PCV	Pneumococcal
PDA	Planning and Development Act
PDE	Patient-day Equivalent
PDMC	Provincial Disaster Management Centre
PERSAL	Personnel and Salary System
PES	Provincial Equitable Share
PFMA	Public Finance Management Act
PGDP	Provincial Growth and Development Plan
PGDS	Provincial Growth and Development Strategy
PHC	Primary Health Care
PICT	Provincial Information Communication Technology
PIJF	Provincial Integrated Justice Forum
PILIR	Policy on Incapacity Leave and Ill Health Retirement
PIP	Provincial Infrastructure Plan
PMG	Pay Master-General
PMS	Project Management System
PMTCT	Prevention of mother-to-child transmission
PPC	Provincial Planning Commission
PPDC	Provincial Planning and Development Commission
PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act
PREMIS	Professional Real Estate Management Information System
PSEDS	Provincial Spatial Economic Development Strategy
PSETA	Public Sector Education and Training Authority
PT	Provincial Treasury
PTB	Pulmonary Tuberculosis
QPR	Quarterly Performance Report
RAMS	Road Asset Management System
RBIDZ	Richards Bay Industrial Development Zone
REF	Risk Equalisation Fund
RNCS	Revised National Curriculum Statement
RSA	Republic of South Africa
RSC	Regional Service Council
RV	Rota Virus
SAAMBR	South African Association for Marine Biological Research
SACE	South African Council for Educators
SACPLAN	South African Council for Planners
SADC	South African Development Community
SADT	South African Development Trust
SANDF	South African National Defence Force

Abbreviation	Full description
SANRAL	South African National Roads Agency Limited
SAP	Systems, Applications and Products
SAPS	South African Police Services
SAQA	South African Qualifications Authority
SAS	Statistical Analysis Software
SASA	South African Schools Act
SA-SAMS	South African-Schools Administration Management System
SASSA	South African Social Security Agency
SATMA	South African Traditional Music Awards
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SCOPA	Standing Committee on Public Accounts
SDF	Spatial Development Framework
SEA	Strategic Environment Assessment
SETA	Sector Education Training Authority
SIU	Special Investigation Unit
SITA	State Information Technology Agency
SLA	Service Level Agreement
SLIMS	SITA Library Information Management System
SMME	Small Medium and Micro Enterprise
SNAP survey	School Realities survey
SP	Strategic Plan
STP	Service Transformation Plan
TA	Technical Assistant
TAC	Traditional Administrative Centre
TB	Tuberculosis
TC	Traditional Council
TDTC	Technology Demonstration cum Training Centre
THETA	Tourism, Hospitality, Sport, Education and Training Authority
TIK	Trade and Investment KwaZulu-Natal
TKZN	KwaZulu-Natal Tourism Authority
TLTP	Taking Legislature to the People
TSC	<i>Thusong</i> Service Centre
U-AMP	User-Asset Management Plan
UAP	Universal Access Plan
UKZN	University of KwaZulu-Natal
UN	United Nations
UPFS	Uniform Patient Fee Structure
USA	United States of America
USDG	Urban Settlement Development Grant
VAR	Vector Auto Regression
VEP	Victim Empowerment Programme
VSCPP	Volunteer Social Crime Prevention Project
WESSA	Wildlife and Environmental Society of South Africa
WHO	World Health Organisation
XDR	Extreme Drug Resistant

List of Abbreviations

Zulu words	English translation
<i>qmbutho (pl.)</i>	A group of traditional warriors (regiment)
<i>Amakhosi (pl.)</i>	Traditional leaders or chiefs
<i>isigodi</i>	A village within a tribal authority
<i>i(zi)mbizo</i>	Public meeting(s) called by government involving a large number of people
<i>ifihlile</i>	Hidden
<i>imizi yesizwe</i>	Houses for <i>Amakhosi</i>
<i>indaba</i>	Forum
<i>iso elibanzi</i>	Wide eye
<i>izandla ziyagezana</i>	Hands wash each other
<i>Lungisisa Indlela</i>	Prepare the way
<i>Masifundisane</i>	Lets teach each other
<i>omama bezintombi</i>	Mothers of young maidens
<i>ondlunkulu</i>	Traditional leader's or chief's wife
<i>S'fundisimvelo</i>	We are teaching about nature
<i>s'hamba Sonke</i>	Moving together
<i>Sukuma Sakhe</i>	Stand up and build
<i>ubukhosi</i>	Kingship
<i>ukuthwala</i>	Abduction
<i>umbimbi</i>	A coalition of people working towards the same goal
<i>Vulindlela</i>	Open the way
<i>Vukuzakhe</i>	Wake up and build
<i>vuselela</i>	Restore
<i>Zibambeke</i>	Do it yourself

**OVERVIEW
OF
PROVINCIAL REVENUE
AND
EXPENDITURE**

1. SOCIO-ECONOMIC OUTLOOK

1.1. Introduction

The year 2010 was dominated by the “green shoots” debate and the economic recovery was a topic of much deliberation, particularly during the latter part of 2010. According to the International Monetary Fund (IMF), global output increased by 5.1 per cent during 2010 compared to the decrease of 0.7 per cent during 2009. It was therefore generally expected that the global economy was poised to return to pre-recession levels during 2011. The year 2011 was therefore greeted with great optimism and confidence.

Unfortunately, this proved not to be the case. The global economy was rocked by the natural disaster and subsequent nuclear meltdown that struck Japan during March 2011. The sequence of events that followed the March 11th earthquake significantly constrained the Japanese economic recovery and effectively plunged the Japanese economy into turmoil and a possible recession. Given the fact that the Japanese economy accounts for 11 per cent (IMF, latest Economic Outlook, 2011) of the global economy, it was unavoidable that the global economy would also feel the pain.

Concurrently, the prices of Brent crude oil and gold reached \$117 and \$1 424 an ounce, respectively, in March 2011, raising inflation concerns. The risk of inflation suddenly took centre stage in contrast with the significant focus on growth during 2010. For example, the European Central Bank (ECB) in June 2011 argued that “A modest increase in interest rates should be taken during 2011 to stave off increases in inflationary expectations, which are already elevated”. A number of Central or Reserve Banks took notice of the inflation threat and subsequently tightened their monetary policies. The most notable of these were India, China, Brazil and Australia.

By mid-2011, it became clear that the global economic prospects had significantly deteriorated because of the Japanese disasters and the tightening of monetary policy around the world. It also became clear that unemployment was not falling and that job losses still occurred at a fairly brisk pace. In addition, bank deleveraging continued. As a result of deteriorating global economic prospects, the September 2011 IMF World Economic Outlook highlighted the following:

- Slowing global activity.
- Renewed financial instability.
- More uneven expansion.
- Economic slack alongside signs of overheating.
- Risks are clearly on the decrease.

A massive fiscal bomb exploded in Europe during the latter part of 2011. The age of fiscal austerity seemingly had arrived with many European governments struggling to finance their debt, most notably Greece, Spain and Italy. In October 2011, euro-zone leaders agreed on another package of measures designed to prevent the collapse of member economies. This included an agreement with banks to accept a 50 per cent write-off of Greek debt owed to private creditors, increasing the European Financial Stability Facility to about €1 trillion, and requiring European banks to achieve 9 per cent capitalisation. While the sovereign debt increases are more pronounced in only a few euro-zone countries, they have become a perceived problem for the entire region and the global economy.

The year 2011 experienced significant monetary and fiscal policy reversals, as well as economic upheaval. This prompted great debate about whether the 2010 global economy recovery could cushion the increased 2011 economic uncertainties and risks. It became clear that it could not do so, particularly with the IMF estimating in September 2011 that the global economic output for 2011 would be 4 per cent, which, given the fourth quarter of 2011, seems rather optimistic. Nonetheless, the growth prospect for 2011 was much less than initially thought, making the prospect for 2012 also very subdued and uncertain. Significantly more risks in the global economy are expected in January 2012 relative to January 2011. It

is clear that the global economy has not sufficiently recovered from the 2009 recession to reach pre-crisis levels and that necessary structural changes must still occur. The picture for 2012 seems very similar to 2011 and therefore it can be deduced that 2012 could be another difficult year. It can only be hoped that the picture looks brighter from 2013 onward.

1.2 Demographic profile

Population size is a major driving force in the demand for goods and services in an economy. People provide labour and entrepreneurship for production and also consume the output of production. It is important to note that the structure of the population, the skill levels, as well as the health of the population has a bearing on the economy. Since population size affects the supply of infrastructure, including communication, transport and services such as education, health, etc., it thus becomes one of the key factors in the planning process. Basically, the greater the number of people there are, the larger the economy has to become in order to satisfy their needs. The objective of this section is therefore to provide the demographic profile of KZN and also to outline the defining characteristics of the provincial population.

1.2.1 Population size

According to data from Statistics South Africa (Stats SA) and as can be seen in Table 1.1 below, KZN (at 10.8 million or 21.4 per cent) has the second-largest population in the country (total population of SA is 50.6 million), after Gauteng with an estimated 11.3 million people (22.4 per cent). The Northern Cape remains the province with the smallest share of the population at 2.2 per cent. During the period 2001 to 2011, the population of KZN increased at an average annual growth rate of 1.3 per cent, higher than the national rate of 1.2 per cent, but less than the 1.9 per cent in Gauteng.

Table 1.1: Population size, average annual growth rate and area in km², 2011

Province	Population Number (2011)	% Share of National (2011)	Average Annual Growth Rate 2001 - 2011	Area in km ²	% Share of National Area	Population Density
Eastern Cape	6 829 959	13.5%	0.5	169 063	13.8%	40.4
Free State	2 759 644	5.5%	0.3	130 007	10.6%	21.2
Gauteng	11 328 203	22.4%	1.9	16 579	1.4%	683.3
KwaZulu-Natal	10 819 128	21.4%	1.3	93 378	7.6%	115.9
Limpopo	5 554 657	11.0%	1.1	126 042	10.3%	44.1
Mpumalanga	3 657 181	7.2%	0.9	76 642	6.3%	47.7
Northern Cape	1 096 731	2.2%	0.6	373 351	30.6%	2.9
North West	3 253 390	6.4%	0.9	106 710	8.7%	30.5
Western Cape	5 287 863	10.5%	1.9	129 475	10.6%	40.8
Total national	50 586 756	100.0%	1.2	1 221 247	100.0%	41.4

Source: Stats SA (Mid-year population estimates, 2011) and Global Insight (2011)

As far as the racial composition is concerned, a large number of about 9.1 million (85.3 per cent) of people in KZN are African. Asians constitute the second highest proportion at 8.6 per cent, followed by Whites at 4.7 per cent. Coloureds (1.4 per cent) make up a small proportion of the total provincial population (Global Insight, 2011).

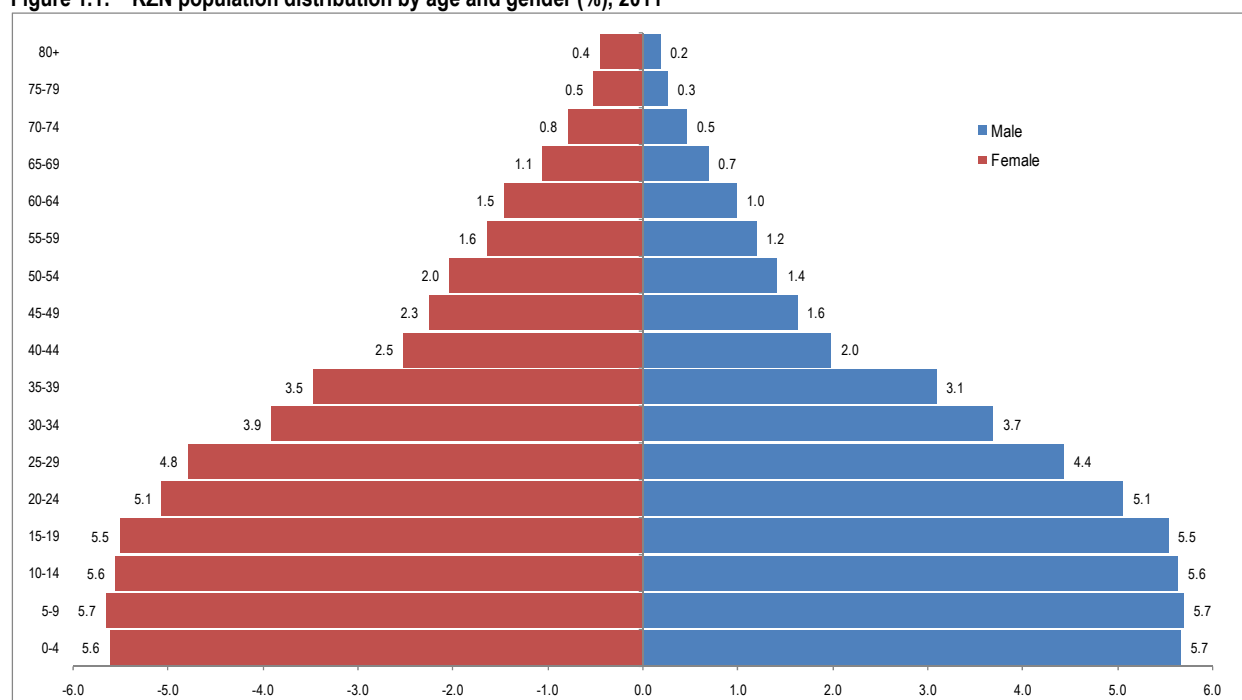
Table 1.1 shows that, in terms of population density¹, KZN has an average of 115.9 people per km², Gauteng on the other hand is densely concentrated with approximately 683.3 people for each km². Of all the provinces, the Northern Cape is the least populated, with an estimated 2.9 people per km² compared to the national average of 41.4 people per km².

¹ Population density is generally defined as the average number of people per square kilometre in a particular area which is calculated by dividing total population by land area in square kilometres.

1.2.2 Population by age and gender

The population pyramid in Figure 1.1 provides the age and sex profiles of KZN's population in 2011. The province has more women, accounting for 52.3 per cent of the total provincial population, compared to 47.7 per cent of males. Children and young people between the ages of 0 and 19 years constitute the largest proportion. This has adverse financial implications on the provincial government, as more funding must be directed toward investing in basic education and child welfare. In addition, the large number of young people finishing school and entering the job market may imply an increase in unemployment numbers in future, unless the growing economically active population can find employment.

Figure 1.1: KZN population distribution by age and gender (%), 2011



Source: Own calculations using data from Stats SA (Mid-year population estimates, 2011)

Though the population size decreases progressively through most of the 0-19 age cohorts, it contracts in proportion of persons aged 20-44 residing in the province. The most likely explanation of the smaller proportional (38 per cent or 4.1 million) representation of persons in the 20-44 age categories is that the working age persons migrate to other provinces for educational or working purposes². The effects of deaths however, resulting particularly from diseases such as tuberculosis (TB) and HIV and AIDS should not be ruled out.

The largest number of approximately 6.7 million (61.7 per cent) of the provincial population falls within the 15-65 years age bracket, which constitutes the economically active population (EAP), implying that 38.3 per cent (4.1 million) of the population is distributed between those under the age of 15 and over the age of 64 years which translates to a dependency ratio³ of 61.2 per cent. Dependency ratio means that there are people who are not of working age and therefore are not paying taxes. As the dependency ratio increases, so are the number of people the government must look after. Further, the savings of the persons who bear the “dependency burden” in the economy are constrained. The implication of this is that if the dependency ratio increases, capital formation may experience a setback as investments are derived from savings. Consequently, this may have a negative impact on the financial position of the province since more resources would be required for the provision of social security.

² See provincial migration streams in Section 1.2.3 in Table 1.2.

³ Dependency Ratio = (no. of people under 15 years) + (no. of people aged 65 and over) / (no. of people between 15 and 64 years). The dependency ratio is an age-population ratio of those typically not in the labour force (the *dependent* part) to those typically in the labour force (economically active population). The dependent part usually includes those under the age of 15 and over the age of 64, while the working age group makes up the population in between ages 15 and 64.

1.2.3 Migration

Table 1.2 shows the estimated migration streams between provinces from 2006 to 2011. KZN recorded an estimated 196 933 emigrants compared to the inflow of 198 355 immigrants, leading to a net gain of 1 422 persons. Gauteng and Western Cape showed estimated net gains of 367 076 and 95 556, respectively, and are the two provinces that gain the most from inter-provincial migration. The remaining provinces recorded negative net migration.

Table 1.2: Estimated provincial migration streams, 2006 – 2011

Province	Emigrants	Immigrants	Net Gain/Loss
Eastern Cape	329 714	114 899	(214 815)
Free State	118 640	92 748	(25 892)
Gauteng	308 063	675 139	367 076
KwaZulu-Natal	196 933	198 355	1 422
Limpopo	238 545	96 117	(142 428)
Mpumalanga	164 905	120 746	(44 159)
Northern Cape	60 585	42 993	(17 592)
North West	179 462	160 294	(19 168)
Western Cape	110 937	206 493	95 556

Source: Stats SA (Mid-year population estimates, 2011)

1.3 Provincial economic performance

1.3.1 Quarterly economic performance

Table 1.3 indicates quarter-on-quarter growth rates in GDP-R (Gross Domestic Product by Region) per economic sector from 2010 Q3 to 2011 Q3. It is estimated that provincial GDP-R increased by 1.69 per cent during the third quarter of 2011 compared to an increase of 3.93 per cent during the second quarter of 2011 on a non-seasonal adjusted basis. On a seasonal adjusted basis, the provincial economy experienced an increase of 0.48 per cent during the third quarter of 2011 compared to an increase of 0.20 per cent during the second quarter of 2011.

Table 1.3: Provincial GDP-R and economic growth rate – quarter-on-quarter

Industry	2010Q3	2010Q4	2011Q1	2011Q2	2011Q3
Primary Sector	-12.45	-34.05	20.45	50.41	-12.54
Agriculture, forestry and fishing	-16.42	-43.17	30.79	66.15	-14.14
Mining and quarrying	7.75	1.97	-2.30	4.06	-4.98
Secondary Sector	3.15	0.28	-3.37	1.91	3.48
Manufacturing	3.23	-0.06	-3.04	2.19	3.52
Electricity, gas and water	4.34	-0.20	-6.76	4.05	3.49
Construction	1.76	3.13	-3.54	-1.52	3.25
Tertiary Sector	2.04	4.56	-4.28	1.54	2.59
Wholesale and retail trade, hotels and restaurants	4.48	16.46	-13.64	1.64	5.00
Transport, storage and communication	4.58	1.83	-4.30	2.17	4.27
Finance, real estate and business services	-0.02	1.57	0.33	0.67	1.08
Personal services	0.01	-0.90	-1.03	1.28	1.11
General government services	0.88	1.17	-0.63	2.22	1.09
GDP-R at constant 2005 prices	1.26	1.09	-2.87	3.93	1.69
GDP-R at constant 2000 prices (seasonal adjusted)	0.48	1.04	1.83	0.20	0.48

Source: Own calculations using data from Stats SA (2011)

KZN's economic performance in the third quarter of 2011 deteriorated fairly significantly compared to the second quarter of 2011. Provincial growth momentum derived from the events of the 2010 World Cup diminished, especially during the second and third quarters of 2011. This does not bode well for the economic prospects for the fourth quarter of 2011 and ultimately for 2011. However, it is hoped that the growth prospect improves during the last quarter of 2011, thus yielding better economic conditions in 2012. This decline in GDP-R may be attributed to the uncertainty in the euro-zone.

Table 1.4: Provincial GDP-R and economic growth rate – year-on-year

Industry	2010 Q3 Annualised	2010 Q4 Annualised	2011 Q1 Annualised	2011 Q2 Annualised	2011 Q3 Annualised
Primary Sector	2.69	3.34	2.01	4.61	4.50
Agriculture, forestry and fishing	1.29	0.92	1.88	3.21	6.02
Mining and quarrying	8.61	9.08	2.41	11.70	-1.50
Secondary Sector	5.42	4.00	5.16	1.86	2.19
Manufacturing	6.67	5.00	6.41	2.23	2.51
Electricity, gas and water	-0.01	0.63	0.68	1.02	0.19
Construction	0.42	-0.64	-0.44	-0.31	1.15
Tertiary Sector	2.91	3.34	3.63	3.69	4.25
Wholesale and retail trade, hotels and restaurants	7.20	8.09	7.17	6.79	7.33
Transport, storage and communication	3.20	3.48	3.82	4.12	3.82
Finance, real estate and business services	1.41	1.05	2.53	2.56	3.69
Personal services	-1.63	-1.27	-0.50	-0.64	0.45
General government services	2.51	3.11	3.25	3.68	3.89
GDP-R at constant 2005 prices (non-seasonal adjusted annualised)	3.59	3.43	3.94	3.34	3.78
GDP-R at constant 2005 prices (seasonal adjusted annualised)	3.88	4.05	4.47	3.59	3.59

Source: Own calculations using data from Stats SA (2011)

Table 1.4 shows that the provincial economy recorded, on a seasonal adjusted annualised basis, an increase of 3.59 per cent during both the third quarter of 2011 and the second quarter of 2011. The annual growth rates, both on a seasonal and non-seasonal adjusted basis, indicate that economic activity is at slightly worse levels than experienced during the fourth quarter of 2010 and the first quarter of 2011. The annualised growth rates indicate that the majority of economic sectors continue to record positive growth rates, largely on the back of the international and national economic recovery. However, the construction sector seems to be lagging behind the economic recovery significantly with negative growth in 2010 Q4, 2011 Q1 and 2011 Q2. The manufacturing sector is also showing some distress with the growth rate reducing from 6.67 per cent in 2010 Q3 to 2.51 per cent in 2011 Q3. Therefore not all seems to be well, particularly with regard to wealth and employment creation prospects in the province.

1.3.2 Provincial economic indicators in the recession and subsequent recovery, 2009 - 2011

Table 1.5 indicates the average monthly year-on-year percentage change in the selected economic indicators for the province for the three years under review. The table shows the behaviour of each indicator during the 2009 recession, the 2010 recovery and the 2011 slowdown. It is evident that a number of indicators actually performed worse during the recovery than during the recession, most probably because of lags in the provincial economy. This could be partly explained by the argument that, during a recession, there is generally a higher degree of certainty, whereas during a recovery, there are much higher levels of uncertainty. Conditions of uncertainty are perceived to be of high risk, and Table 1.5 shows a risk averse economy. The 2011 slowdown is again evident in the majority of the indicators, but at significantly better levels than during the 2009 recession.

Table 1.5: Provincial economic indicators – Average monthly year-on-year, 2009 – 2011

Economic Indicator	2009	2010	2011
GDP growth rate	-1.78	3.36	2.90*
Unemployment rate (Expanded definition)	33.50	37.24	38.72
Consumer Price Index (All items)	7.18	3.30	5.66
Number of civil cases for debt (average pm)	9 399	9 523	7 369
Electricity usage rate	2.04	-0.16	0.05
Cement sales rate	-4.08	-7.92	3.23
Average house prices rate	-0.21	9.10	5.04
New vehicle sales rate	-33.44	-12.61	13.64
Building plans for residential properties rate	-31.08	-18.57	-23.54
Building plans for non-residential properties rate	-11.63	-28.64	40.71
Number of new patents rate	24.92	22.20	n/a
Unemployment insurance applications rate	39.30	-29.60	-3.28
Number of active co. and CC entities rate	-3.09	-39.16	n/a
King Shaka airport passenger movement rate	-3.45	9.65	5.53
KZN risk index	-0.92	-0.16	0.26
KZN JSE listed entities index rate	-3.90	20.75	1.71
Total cargo handled (metric tonnes) rate	-6.49	9.32	3.86
KZN business confidence index	65.78	67.26	73.25

* C. Coetzee (2011) estimates⁴

Source: Own calculations using various sources including Stats SA (2009, 2010 and 2011)

⁴ C. Coetzee is an economist at the KZN Provincial Treasury. These are his views and do not necessarily represent the views of KZN Provincial Treasury.

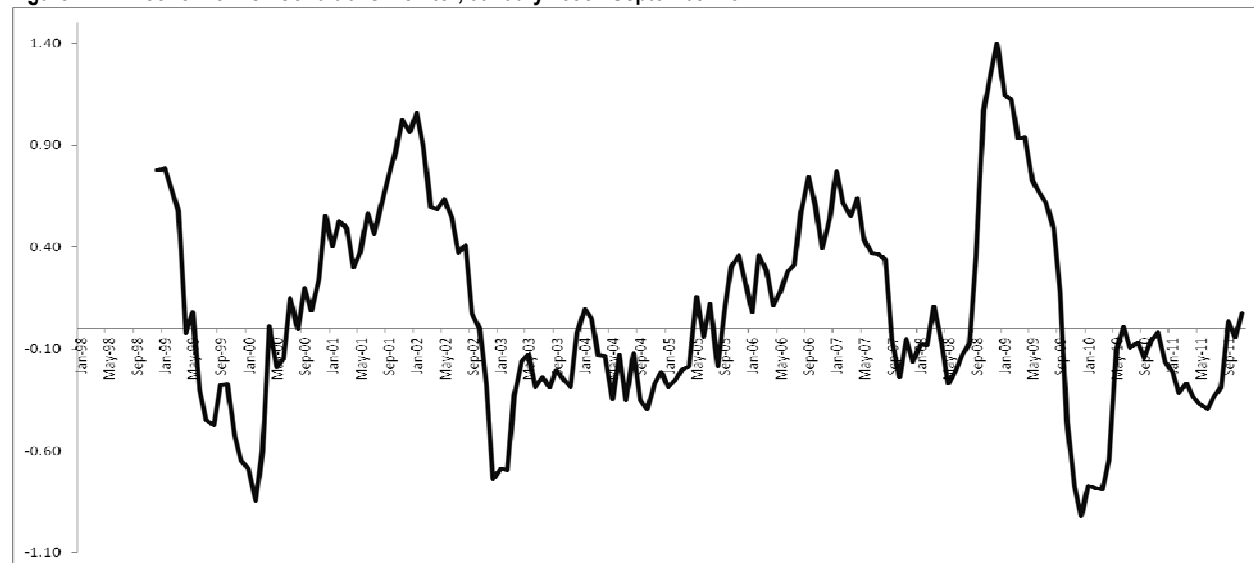
The economic indicators, particularly for 2011, suggest that 2012 will also be a difficult year characterised by significant levels of uncertainty, risk and frustration. Frustration, because the economy is growing (in theory at least) but the growth is too little to support job creation and private capital formation. The 2012 economic growth prospects therefore seem unlikely to be accompanied by real welfare and social improvements.

1.3.3 Provincial risk and economic conditions monitor

The economic risk conditions monitor for the province is displayed in Figure 1.2.

The results have been smoothed using a 12 month moving average method because of the inclusion of monthly data in the calculations.⁵

Figure 1.2: Economic Risk Conditions Monitor, January 1998 - September 2011



Source: Own calculations using various sources including Stats SA (2010 and 2011)

The monitor should be interpreted as follows:

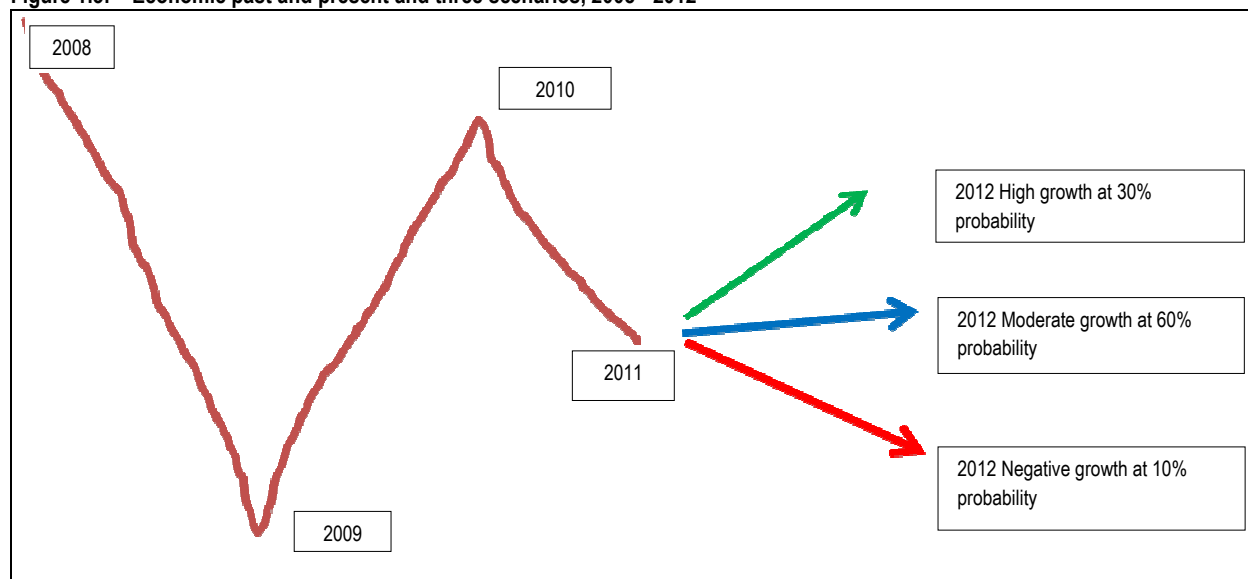
- Positive Values: High or Increasing Risk
- Zero: Neutral Risk
- Negative Values: Low or Decreasing Risk

The results suggest that the economic risk and conditions in KZN increased rapidly during 2008, reaching a peak in January 2009 with the subsequent economic recession during 2009. Economic risk and conditions improved continuously during 2009, resulting in the economic recovery during 2010, and were very expansionary during the first part of 2011. However, economic risk and conditions have been deteriorating significantly since May 2011, resulting in a slowdown in economic growth.

Given the past and current economic performance of KZN and the deteriorating economic risk and conditions, it is estimated that the economic performance for KZN for 2012 will be very similar to 2011. Figure 1.3 indicates the growth behaviour of the provincial economy from 2008 to 2011, which seems to support the “W” growth argument. Three possible scenarios are also indicated, with the moderate growth scenario (2 to 3 per cent) at 60 per cent likelihood.

⁵ Economic modelling and methodology used in estimating economic risk conditions are available on request.

Figure 1.3: Economic past and present and three scenarios, 2008 - 2012



Source: Own calculations using various sources including Stats SA (2010 and 2011)

1.4 Provincial government expenditure by economic classification and provincial GDP – a Vector Auto Regression (VAR) approach

The audited outcomes of the provincial government for 2006/07, 2007/08 and 2008/09 were R36.900 billion, R44.500 billion and R55.500 billion representing a 13.5 per cent and 14.3 per cent increase in real terms, respectively. The audited actual spending for 2009/10 was R63.800 billion, bringing the total increase in the budget to R8.300 billion, representing a growth of 7.8 per cent in real terms. The outcome for 2010/11 was R67.699 billion. It thus seems that provincial public expenditure in the provincial economy is fairly substantial and can be expressed as 20 per cent of the provincial GDP. It will therefore be very difficult to argue that such substantial and significant expenditure does not have an impact on provincial GDP. The standard economic theory also describes and emphasises the impact of government expenditure on an economy through its contribution to current effective demand.

Following the provincial expenditure information from above, this subsection provides the key findings of an analysis which quantitatively determines and describes the impact of provincial public expenditure on the GDP of KZN. The findings are based on an empirical study of the impact and/or relationship between the various classifications of provincial public expenditure (by economic classification) and the provincial GDP⁶. Provincial public expenditure can be classified in terms of economic classifications, generally referred to as:

- *Compensation of employees.*
- *Goods and services.*
- *Transfers and subsidies.*
- *Payments for capital assets.*
- *Infrastructure expenditure.*

These classifications differ from the SCOA classification used in the *EPRE*, especially with regard to *Infrastructure expenditure*, as this category forms part of *Payments for capital assets* in terms of SCOA.

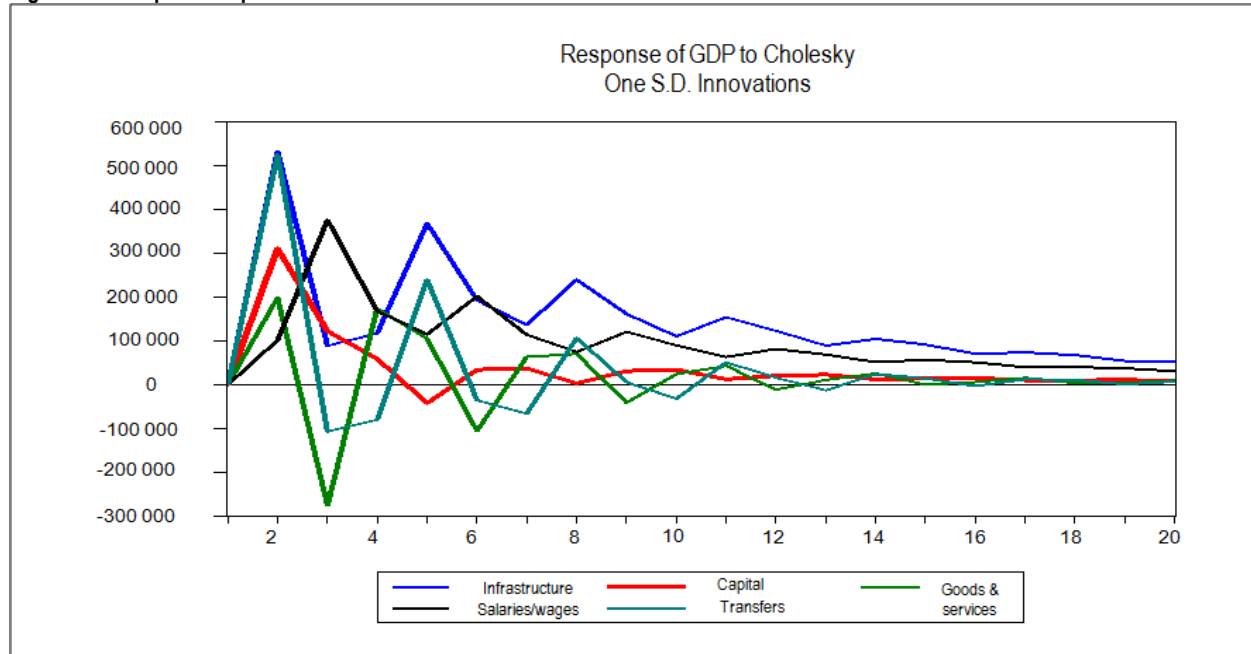
Data used clearly indicates that *Compensation of employees* (salaries and wages) is the single largest public expenditure item. Expenditure on *Goods and services*, *Infrastructure*, *Capital assets* and *Transfers and subsidies* accounts for about 19, 15, 7 and 12 per cent of the total provincial public expenditure, respectively.

⁶ The study uses data from 2006 quarter 2 to 2011 quarter 1 obtained from KZN Provincial Treasury. The application of VAR analysis is employed. The full paper of the study is available on request.

1.4.1 Impulse response functions

Impulse responses trace out the response of current and future values of each of the variables to a one-unit increase in the current value of one of the VAR errors, assuming that this error returns to zero in subsequent periods and that all other errors are equal to zero. The implied thought experiment of changing one error while holding the others constant makes most sense when the errors are uncorrelated across equations, so impulse responses are typically calculated for recursive and structural VARs.

Figure 1.4: Impulse response functions



Source: Own calculations using data from KZN Provincial Treasury

Figure 1.4 presents the impulse-response functions of the five variables under consideration. The impulse-response functions suggest that *Infrastructure expenditure* and *Compensation of employees* (i.e. *Salaries and wages*) have the biggest impact on provincial GDP. *Transfers and subsidies*, *Goods and services* and *Payments for capital assets* have very short-term marginal impacts. It is estimated that *Infrastructure expenditure* accounts for about 44 per cent of the total provincial public sector expenditure impact on provincial GDP, compared to 29 per cent, 11 per cent, 10 per cent and 5 per cent on *Compensation of employees*, *Payments for capital assets*, *Transfers and subsidies* and *Goods and services*, respectively.

1.4.2 Variance decomposition

The variance decomposition provides information about the relative importance of each random innovation in affecting the variables in the VAR. The forecast error decomposition is the percentage of the variance of the error made in forecasting a variable (GDP) due to a specific shock at a given horizon (20 years). Thus, the forecast error decomposition is like a partial coefficient of determination (R^2) for the forecast error, by forecast horizon.

Results from the variance decomposition for the estimated VAR model further confirm that *Infrastructure expenditure* has the largest contribution to the variation of provincial GDP of the five provincial public expenditure classifications. It is estimated that *Infrastructure expenditure* accounts for about 5.87 per cent of the variance in GDP compared to 2.63 per cent, 1.28 per cent, 3.81 per cent and 1.76 per cent for *Compensation of employees*, *Payments for capital assets*, *Transfers and subsidies* and *Goods and services*, respectively.

The results of the impulse-response and variance deposition functions of the five variable estimated VAR model suggest that *Infrastructure expenditure* has the longest and largest impact on the provincial GDP compared to the other provincial public expenditure classifications, while *Goods and services* has the shortest and smallest impact.

1.5 Unemployment and the provincial labour market

Table 1.6 depicts the characteristics of KZN's labour market from the first quarter of 2009 to the third quarter of 2011.

Table 1.6: Labour market characteristics of KZN, 2001 Q1 – 2011 Q3

Thousand	Population of working age (15-65 years)	Labour Force	Employed	Unemployed	Not Economically Active	Discouraged Work Seekers	Unemployment - Narrow definition	Unemployment - Expanded definition
Q1 2009	6 340	3 248	2 514	733	3 092	271	22.6%	30.9%
Q2 2009	6 362	3 043	2 457	586	3 319	448	19.3%	34.0%
Q3 2009	6 384	3 024	2 458	566	3 360	481	18.7%	34.6%
Q4 2009	6 405	2 983	2 409	574	3 422	452	19.2%	34.4%
Q1 2010	6 426	2 998	2 418	580	3 428	484	19.3%	35.5%
Q2 2010	6 439	2 984	2 362	622	3 456	487	20.8%	37.2%
Q3 2010	6 664	2 990	2 401	588	3 674	563	19.7%	38.5%
Q4 2010	6 692	3 040	2 439	601	3 652	540	19.8%	37.5%
Q1 2011	6 720	3 049	2 429	620	3 671	592	20.3%	39.8%
Q2 2011	6 748	3 137	2 500	638	3 611	604	20.3%	39.6%
Q3 2011	6 776	3 103	2 510	593	3 672	549	19.1%	36.8%

Source: Stats SA (2011), Own calculations

From Table 1.6, it is evident that the working population has been on the increase, indicating an increasing number of people within the 15-65 year age cohort, reaching its highest levels for the 2011 year at the end of the third quarter. The number of unemployed people contracted slightly between the second and third quarters of 2011, while the number of employed people increased slightly. This resulted in a net decrease in the labour force between the two quarters.

Discouraged work seekers declined between 2011 Q2 and 2011 Q3 indicating bullish prospects of finding employment. This is supported by the increase in the number of employed persons since the second quarter of 2011, as well as the decline in the rate of applications for unemployment insurance as depicted in Table 1.5. Both the narrow and expanded definitions of unemployment indicate a decline in the level of unemployment within the province, with the expanded definition depicting a greater improvement.

Table 1.7 indicates that, in the first quarter of 2011, the Trade (536 000), Community and social services (514 000), Manufacturing (389 000), Finance (259 000) and Construction (226 000) sectors were the highest employers in KZN. In terms of job creation across industries, no distinct trend can be identified, as some sectors, such as Manufacturing, created more employment while others like Community and social services cut down on employment numbers by the third quarter.

Table 1.7: Employment by industry, 2011 Q1 – 2011 Q3

Thousand	Q1 2011			Q2 2011			Q3 2011		
	Employed	Formal sector	Informal sector	Employed	Formal sector	Informal sector	Employed	Formal sector	Informal sector
Agriculture	108	640		99	598		97	624	
Mining	14	306	7	6	280	1	16	323	1
Manufacturing	389	1 584	219	397	1 513	222	400	1 527	209
Utilities	19	96	1	18	90	4	8	71	2
Construction	226	739	293	235	730	314	234	783	303
Trade	536	1 935	1 027	555	1 938	1 006	605	1 979	1 033
Transport	174	536	191	181	567	210	156	572	184
Finance	259	1 505	126	274	1 549	155	287	1 618	150
Community and social services	514	2 513	315	509	2 529	301	486	2 559	277
Private households	188	1 119		226	1 117		220	1 098	

Source: Stats SA, 2011. Own calculations

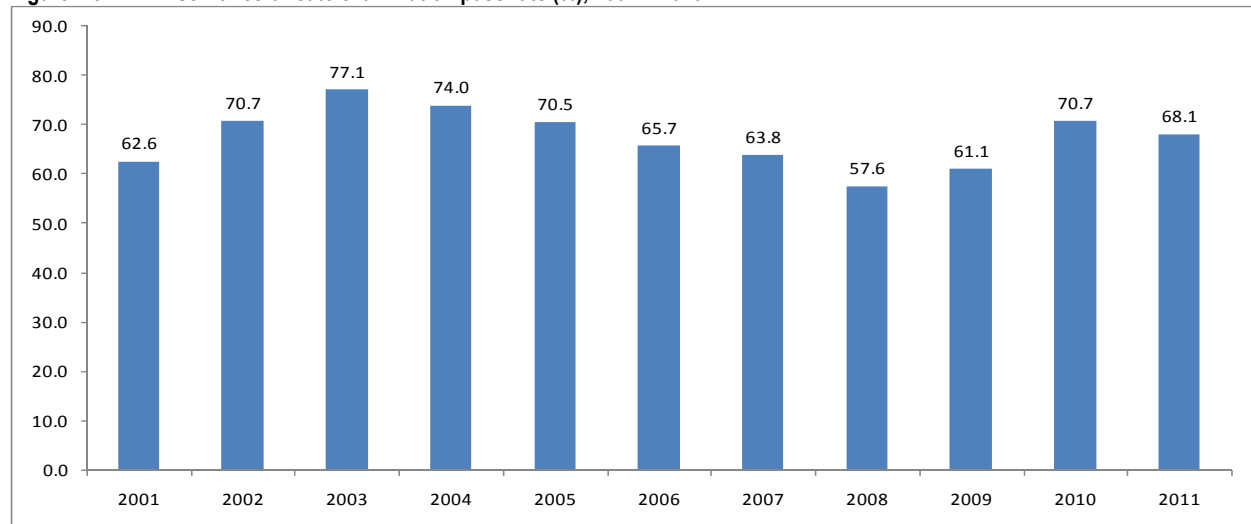
1.6 Education

Education is commonly accepted as a means of empowerment, economic growth and general improvement in the social welfare of a country. As enshrined in the Bill of Rights of the South African Constitution, everyone has a right to basic education. Accordingly, education has been targeted as one of the priorities in the national government's Medium Term Strategic Framework (MTSF).

1.6.1 Matric pass rate

A key measure of the performance of education is the Grade 12 pass rate. Like all measures based on examination results, it is a limited instrument as it generally does not consider other criteria that would impact on results, like teacher expertise and qualifications, retention rates in other grades and resources at schools. However, in the absence of any other comprehensive measure of performance, the Grade 12 results are frequently used. Figure 1.5 shows the KZN matric pass rate for the years 2001 to 2011. While the national matric pass rate increased by 2.4 per cent from 67.8 per cent in 2010 to 70.2 per cent in 2011, the KZN matric pass rate declined by 2.6 per cent from 70.7 per cent in 2010 to 68.1 per cent in 2011.

Figure 1.5: KZN senior certificate examination pass rate (%), 2001 – 2010

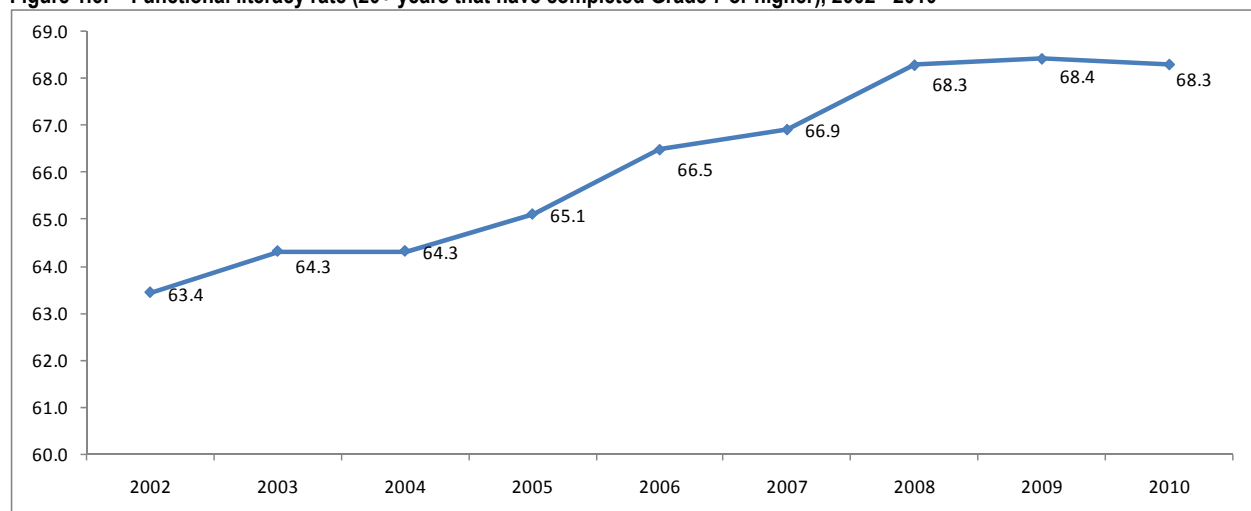


Source: National Department of Basic Education, 2012

1.6.2 Literacy rate

Figure 1.6 shows the functional literacy of KZN for 2001 to 2010. The functional literacy is defined as population aged 20 years and above that has completed grade 7 or higher. The figure reveals that the functional literacy of the province has remained at approximately 68 per cent since 2008.

Figure 1.6: Functional literacy rate (20+ years that have completed Grade 7 or higher), 2002 - 2010



Source: Global Insight, 2011

In 2010, almost more than one third of the teaching time was lost due to the public servants strike that occurred in that year. This might be a contributing factor toward the poor 2010 matric results in KZN.

Table 1.8 provides an analysis of various reasons of non-attendance at schools in 2010.

Table 1.8: Reasons for children aged 7 – 17 years who are not attending any educational institution in KZN in 2010

	Percentage
Too old	1.8
Has completed school/education	6.9
Transport	0.3
No money for fees	39.1
Working, do not have time	4.3
Family commitments	10.1
Education not useful	9
Poor academic performance	7.3
Illness	5.8
Disability	5.6
Pregnancy	3.3
Other	6.7
Per cent	100
Total (thousands)	103 590

Source: Own calculations using data from Stats SA (General Household survey, 2010)

Table 1.9 provides an indication of the various problems experienced at education institutions which may have had an impact on the 2010 matric pass rate.

Table 1.9: Nature of problems experienced at educational institutions in KZN in 2010

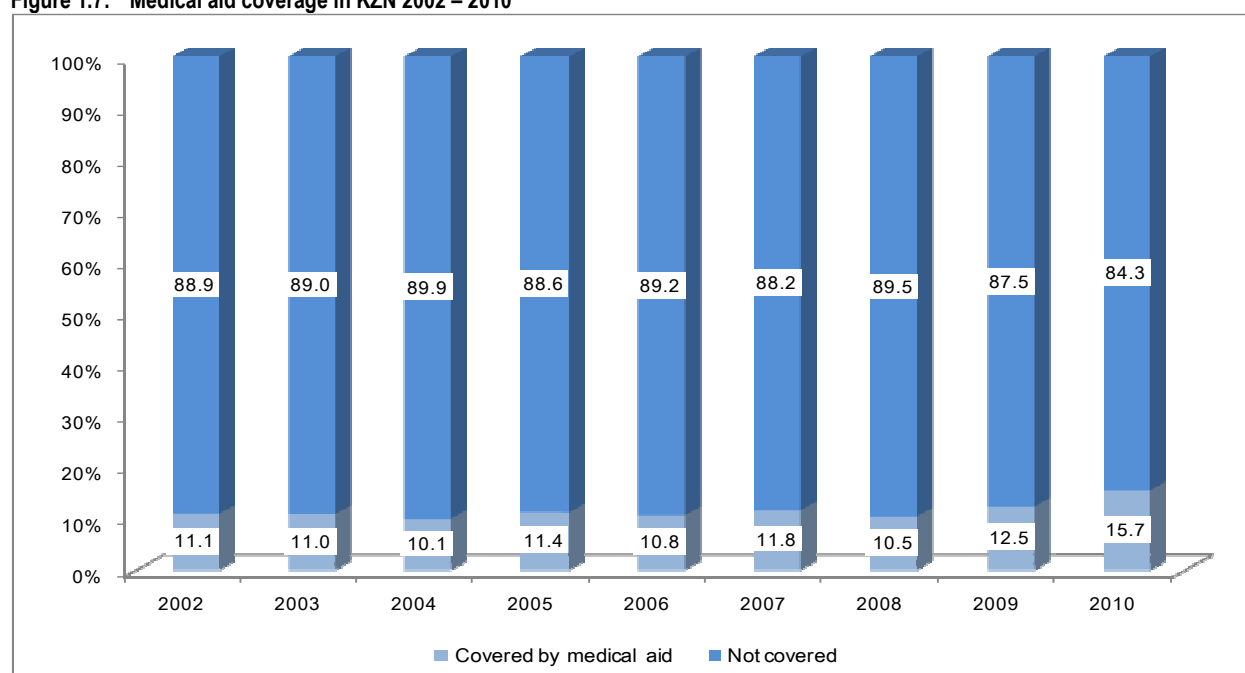
	Percentage
Lack of books	7.5
Poor teaching	3.4
Lack of teachers	2.8
Poor facilities	5.3
Fees too high	6.9
Classes too large	6.4
Teachers absent	2.8
Teachers strike	33.5

Source: Stats SA Household survey 2002 – 2010 and own calculations

1.7 Health

1.7.1 Medical aid coverage and National Health Insurance

Health still remains one of the top priorities of the KZN government. Figure 1.7 reveals that more than 80 per cent of people in KZN are not covered by medical aid. Even though there was an improvement in the percentage of people not covered by medical aid from 89.9 per cent in 2004 to 84.3 in 2010, this percentage is still high.

Figure 1.7: Medical aid coverage in KZN 2002 – 2010

Source: Stats SA Household survey 2002 – 2010 and own calculations

Medical aid is expensive and it is becoming more unaffordable for many South Africans. Government has therefore proposed the National Health Insurance (NHI) to ensure access to quality healthcare for all. The NHI provides that, irrespective of an individual's financial position, all South Africans shall receive equal healthcare benefits. The NHI provides that health benefits will depend on how sick a person is and not on their socio-economic status. NHI means that people will receive healthcare for free at the time they require it. However, the success of the proposed NHI will depend on the willingness of the nation to share resources. The NHI Fund will receive a large contribution from government to ensure that people who are unemployed or earning very little can get free care in the same way as everyone else. The NHI Fund will receive money from general tax revenue, meaning every tax-paying person in South Africa will contribute to the fund. Further contributions will come from individuals who earn above specified levels of income, as well as their employers.

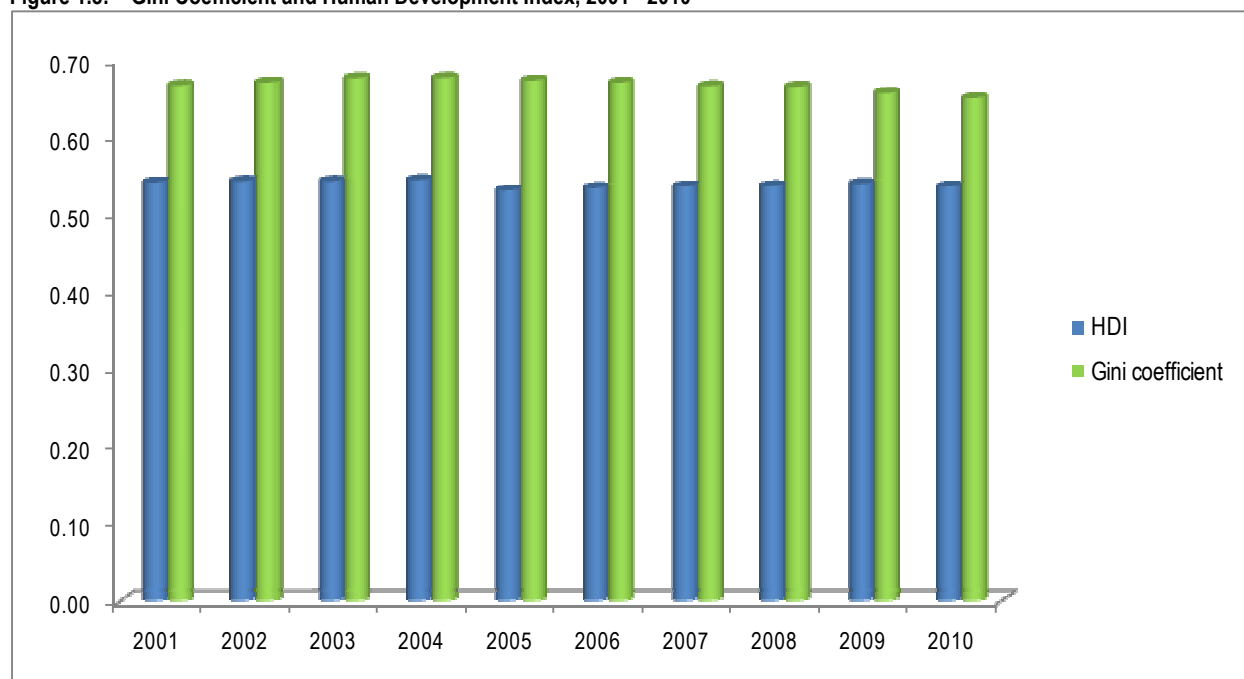
The NHI poses challenges for the government due to insufficient skilled medical human resources in public hospitals and clinics. Government, in conjunction with the private sector, will have to train and develop more people in the medical field in order to meet the demands of the NHI. Government will also need to revamp public healthcare facilities to equate them to private health care facilities. In that way, the equitable share of health benefits will become a reality.

1.8 Development indicators

1.8.1 Gini Coefficient and Human Development Index (HDI)

Figure 1.8 illustrates KZN's Gini Coefficient and HDI.

Figure 1.8: Gini Coefficient and Human Development Index, 2001 - 2010



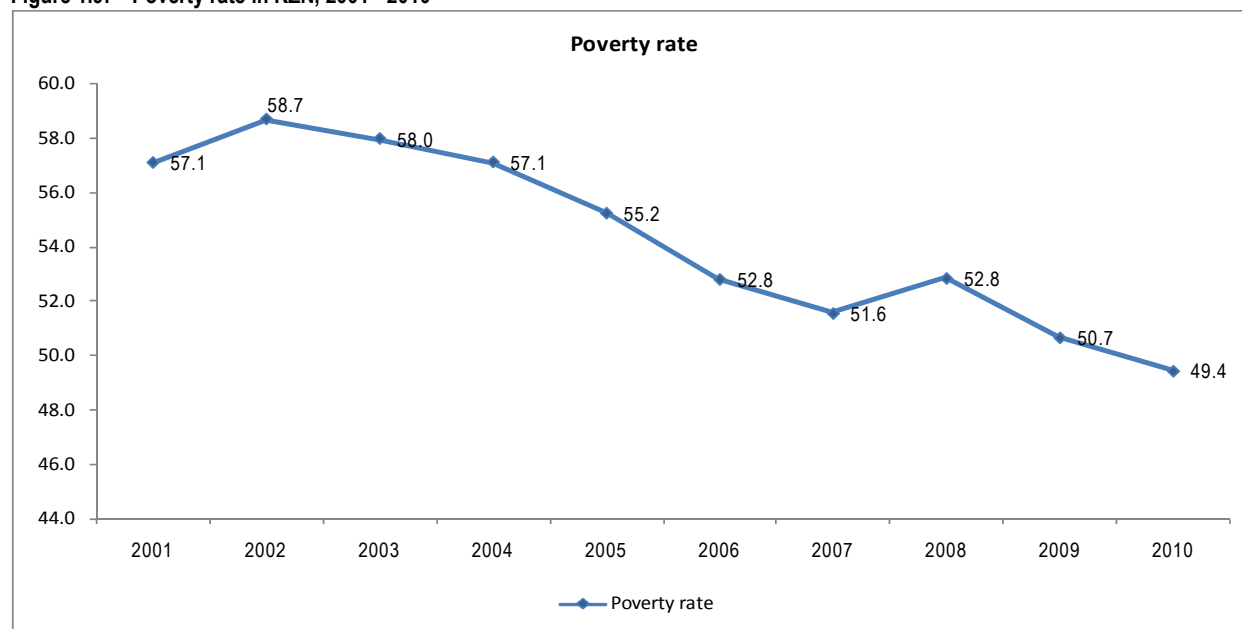
Source: Global Insight, 2011

KZN's HDI has remained constant at low levels over the period under review. The index showed slight improvement from 2005 to 2006, but reverted to an index of 0.54 in 2008, where it has remained. There is a slight decrease in the Gini Coefficient denoting little improvement in income inequality from 0.66 to 0.65 in 2010. Consequently, the province still needs to address the problem of inequality in the distribution of income, as the index is still high.

1.8.2 KZN's poverty rate: 2001 - 2010

Figure 1.9 reveals that KZN's poverty has improved as the proportion of people living in poverty has reduced to 49.4 per cent in 2010 when compared to the high rate of 58.7 per cent in 2002. It is hoped that, as the level of the Gini Coefficient keeps improving, poverty levels will also improve.

Figure 1.9: Poverty rate in KZN, 2001 - 2010



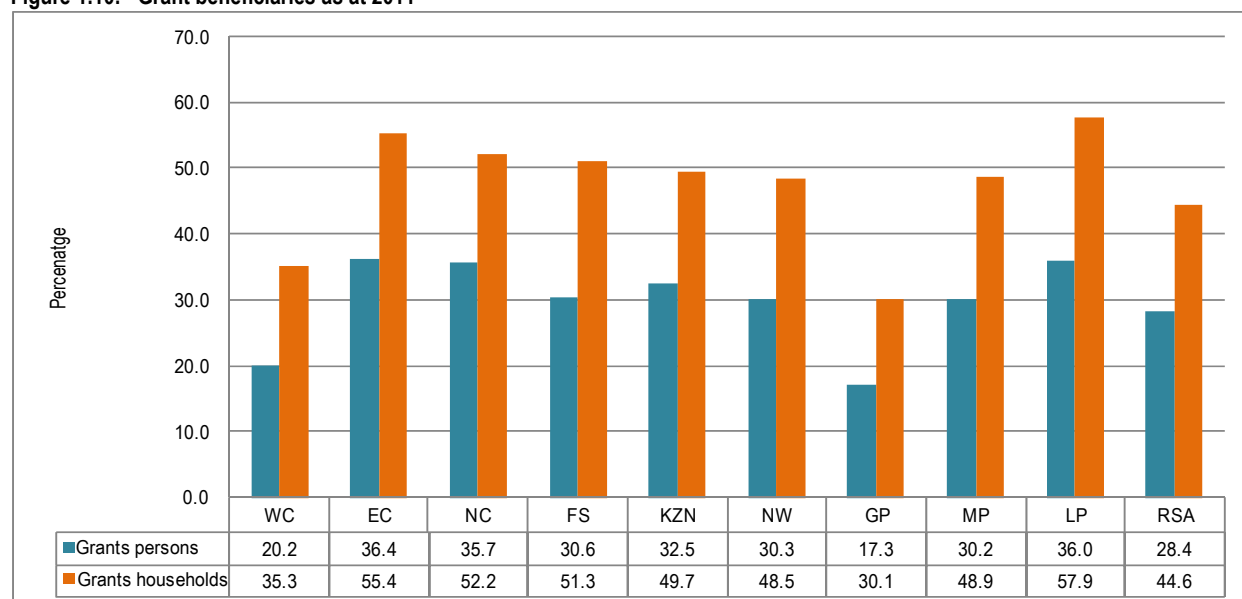
Source: Global Insight, 2011

1.9 Grant beneficiaries

Figure 1.10 shows the percentage of grants per persons and grants per household in KZN and across other provinces.

The figure reveals that social grants benefit 32.5 per cent of individuals while 49.7 per cent of households have access to social grants. KZN has the highest number of households benefiting from grants compared to other provinces. This requires provincial government to promote an environment that will create jobs in order to reduce KZN's dependency on social grants.

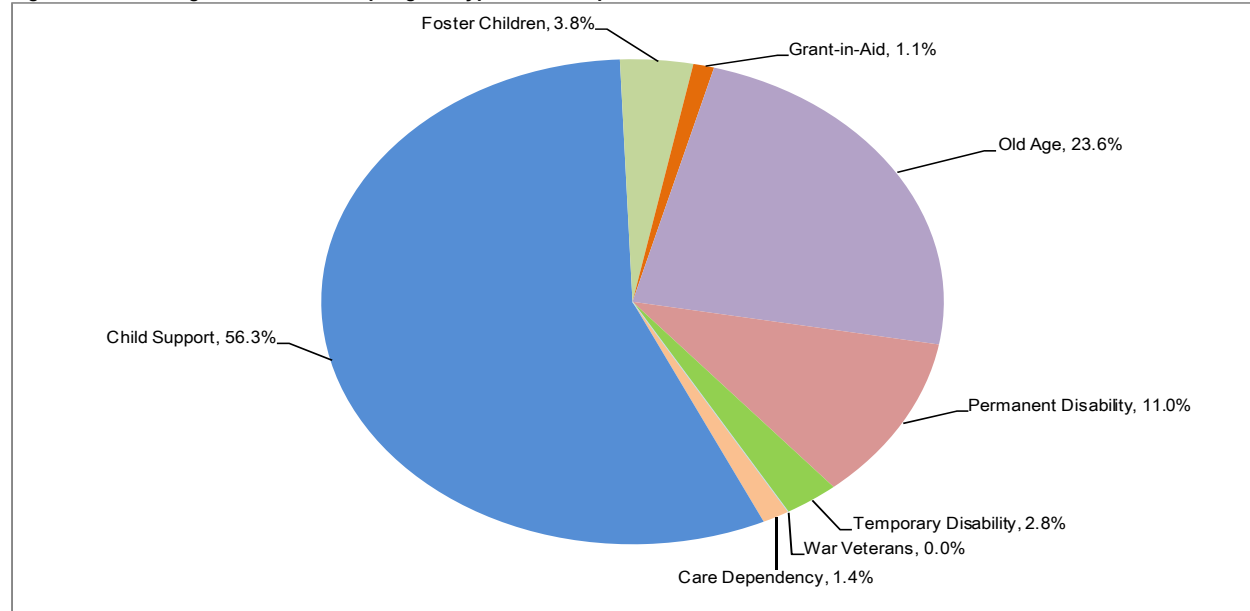
Figure 1.10: Grant beneficiaries as at 2011



Source: Stats SA Household survey 2002 – 2010 and own calculations

Figure 1.11 shows the percentage of grant beneficiaries per grant type. The Child Support grant is the highest beneficiary (56.3 per cent), followed by the Old Age grant (23.6 per cent), Permanent Disability grant (11 per cent), Foster Children grant (3.8 per cent), Temporary Disability grant (2.8 per cent), Grant-in-Aid (1.1 per cent), and the Care Dependency grant (1.4 per cent). The War Veterans' grant has the lowest significance in KZN.

Figure 1.11: KZN grant beneficiaries per grant type as at 30 April 2011



Source: SOCPEN system and own calculations

1.10 Crime

A lot has been done in an effort to curb crime in KZN, and this is reflected by the crime statistics of the South African Police Service between 2009/10 and 2010/11 shown in Table 1.10.

Table 1.10: Incidents of crime (per 100 000 people) in KZN, 2009/10 – 2010/11

Crime category	2009/10	2010/11	% change
Contact crime (Crimes against the person)			
Murder	40.4	35.2	-12.9%
Total sexual offences	127	120.2	-5.4%
Attempted murder	44.2	36.8	-16.7%
Assault with the intent to inflict grievous bodily harm	295.6	287.3	-2.8%
Common assault	315.6	303.1	-4.0%
Robbery with aggravating circumstances	222.4	183.9	-17.3%
Common robbery	76.4	68.8	-9.9%
Contact-related crime			
Arson	11.5	10.7	-7.0%
Malicious damage to property	160.7	155.7	-3.1%
Property-related crime			
Burglary at residential premises	386.6	371.5	-3.9%
Burglary at non-residential premises	108.3	103.2	-4.7%
Theft of motor vehicle and motorcycle	109.6	99.5	-9.2%
Theft out of or from motor vehicle	136.1	149.8	10.1%
Stock-theft	76.2	69.5	-8.8%
Crime detected as a result of police action			
Illegal possession of firearms and ammunition	47.5	47.6	0.2%
Drug-related crime	274.6	304.9	11.0%
Driving under the influence of alcohol or drugs	114.2	95	-16.8%
Other serious crime			
All theft not mentioned elsewhere	448.7	472.3	5.3%
Commercial crime	131.8	143.5	8.9%
Shoplifting	147.4	120.4	-18.3%

Source: Stats SA (General Household survey, 2002-2010) and own calculation

There was a notable improvement in the incidences in all but five of the 20 types of crime. The offences which increased were Theft out of or from motor vehicles, Illegal possession of firearms and ammunition,

Drug-related crime, All theft not mentioned elsewhere and Commercial crime. There was remarkable improvement in contact crimes, though the growth in drug-related offences is worrisome. If allowed to spiral out of control, this could have debilitating consequences on KZN's social and economic well-being.

1.11 Access to services

The South African Constitution states that municipalities should ensure that all citizens are provided with a package of basic services. This package typically includes water and sanitation, electricity, housing, education and health facilities. This sub-section provides insight into the progress that has been made by KZN in the delivery of basic services.

1.11.1 Housing

The percentage of households living in informal dwellings per province is depicted in Table 1.11. Although the national proportion of households living in informal dwellings has seemingly remained unchanged between 2002 and 2010 at 13 per cent, the intermediary period has been characterised by uneven changes. Most provinces, including KZN, demonstrated an improvement in the proportion of households living in informal dwellings, while Western Cape, Northern Cape, North West and Gauteng deteriorated. KZN recorded the highest moderately improved proportion of households living in informal dwellings from 11.3 per cent in 2002 to 7.2 per cent in 2010.

Despite the improvement in the proportion of households living in informal houses, concerns were raised by community groups about the quality of state-provided houses. As a result, a number of questions were included in the General Household Survey (2010) questionnaire to facilitate an analysis of the extent of the problems with the construction of these dwellings. Respondents were asked to indicate whether the walls and roof of their dwellings were: very good, good, needed minor repairs, weak or very weak.

Table 1.11: % of households living in informal dwellings per province, 2002 – 2010

Province	2002	2003	2004	2005	2006	2007	2008	2009	2010
Western Cape	14.5	15.6	12.4	16.5	18.1	19.1	15.9	17.1	17
Eastern Cape	9.4	10.1	9.4	9.2	7.6	9.7	7.5	7.2	7.4
Northern Cape	6.8	7.3	6.2	10.9	9.6	9.1	8.7	8	8.5
Free State	14.8	15.8	13.7	18.3	18	17.6	15.4	14.8	13.2
KwaZulu-Natal	11.3	8.7	9	14.5	8.8	8.5	8.7	8.5	7.2
North West	12.2	9.5	7.8	21.9	21.1	21.5	23.7	16	18.8
Gauteng	19.1	19.9	19.5	22.2	23.2	23.8	21.9	22.3	21.5
Mpumalanga	13.9	12.4	11.8	14.1	11.3	11.3	11.8	8.3	9.9
Limpopo	5.1	5.3	4.4	5.7	4.7	4.9	6.6	5.1	3.8
National	13.0	12.8	11.9	15.7	14.5	15.0	14.1	13.4	13.0

Stats SA (General Household Survey, 2010)

Table 1.12 summarises the findings, specifically for Reconstruction and Development Programme (RDP) houses or state-subsidised dwellings. It was found that, across the country, 17.2 per cent of households felt that the walls of their dwellings were weak or very weak, while 17.9 per cent felt that their roofs were weak or very weak. There was considerable variation between provinces in the perceptions regarding housing quality. In KZN, this proportion stood at 20.9 per cent and 18.9 per cent, respectively, slightly above the national percentages, but below those in the Western Cape at 30.2 per cent each.

Table 1.12: % of households that said their state subsidised house has weak or very weak walls and/or roof by province, 2010

Province	Walls weak	Roof weak
Western Cape	30.2	30.2
Eastern Cape	24.9	32.2
Northern Cape	22.9	23.2
Free State	17.9	17.1
KwaZulu-Natal	20.9	18.9
North West	12.4	15.2
Gauteng	10.5	10.5
Mpumalanga	10.1	10.1
Limpopo	11.3	12.9
National	17.2	17.9

Stats SA (General Household Survey, 2010)

1.11.2 Sanitation

Environmental hygiene plays an essential role in the prevention of many diseases. It also impacts on the natural environment and the preservation of important natural assets, such as water resources. Without proper access to water and sanitation, it becomes difficult to maintain good hygiene. Proper sanitation thus becomes one of the key elements in improving environmental hygiene. Subsequently, there is indeed a great need for a country to invest more in sanitation infrastructure.

With this backdrop, Table 1.13 identifies the percentage of households per province that did not have access to any toilet facilities or were still using the bucket toilet system. The percentage of households that had no toilet facility/used bucket toilets has declined over the period 2002-2010 across all provinces. This is also reflected in the steady decline in the national average, from 12.6 per cent in 2002 to 6.1 per cent in 2010. In KZN, the percentage of households that had no toilet facility or used bucket toilets has declined significantly from 10.8 per cent in 2002 to 6.1 per cent in 2010.

Table 1.13: Provincial % of households that have no toilet facility or using bucket toilet, 2001 – 2010

Province	2002	2003	2004	2005	2006	2007	2008	2009	2010
Western Cape	5.7	8.6	5.2	5.3	4	3.8	5.3	4.2	3
Eastern Cape	36.4	32.8	32.9	26.7	24.4	23.2	20.4	18.9	16.8
Northern Cape	17.7	16.9	11.6	10	10.3	9.7	11.6	8.7	7.1
Free State	17	15.6	13.7	18	16.6	13.3	11.1	7.5	6.1
KwaZulu-Natal	10.8	9	8.4	7.6	8.7	6.2	7.1	6.3	6.1
North West	7	5.5	7.6	9	8.8	7	5.8	3.9	4.3
Gauteng	1.9	2.1	1.8	1.4	0.9	1.3	1.3	1.6	1.2
Mpumalanga	7.5	6.4	6.7	9.4	6.4	7	6.3	5	6.8
Limpopo	20.3	16.8	16.8	12.3	7.4	9.9	11.4	8.8	8.8
National	12.6	11.4	10.7	9.7	8.5	7.9	7.7	6.6	6.1

Stats SA (General Household Survey, 2010)

1.11.3 Water

There is still more to be done in terms of KZN's water infrastructure. Table 1.14 shows that piped water in dwellings has been on an upward trend since 2003, however, this movement has been minimal from year to year. Piped water in dwellings increased from 35.3 per cent in 2006 to 38.1 per cent in 2007, and declined to 35.5 per cent in 2010. Boreholes in yards have been drastically reduced.

Table 1.14: KZN access to water source 2003 - 2010

Households by water source (thousands)	2003	2004	2005	2006	2007	2008	2009	2010
Piped water in dwelling	872	830	935	914	966	879	919	963
Piped water on site/ neighbour's tap	578	565	591	674	624	607	677	719
Borehole in the yard	84	-	-	17	-	-	14	4
Rainwater tank in yard	-	13	-	-	-	-	-	6
Neighbour's tap	-	49	63	58	48	81	89	82
Public tap/rain water tap	385	412	424	466	478	464	519	526
Water-carrier/tanker	27	24	28	29	32	38	55	46
Borehole outside yard	135	164	130	143	105	119	66	68
Flowing water/stream/river	224	201	212	182	183	170	180	170
Dam/pool/stagnant water	22	21	12	10	28	18	20	23
Well	78	58	24	40	20	25	11	14
Spring	54	35	26	40	23	71	56	74
Other	19	8	12	16	30	25	9	17
Unspecified	-	-	-	-	-	-	-	-
Total	2478	2380	2457	2589	2537	2497	2615	2712
Water source (%)								
Piped water in dwelling	35.2	34.9	38.1	35.3	38.1	35.2	35.1	35.5
Piped water on site/ neighbour's tap	23.3	23.7	24.1	26	24.6	24.3	25.9	26.5
Borehole in the yard	3.4	-	-	0.7	-	-	0.5	0.2
Rainwater tank in yard	-	0.5	-	-	-	-	-	0.2
Neighbour's tap	-	2.1	2.6	2.2	1.9	3.2	3.4	3
Public tap/rain water tap	15.5	17.3	17.3	18	18.8	18.6	19.8	19.4
Water-carrier/tanker	1.1	1	1.1	1.1	1.3	1.5	2.1	1.7
Borehole outside yard	5.4	6.9	5.3	5.5	4.1	4.8	2.5	2.5
Flowing water/stream/river	9.0	8.4	8.6	7	7.2	6.8	6.9	6.3
Dam/pool/stagnant water	0.9	0.9	0.5	0.4	1.1	0.7	0.8	0.8
Well	3.1	2.4	1	1.5	0.8	1	0.4	0.5
Spring	2.2	1.5	1.1	1.5	0.9	2.8	2.1	2.7
Other	0.8	0.3	0.5	0.6	1.2	1	0.3	0.6
Unspecified	-	-	-	-	-	-	-	-
Total	100	100	100	100	100	100	100	100

Source: Stats SA Household survey 2002 – 2010 and own calculations

1.11.4 Electricity

In KZN, the percentage of households that were connected to the main electricity supply increased steadily over the period, with the exception of a decline in 2008. Table 1.15 shows the number and percentage of KZN households with access to energy for cooking. The table reveals that 68.1 per cent of households used electricity from mains for cooking in 2010. The second largest source of cooking energy is wood (20.4 per cent).

Table 1.15: KZN household access to energy for cooking 2002 - 2010

Source of energy (thousands)	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electricity from mains	1 290	1 410	1 412	1 519	1 697	1 693	1 589	1 792	1 846
Electricity from generator	1	-	-	-	-	-	-	-	-
Gas	44	42	47	52	42	51	64	49	52
Paraffin	365	363	326	337	308	243	199	171	149
Wood	536	614	546	506	505	491	586	572	554
Coal	43	35	33	32	26	38	38	17	15
Animal dung	5	14	16	11	11	21	21	14	19
None	3	-	-	-	-	-	-	-	67
Total	2 287	2 478	2 380	2 457	2 589	2 537	2 497	2 615	2 712
Source of energy (%)									
Electricity from mains	56.4	56.9	59.3	61.8	65.5	66.7	63.6	68.5	68.1
Electricity from generator	0.0	-	-	-	-	-	-	-	-
Gas	1.9	1.7	2.0	2.1	1.6	2.0	2.6	1.9	1.9
Paraffin	16.0	14.6	13.7	13.7	11.9	9.6	8.0	6.5	5.5
Wood	23.4	24.8	22.9	20.6	19.5	19.4	23.5	21.9	20.4
Coal	1.9	1.4	1.4	1.3	1.0	1.5	1.5	0.7	0.6
Animal dung	0.2	0.6	0.7	0.4	0.4	0.8	0.8	0.5	0.7
Other	0.1	-	-	-	-	-	-	-	2.5
Total	100	100	100	100	100	100	100	100	100

Source: Stats SA Household survey 2002 – 2010 and own calculations

Table 1.16 shows KZN households with access to energy for heating.

The use of energy from mains as a source for heating was 43.2 per cent in 2010. The use of electricity from mains for heating in KZN declined from 60.8 per cent in 2006 to 43.2 per cent in 2010. This decline may be associated with the increase in electricity tariffs. The use of wood as a source of energy for heating has decreased over the years, though it is still a significant source of energy for heating in KZN.

Table 1.16: KZN household access to energy for heating 2002 – 2010

Source of energy (thousands)	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electricity from mains	1 151	1 267	1 218	1 432	1 575	1 480	1 358	1 166	1 171
Electricity from generator	1	-	-	-	-	-	-	-	-
Gas	17	20	21	14	20	26	15	-	7
Paraffin	210	186	129	192	183	125	95	51	66
Wood	598	663	648	596	595	603	696	649	630
Coal	59	44	47	52	57	54	68	47	21
Animal dung	5	-	-	-	-	-	14	15	-
Other	4	-	-	-	-	-	-	-	25
None	231	284	301	159	129	213	223	675	790
Unspecified	11	14	16	12	30	36	28	12	2
Total	2 287	2 478	2 380	2 457	2 589	2 537	2 497	2 615	2 712
Source of energy (%)									
Electricity from mains	50.3	51.1	51.2	58.3	60.8	58.3	54.4	44.6	43.2
Electricity from generator	0.0	-	-	-	-	-	-	-	-
Gas	0.7	0.8	0.9	0.6	0.8	1.0	0.6	-	0.3
Paraffin	9.2	7.5	5.4	7.8	7.1	4.9	3.8	2.0	2.4
Wood	26.1	26.8	27.2	24.3	23.0	23.8	27.9	24.8	23.2
Coal	2.6	1.8	2.0	2.1	2.2	2.1	2.7	1.8	0.8
Animal dung	0.2	-	-	-	-	-	0.6	0.6	0.9
Other	0.2	-	-	-	-	-	-	-	0.9
None	10.1	11.5	12.6	6.5	5.0	8.4	8.9	25.8	29.1
Unspecified	0.5	0.6	0.7	0.5	1.2	1.4	1.1	0.5	0.1
Total	100	100	100	100	100	100	100	100	100

Source: Stats SA Household survey 2002 – 2010 and own calculations

Table 1.17 shows that electricity from mains was the main source of energy for lighting between 2002 and 2010. The use of electricity from mains as a source of energy for lighting is the highest in the province at 76.25 per cent. Table 1.17 also shows that the next highest source of lighting is candles, especially between 2004 and 2010.

Table 1.17: KZN household access to energy for lighting 2002 – 2010

Source of energy (thousands)	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electricity from mains	1 567	1 752	1 714	1 769	1 934	1 943	1 839	1 999	2 068
Electricity from generator	1	-	-	-	-	-	-	-	-
Gas	4	-	-	-	-	-	-	-	-
Paraffin	42	37	20	43	27	18	15	12	22
Candles	668	678	629	634	604	555	623	596	532
Solar energy	1	-	-	-	11	-	-	-	7
Other	1	-	-	-	-	-	-	-	8
Unspecified	3	11	17	11	13	21	20	8	72
Total	2 287	2 478	2 380	2 457	2 589	2 537	2 497	2 615	2 712
Source of energy (%)									
Electricity from mains	68.5	70.7	72.0	72.0	74.7	76.6	73.6	76.4	76.3
Electricity from generator	0.0	-	-	-	-	-	-	-	-
Gas	0.2	-	-	-	-	-	-	-	-
Paraffin	1.8	1.5	0.8	1.8	1.0	0.7	0.6	0.5	0.8
Candles	29.2	27.4	26.4	25.8	23.3	21.9	24.9	22.8	19.6
Solar energy	0.0	-	-	-	0.4	-	-	-	0.3
Other	0.0	-	-	-	-	-	-	-	0.3
Unspecified	0.1	0.4	0.7	0.4	0.5	0.8	0.8	0.3	2.7
Total	100	100	100	100	100	100	100	100	100

Source: Stats SA Household survey 2002 – 2010 and own calculations

2. SUMMARY OF BUDGET AGGREGATES AND FINANCING

2.1 Introduction: Budget strategy - An overview

Unlike the previous few years, the 2012/13 budget saw some increases in the equitable share portion of funding received from the national fiscus. In the first instance, the province receives some additional equitable share funding as a result of the data updates that inform the equitable share formula. In line with this, the province received R194.478 million in 2012/13 rising to R893.268 million in 2014/15. Further to this, the province received additional funding which was ear-marked for specific national priorities. The amount received in this regard was R556.151 million in 2012/13 rising to R1.210 billion in 2014/15. The priorities funded with these amounts are the carry-through costs of the 2011 wage agreement for Education and Health, expansion of no-fee schools, universalisation of Grade R and Child and Youth Care and Victim Empowerment. The province received a further R174.672 million in 2012/13 increasing to R195.381 million in 2014/15. These funds were used to fund the carry-through costs of the 2011 wage agreement for all other departments, improving infrastructure support in Education, Health, Provincial Treasury and Public Works, as well as various provincial priorities.

The province also looked very critically at its existing baseline and reprioritised funds from projects and programmes that had a limited life-span, to other priority areas. The provincial own revenue budgets were reviewed and resulted in an increase, in aggregate, of the revenue projections over the 2012/13 MTEF. These additions to the own revenue were added to “the pot” and therefore became available for allocating to provincial priorities.

Departments were reminded that the cost-cutting measures, which were first introduced in 2009/10, remain in place for the foreseeable future. As such, departments were reminded to reprioritise savings realised as a result of cost-cutting, into areas of service delivery spending.

The province continues to budget for a surplus in the 2012/13 MTEF. The budget surplus is set at R1 billion per annum over the 2012/13 MTEF and is slightly higher than the budgeted surplus of the 2011/12 MTEF. This is discussed in more detail in Section 2.3 below. The province has also reduced the allocation for overdraft service charges from R100 million to R50 million per year over the three years of the MTEF. Given the easing of the pressure on the budget in 2011/12 and the positive cash position that has prevailed since May 2010 as a result of fiscal austerity measures, it is believed that the revised overdraft service provision should be sufficient in view of the fact that the province has moved from paying interest on an overdraft to earning interest on positive cash balances. The overdraft interest provision remains though, *albeit* at lower levels, as the spending pressures that exist in Education are posing a real threat to the financial recovery which the province has undergone in recent years.

The strategy discussed above has allowed the province to finance several provincial priorities over the 2012/13 MTEF. These include, but are not limited to, the following:

- (i) ***Youth Ambassadors programme.*** This programme aims to develop youth who will conduct provincial household surveys to profile the needs of the communities. The youth ambassadors commenced populating a database of all the youth in their respective areas of operation, as well as establishing and maintaining Youth Clubs for the youth in- and out-of-school. This database will allow the provincial government to understand the extent of the needs of the youth. Furthermore, this will allow the government to understand precisely the number of youth in the province and what their circumstances are, such as, the number of unemployed youth and the number of youth that left school. The youth ambassadors will also assist in the mass implementation of other government programmes, such as awareness campaigns on HIV and AIDS, healthy lifestyle promotion, the One Home, One Garden and Back to School campaigns.
- (ii) ***Fencing and irrigation scheme programmes.*** The fencing programme is aimed at addressing the backlog in fencing communal/traditional agricultural areas in KZN, while the irrigation scheme programme is aimed at establishing reliable irrigation production sites in rural areas.

- (iii) **Operation Sukuma Sakhe.** In the 2012/13 MTEF, the key focus areas in rolling out the Operation Sukuma Sakhe model in all 11 districts is to create a model on sharing of costs of key flagship programmes. It is also intended to co-ordinate and monitor the involvement of youth in behaviour change and their development, monitor and evaluate interventions on food security, focus on the empowerment of women and youth, improve ability to reach all wards especially in rural areas, as well as equip 400 war rooms with computers, furniture, and connectivity.
- (iv) **Maintenance of the road network.** The backlog in road maintenance in the province is high and continues to increase. Additional allocations have therefore been made to the Department of Transport for road maintenance.
- (v) **Strategic Cabinet Initiatives.** This initiative provides funding to finance strategic projects that can profile and showcase the province as an investment destination of choice internationally. This allocation will be used to fund special events such as international sport tournaments that will draw international audiences and participants to the province.

As mentioned earlier, the cornerstone of the 2012/13 budget strategy continues to be the reprioritisation of the existing provincial budget and maintaining a healthy budget surplus to provide a sufficient cushion in cases of fiscal shocks in the system. KZN also continues with the implementation of fiscal austerity measures to ensure that the fiscal framework remains stable in the years ahead. To this end, several projects are already underway to ensure that the way government does business yields value for money. KZN continues to find ways of improving its financial management practices and service delivery excellence. To this end, KZN's Contract Management Project is on track and the team has already profiled contracts worth about R14 billion in pilot departments and municipalities in the province. At the core of this project, is an attempt to ensure that government gets full value for money from existing contracts. Working with National Treasury, the province is also making progress in SCM. One major break-through has been an agreement to lower the threshold of competitive tendering from R1 million to R500 000. What this means is that all bids above R500 000 must now be subjected to a competitive tender process. This should improve SCM practices and reduce collusion between officials and service providers.

Given the resource constraints that exist due to the high demand for government services, ways of increasing provincial-own revenue generation are being explored, especially in the Health sector. The collection rate of health-patient fees (for paying patients) is far too low and there is room for the province to substantially improve its collection. The Department of Health will be assisted in ensuring that systems are in place to process invoices and recover fees from government institutions that utilise public health services, such as the South African Police Service, Correctional Services, the Road Accident Fund, and so on. The focus will also be on the processing of invoices destined for medical aid schemes for those patients who are medically insured, but use public health services.

In summary, the 2012/13 budget strategy is underpinned by four elements, namely:

- Reprioritisation of the current budget.
- Fiscal austerity.
- Sound cash-flow management and increasing provincial own revenue.
- A stable fiscal framework will ensure that the province has adequate resources to continue delivering the much needed services to the people of KZN.

2.2 Aligning provincial budgets to achieve government's prescribed outcomes

In preparing the 2012/13 MTEF budget, departments were requested to focus on the national outcomes, the New Growth Path, the Provincial Growth and Development Strategy (PGDS), as well as the Provincial Spatial Economic Development Strategy (PSEDS).

The 12 national outcomes are listed below:

National Outcome	Departments
1. Improved quality basic education	Vote 5
2. A long and healthy life for all	Vote 7, Vote 9, Vote 11, Vote 13
3. All people in South Africa are and feel safe	Vote 9
4. Decent employment through inclusive economic growth	All
5. A skilled and capable workforce to support an inclusive growth path	All
6. An efficient, competitive and responsive economic infrastructure network	Vote 3, Vote 4, Vote 6, Vote 8, Vote 11, Vote 12, Vote 14
7. Vibrant, equitable and sustainable rural communities with food security for all	Vote 3, Vote 4, Vote 8, Vote 13
8. Sustainable human settlements and improved quality of household life	Vote 8
9. A responsive, accountable, effective and efficient local government system	Vote 6, Vote 11
10. Environmental assets and natural resources that are well protected and continually enhanced	Vote 3, Vote 10
11. Create a better South Africa and contribute to a better and safer Africa and World	All
12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	All

In the chapter per Vote of this *EPRE*, departments have indicated under the Strategic objectives sections, which national outcomes they are responsible for.

2.3 Summary of budget aggregates

Table 2.1 provides an analysis of the overall provincial budget performance by comparing total receipts against total payments, resulting in a surplus or deficit before financing over the seven-year period under review. The table also provides the details of the financing items and amounts to provide the net position after financing for each financial year. The data for 2008/09 to 2010/11 is based on audited receipts and payments, while the 2011/12 figures provide a revised estimate position as at the end of December 2011. The 2012/13 to 2014/15 data reflects the budgeted receipts and payments for the MTEF period.

The detailed analysis of the provincial total receipts and payments is provided under Sections 4 and 5 of the *Overview of Provincial Revenue and Expenditure (OPRE)*.

Table 2.1: Provincial budget summary

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Provincial receipts									
Transfer receipts from national	51 490 462	60 826 209	69 985 468	76 241 101	76 990 750	76 990 750	82 230 360	88 144 931	94 286 335
Equitable share	44 223 509	51 972 804	57 632 201	62 927 556	63 584 195	63 584 195	67 802 913	72 579 341	77 551 103
Conditional grants	7 266 953	8 853 405	12 353 267	13 313 545	13 406 555	13 406 555	14 427 447	15 565 590	16 735 232
Provincial own receipts	1 698 353	1 857 195	2 041 364	1 942 965	1 942 965	2 583 361	2 338 953	2 499 628	2 671 396
Total provincial receipts	53 188 815	62 683 404	72 026 832	78 184 066	78 933 715	79 574 111	84 569 313	90 644 559	96 957 731
Provincial payment*									
Current payments	43 134 534	48 496 906	52 348 915	60 813 457	60 838 833	62 372 571	66 043 869	70 522 983	75 782 152
Transfers and subsidies	6 878 930	8 729 974	9 228 306	9 262 713	9 772 851	9 405 631	10 118 836	11 403 213	12 129 775
Payments for capital assets	5 500 427	5 417 997	5 651 866	7 210 771	7 761 854	7 282 530	7 406 955	7 507 037	7 785 616
Payments for financial assets	14 801	1 164 407	445 440	13 070	13 497	13 622	1 800	1 800	3 394
Unallocated contingency reserve									
Total provincial payments	55 528 692	63 809 284	67 674 527	77 300 011	78 387 035	79 074 354	83 571 460	89 435 033	95 700 937
Lending									
Surplus/(deficit) before financing	(2 339 877)	(1 125 880)	4 352 305	884 055	546 680	499 757	997 853	1 209 526	1 256 794
Financing	119 860	(24 928)	420 639	63 953	401 328	401 328	130 824	-	-
Provincial roll-overs	348 793	65 617	124 757	63 953	255 216	255 216	16 027	-	-
Provincial cash resources	(227 921)	(92 254)	299 391	-	142 603	142 603	114 797	-	-
Suspension to ensuing year	-	-	-	-	-	-	-	-	-
Surplus Own Revenue surrendered	(1 012)	1 709	(3 509)	-	3 509	3 509	-	-	-
Surplus/(deficit) after financing	(2 220 017)	(1 150 808)	4 772 944	948 008	948 008	901 085	1 128 677	1 209 526	1 256 794

In aggregate, the province recorded deficits before financing in 2008/09 and 2009/10. The over-expenditure of these years resulted in the province's bank account going into overdraft, thus prompting Cabinet to approve the Provincial Recovery Plan and the associated cost-cutting measures. This Recovery Plan was approved in 2009/10, and its benefit could already be seen at the end of 2009/10, with the over-spending of that year being substantially lower than in 2008/09. The success of this plan was further seen in 2010/11, when the province under-spent its budget substantially. The under-spending in that year was R3.426 billion. This under-spending, along with the over-collection of own revenue in that year and the

budgeted surplus resulted in a surplus of R4.773 billion at the end of 2010/11. This substantial surplus allowed the province to repay the provincial overdraft in a space of 18 months, as opposed to the three years it was initially anticipated that it would take to repay it. The 2011/12 financial year once again saw the province budgeting for a surplus, largely to protect it against any fiscal shocks that may occur in-year.

The Revised Estimate for 2011/12 in Table 2.1 indicates that the budgeted surplus will be R901.085 million, if the current spending patterns and projections of departments are taken into account. This is a reduction when compared to 2010/11, and there are a number of reasons for this. The first is that departments are still implementing the cost-cutting measures. Secondly, while most departments showed fairly substantial under-spending in 2010/11, the levels of projected under-spending in the 2011/12 Revised Estimate have decreased significantly. Added to this is that the Department of Education is showing fairly significant projected year-end over-expenditure. Education's projected over-expenditure is mitigated by the under-expenditure projected by other departments, as well as fairly significant revenue over-collection. As a result of all these factors, the province is projecting to end the year with a surplus of R901.085 million.

The province continues to budget for a surplus over the 2012/13 MTEF. While this is a higher budgeted surplus when compared to the 2011/12 MTEF, the province thought it prudent to tread carefully, especially in view of the severe spending pressures currently being experienced by the Department of Education (discussed in more detail under Vote 5: Education). From the table, it can be seen that the budgeted surplus is set in excess of R1 billion. The province is setting aside R128.677 million in 2012/13, R209.526 million in 2013/14 and R256.794 million in 2014/15 of this surplus for possible allocation to the Department of Education for the various spending pressures that exist in this department. These funding pressures were brought about by the filling of numerous unfunded vacant posts, as well as prior years' under-funding with respect to the various wage agreements, and the concomitant carry-through costs. These funds will only be allocated, though, once Education has shown commitment to its newly devised cost containment plan, and once this plan starts bearing fruit. Once these funds are allocated, the budgeted surplus is set at R1 billion per year over the 2012/13 MTEF. It was felt that the budgeted surplus of R1 billion would assist in protecting the province from any fiscal shocks that may occur in-year, and would act as a cushion in the event that Education does not control their costs quickly enough.

It should be noted that any surplus or deficit that may arise in 2011/12 will be taken into account when the province prepares its Adjustments Estimate for 2012/13.

2.4 Financing

Budgeted surplus

The total provincial receipts exceed the total provincial payments over the 2012/13 MTEF period, thereby reflecting a surplus budget before and after financing. This indicates that not all financial resources available to the province have been allocated to the 16 provincial departments for spending over the three-year MTEF period. As mentioned above, this is purposely done, and is a continuation of the approach which commenced in 2009/10 whereby all provincial departments' budget allocations were reduced by 7.5 per cent of the value of their *Goods and services* budgets. While the initial intention of the budgeted surplus was to repay the provincial overdraft that had come about as a result of substantial over-spending by some provincial departments over the past few years, the surplus is now being kept to protect the province against any fiscal shocks that may occur. The need for such a surplus was especially pronounced in 2011/12, when the Department of Education was projecting fairly substantial year-end over-expenditure. In the event that this department continues to over-spend its budget allocation, the budgeted surplus protects the province in so far as it should not go into overdraft, as the budgeted surplus acts as a cushion which will absorb at least some of the over-expenditure. The budget surplus also protects the province against any other fiscal shocks (such as unfunded mandates) that may occur in-year.

The provincial overdraft in March 2008 was at such a level, that it was very close to the approved overdraft limit of the province. This required a review of the entire cash management system in KZN. The province required the combined effort of all departments to restore the health of the provincial balance

sheet. On the cash management side, the payment system from the Provincial Treasury to the provincial departments changed from a “funding as you spend” mechanism, to funding departments according to the original balanced cashflow projections of departments. This resulted in immediate detection of negative movements in the departmental bank balances. Along with daily monitoring of the various bank balances by Provincial Treasury, Cabinet continues to be informed of departmental bank balances on a monthly basis. As a result of the 7.5 per cent reduction in departments’ *Goods and services* budgets, the cash management reforms and the cost-cutting measures introduced by Cabinet, the province has had positive end-of-month cash balances since May 2010 and positive daily balances since 29 June 2010. The province is earning interest on positive cash balances rather than paying interest, as it did in the last few financial years.

Implementation of Section 34(2) of the PFMA (First charge rule)

In addition to the 7.5 per cent reduction mentioned above, the province implemented the first charge rule (in terms of Section 34(2) of the PFMA) for the first time during the 2009/10 Adjustments Estimate. This was done as some departments’ over-expenditure in prior years was of such a level that the 7.5 per cent reduction was insufficient for them to repay their over-expenditure amounts. This meant that the affected departments saw a further reduction in their budget available for spending, in order to fully pay back the over-expenditure they had incurred in 2008/09. Important to note and understand, though, is that these amounts were not removed from their budgets as such, but were allocated to *Payments for financial assets* to allow the necessary accounting treatment of these amounts.

The only department affected by the first charge rule over the 2012/13 MTEF is the Royal Household. Further first charges will be implemented once the Standing Committee on Public Accounts (SCOPA) makes a determination in this regard. This will then be shown against the relevant department in future MTEF periods.

Cost-cutting measures

Besides the above-mentioned measures taken by the province to start financing the provincial overdraft, Cabinet also approved a list of cost-cutting measures which were implemented from October 2009. The aim of these cost-cutting measures is to reduce expenditure on “frills” and “nice to haves” and rather redirect these funds into core service delivery areas. These cost-cutting measures, which are listed below and are updated and re-issued to departments each year, will remain in place for the foreseeable future as they are really elements of good governance, rather than a once-off initiative to contain costs:

- No furniture or equipment to be bought, unless it is a critical requirement for service delivery.
- Essential training be done in-house (exceptions to be approved by the HOD).
- Overseas trips be rationalised.
- Business class travel only for MECs and HODs (and MPLs, where applicable).
- Car hire bookings – class of vehicle to be lowered.
- Catering for meetings be stopped (exceptions to be approved by Provincial Treasury).
- Kilometre controls be implemented on travelling (1 750 kilometres per month per official unless there are exceptional circumstances – the exceptions should be approved by the HOD).
- Officials to travel together unless absolutely unavoidable.
- Only essential trips be undertaken.
- Meetings, strategic planning sessions and workshops to be held in departments’ offices instead of private venues.
- Air travel be limited to important meetings with only one representative to attend on behalf of the department, unless otherwise required.
- No team building exercises or year-end/Christmas functions (only permitted if paid for by the staff themselves).

- Cut down on unnecessary overnight accommodation. Staff to sleep over only if the total distance to and from the destination is more than 500 kilometres.
- Where there are one-day meetings in other provinces, officials must travel there and back on the same day (where possible).
- No promotional items to be purchased (t-shirts, caps, bags, etc.).
- No leave conversion payments (leave to be taken) – this does not apply to leave pay-outs when staff are exiting the public service.
- Strict control of overtime.
- Re-evaluate the hosting of provincial events.
- Re-evaluate cell phone spending (including capping monthly spending per phone).

Sources of financing

The paragraphs below aim to provide an explanation of some of the terms contained in Table 2.1. In essence, the province has three sources of financing available, namely provincial roll-overs, provincial cash resources, and suspensions to the ensuing financial year.

Provincial roll-overs refer to funds that were appropriated and committed but not spent in that financial year. These commitments are in respect of once-off expenditure such as acquisition of machinery and equipment, completion of infrastructure projects, etc., as well as unspent conditional grants. These unspent funds are then re-allocated to the relevant department during the Adjustments Estimate in the following year.

Provincial cash resources refer to surplus funds in the provincial revenue fund, after taking into account all commitments and subsequent roll-overs. This includes unspent appropriated funds in departments that were not rolled over to the ensuing financial year, as well as surplus provincial own revenue that was collected in prior financial years. This source of financing also relates to any internal provincial reprioritisation that is undertaken to finance provincial commitments.

Suspensions to ensuing years occur when departments intentionally apply to Provincial Treasury to have a portion of their budget suspended during the course of the year, and re-allocated in the next or later financial years, because of unforeseen delays in spending the funds, or slower than anticipated progress. This process will ensure that the department will have the funding available to complete the project during subsequent financial years.

3. BUDGET PROCESS AND MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF)

3.1 The 2012/13 MTEF budget process in brief

3.1.1 Treasury Guidelines circular

The preparation and distribution of the *Treasury Guidelines* document marked the start of the 2012/13 MTEF budget process. This document explains the policy framework and format which departments must use to prepare the 2012/13 MTEF budget submissions.

The 2012/13 budget process focuses on the compilation of reprioritised budgets and service delivery that is aligned with the 12 national outcomes, the New Growth Path, the PSEDs and the PGDS. As in the previous two MTEF cycles, departments were asked to continue implementing the cost-cutting measures first introduced as part of the Provincial Recovery Plan in 2009/10, and to redirect any savings realised from this into service delivery. Departments were also requested to try and fund any new priorities through reprioritisation. As in previous budget processes, departments were directed to provide the spatial spending and service delivery within district municipal areas, and to consider the budget proposals received from public entities. The social sector departments, being Health, Education and Social Development, were requested to cost the agreed to national priorities which require additional funding, as well as to cost a maximum of three provincial 'initiatives'. The other departments were requested to identify and cost a maximum of three 'initiatives'. The public entities were also given the opportunity to cost two 'initiatives'.

3.1.2 Initiative measurement criteria

The measurement tool used in prior budget processes was again used to assess requests for additional funding, and this was used as an indication of whether requests for additional funding should be supported in principle, or not. Each initiative was therefore rated against the following seven criteria:

- Evidence that the initiative contributes to government policy priorities.
- Credible service delivery information.
- Alignment of the initiative to the core functions of the department.
- Evidence of cost-cutting without affecting service delivery.
- Evidence that the department underwent thorough reprioritisation with a view to fund part of the initiative from within budget.
- Is the costing / initiative realistic?
- Was there adequate political involvement in the budget formulation process?

Of the seven criteria, the first four were considered as mandatory and had to be complied with if an initiative was to be considered. In terms of the rating exercise, each of the first four criteria translated to '2' points if complied with, and a '0' if not. A higher score was accorded to the first four criteria, simply because they were seen as being essential. An initiative therefore could score a maximum of 11 points or 100 per cent. The Medium-Term Expenditure Committee (MTEC) then reviewed each and every funding request and made proposals to the Ministers' Committee on the Budget (MinComBud) and Cabinet.

3.1.3 Allocation process

MTEC met with all 16 provincial departments in September 2011, as well as their related public entities. The MTEC for this 2012/13 MTEF cycle indicated that the meeting was taking place during a time of economic uncertainty and that the province was not certain whether additional funds would flow to the province from the national fiscus. Also, while the province's cash position has improved remarkably and the provincial overdraft has been fully repaid, the province should continue to be prudent in allocating its

resources, especially in view of the in-year spending pressures experienced by some departments, with Education reflecting substantial year-end over-expenditure. As such, it was considered advisable to first see the magnitude of the provincial year-end over-spending and understand the implications thereof before allocating all spare resources to priority areas.

When MTEC met, National Treasury indicated that there would be very little additional funding allocated to provinces, and that any additional allocation would be ear-marked for the 2011 wage agreement (only for Education and Health), as well as some national priorities in the Education and Social Development sectors. It was also indicated that National Treasury is exploring the reduction of provincial baselines to effect savings country-wide, which would be used to stabilise the country's debt levels, among others.

MTEC therefore looked quite critically at departments' existing baselines with the view to reprioritise some funding. A decision was also taken to review all allocations made to departments over the last few MTEF periods and to recall back to the fiscus (for re-allocation) any funds which are once-off in nature. These include renovations to his Majesty, the King's palaces which were calculated to require funding up to 2013/14. As such, these renovations are once-off in nature and do not require funding beyond 2013/14. Similarly for Social Development, the department received funding for renovations to various service delivery infrastructure. Again, as the renovations are once-off in nature, the baseline of the department was decreased in 2014/15 as the renovations should be completed by the end of 2013/14. Public Works undertook a costing exercise on the implementation of the Government Immoveable Asset Management Act (GIAMA) in 2014/15. This costing exercise indicated a slight over-provision of the baseline for GIAMA in 2014/15, and this excess amount is therefore removed from the department's baseline in 2014/15. Finally, a decision was taken to cap the interest on the overdraft provision at R50 million (whereas it was at R100 million before being capped). All these decisions released some funding back into the fiscus, which was used to fund various provincial priorities.

Table 3.1 indicates the departments' requests for additional funding for the 2012/13 MTEF. As mentioned, these had to be very critically assessed in view of the uncertainty of additional funding the province would receive from the national fiscus. It is worthwhile noting that, in spite of sizeable growth rates already in most departments' baseline budgets, averaging 6.3 per cent (see Table 3.3), departments requested, in total, R5.578 billion, R5.992 billion and R7.173 billion over the 2012/13 MTEF (a total of R18.743 billion over the three years of the MTEF).

Many of the requests for additional funding were based on sound principles and fared well when assessed in terms of the criteria mentioned above. However, the additional equitable share funding received from National Treasury due to data updates that inform the equitable share formula, the provincial reprioritisation exercise that was undertaken and revisions to the provincial own revenue estimates, only allowed for some funding to be allocated to departments for their provincially identified priorities.

It should be noted that the three social sector departments did not request funds for nationally agreed to priorities, as these were being dealt with at a national level in various collective forums.

Table 3.1: Summary of additional funding requested by departments

R thousand	Amounts requested			
	2012/13	2013/14	2014/15	Total
1. Office of the Premier	148 790	74 313	72 885	295 989
2. Provincial Legislature	-	-	-	-
3. Agriculture, Environmental Affairs and Rural Development	473 168	235 408	283 526	992 102
4. Economic Development and Tourism	366 993	480 845	525 721	1 373 559
5. Education	1 034 856	1 084 933	1 153 429	3 273 218
6. Provincial Treasury	20 949	15 053	16 361	52 363
7. Health	779 903	1 119 233	1 515 637	3 414 773
8. Human Settlements	-	-	-	-
9. Community Safety and Liaison	8 670	6 000	5 400	20 070
10. The Royal Household	-	-	-	-
11. Co-operative Governance and Traditional Affairs	335 621	320 924	332 386	988 931
12. Transport	2 193 499	2 453 688	3 057 378	7 704 565
13. Social Development	-	-	-	-
14. Public Works	30 000	30 000	30 000	90 000
15. Arts and Culture	111 496	105 374	111 888	328 758
16. Sport and Recreation	74 283	65 813	68 166	208 262
Total	5 578 228	5 991 584	7 172 777	18 742 589

With the exception of the Provincial Legislature, Human Settlements, the Royal Household and Social Development, all departments submitted requests for additional funding, with the largest coming from the Departments of Transport, Health and Education. These departments requested additional amounts of R7.705 billion, R3.415 billion and R3.273 billion, respectively, over the 2012/13 MTEF. Transport requested the additional funds largely for maintenance of the provincial road network. Health requested additional funding for various issues such as the National Health Laboratory Services, increasing medical practitioner and medical specialist coverage in the province and for increased capacity in selected categories of health therapists. Education's request for additional funds is for improvements in conditions of service, as well as funding for science laboratories.

As mentioned, the Provincial Legislature, Human Settlements, the Royal Household and Social Development did not submit a request for additional funding. The Legislature took a decision to submit no initiatives for the 2012/13 MTEF, in view of the uncertainty of the timelines relating to the implementation of the Financial Management of the KZN Legislature Bill, as well as the infrastructure plan for the Legislature which was still being finalised by the Department of Public Works at the time. Human Settlements did not request additional funds over the 2012/13 MTEF. While the department indicated that it lacks an adequate equitable share portion to finance the filling of vacant posts, it had not costed any initiatives in this regard as it was still in the process of reviewing its organogram. The Royal Household did not request additional funding over the 2012/13 MTEF, as it is still finalising the transition to the Trust, the planned retrenchment of staff and the repayment of its first charge (emanating from over-expenditure in prior years). Social Development did not submit any initiatives as it had identified savings in 2011/12, which were still being assessed, with reprioritisation to follow once the assessment was complete. Further, the intention was to request funding for social infrastructure, but this was a bid at a national level.

MinComBud and Cabinet meetings were convened from October 2011 to January 2012 to consider the 2012/13 provincial fiscal framework, with both these forums providing direction in terms of the provincial fiscus every step of the way. Additional funding was allocated to the province by National Treasury, relating to the data updates that inform the equitable share formula, increases to the equitable share to fund the carry-through costs of the 2011 wage agreement, as well as various national priorities (affecting Education and Social Development).

MinComBud reviewed the MTEC recommendations and agreed that the interest on the overdraft provision, held under Vote 6: Provincial Treasury, be capped at R50 million (whereas it was previously at R100 million). MinComBud also supported the proposed provincial reprioritisation exercise mentioned earlier, as well as the own revenue revisions proposed by the departments. It was also agreed that, despite the improvement in the province's cash position, the budgeted surplus be increased to R1 billion per annum. While this is a higher budgeted surplus when compared to the 2011/12 MTEF, the province thought it prudent to tread carefully, especially in view of the severe spending pressures currently being experienced by the Department of Education. It was felt that the budgeted surplus of R1 billion would assist in protecting the province from any fiscal shocks that may occur in-year.

After taking into account the data updates that inform the equitable share formula, the provincial own revenue revisions, the provincial reprioritisation exercise, as well as additional funding received from National Treasury for various national priorities, MinComBud agreed to the following:

- Capping the budgeted surplus at R1 billion per year over the MTEF.
- Capping the interest on the overdraft provision at R50 million per year.
- Funding all national priorities affecting Education and Social Development at the required levels, as specified in National Treasury's allocation letter.
- Providing additional funding to Education, Health, Public Works and Provincial Treasury for improving infrastructure support in these departments, according to the guidelines provided by National Treasury.
- Providing for the full carry-through costs of the 2011 wage agreement for all 16 votes.

- Providing some additional funding to Education to assist with spending pressures.
- Funding the carry-through costs of the 2011/12 Adjustments Estimate (e.g. Pietermaritzburg airport).
- Making provision to fund a number of provincial priorities, such as maintenance of the provincial road network, youth ambassadors, Operation *Sukuma Sakhe*, among others.

The recommendations were endorsed by MinComBud and were approved by Cabinet. This process resulted in in-depth discussions by these two forums, with the initial submission being made on 7 October 2011, and the final approval granted in January 2012. The details of the additional allocations over the 2012/13 MTEF, per department, are provided in Table 3.4.

3.2. Provincial fiscal framework

Table 3.2 shows a summary of the provincial fiscal framework for the 2012/13 MTEF budget. The difference (Section 1 of the table) between the baseline allocations and the revised allocations yields the additional resource made available to the province.

The provincial equitable share allocation increases over the 2012/13 MTEF, by R925.301 million in 2012/13, R1.586 billion in 2013/14 and R5.299 billion in 2014/15.

There are a number of changes to the conditional grant allocations over the 2012/13 MTEF, and various reasons are given for these (the conditional grant allocation increases by R141.330 million in 2012/13, R85.153 million in 2013/14 and R1.255 billion in 2014/15). These include the introduction of a few new grants, the reduction of some grants and increases to other grants. There does not always seem to be a clear pattern of increases or reductions per grant, and it is presumed that some grants are affected by National Treasury's decision to effect savings at a national level, while the same grants also may have benefitted from some form of baseline increase simultaneously. To quote National Treasury: *"Taking into account the ability of provinces to implement projects effectively, reductions were effected to the baselines of a number of provincial conditional grants. It is therefore important that provinces focus on strengthening their capacity to roll-out priority programmes of government, infrastructure in particular. The baselines of the two EPWP grants were revised downwards and these funds were reprioritised towards other job creation programmes in government. The baselines of all other conditional grants were revised downwards to create savings"*.

Additions to the baselines of conditional grants were made for specific priorities, such as repair of infrastructure damaged by the floods in January and February 2011 in Agriculture, Environmental Affairs and Rural Development, Education, Human Settlements and Transport in KZN. Additions to baseline are also to expand informal settlement upgrading and various health priorities (HIV and AIDS prevention, health infrastructure projects and the NHI pilots). The province receives two new conditional grants. The Nursing Colleges and Schools grant has been created by reducing the baseline of the Health Infrastructure Grant nationally. This grant is for the refurbishment and upgrading of nursing colleges. This will be a direct transfer to provinces as a Schedule 5 conditional grant and the National Department of Health will play an active role in the planning, packaging and procurement of projects funded through this grant. The National Health Insurance grant will fund 10 NHI pilots in the country. KZN's allocation is based on two district pilot sites in KZN and two central hospital pilot sites in KZN.

Unlike previous years, National Treasury has indicated that portion of the Human Settlements Development grant should be ear-marked for spending in eThekweni. As such, of the grant total of R2.915 billion in 2012/13, R3.149 billion in 2013/14 and R3.306 billion in 2014/15, the allocation letter from National Treasury indicated that R812.473 million in 2012/13, R878.484 million in 2013/14 and R937.633 million in 2014/15 is ear-marked for expenditure in the eThekweni Metro.

The provincial own receipts increase by R271.749 million in 2012/13, R341.551 million in 2013/14 and R383.834 million in 2014/15. This is partly due to the revisions to the interest on the overdraft revenue budget which has increased as the province has fully repaid its overdraft and is earning interest on

positive cash balances. Transport's own revenue projections also increase substantially. The department indicates that its own revenue budget is based on the projected end-of-year collection for 2011/12, coupled with an incremental estimation for the various categories each year, as well as the increase in licence fee tariffs, and were adjusted by the expected change in the vehicle population over time.

Table 3.2: Summary of provincial fiscal framework

R thousand	2012/13	2013/14	2014/15
1. Receipts			
Baseline allocation	83 230 933	88 631 480	90 020 543
Transfer receipts from national	81 163 729	86 473 403	87 732 981
Equitable share	66 877 612	70 992 966	72 252 544
Conditional grants	14 286 117	15 480 437	15 480 437
Provincial own receipts	2 067 204	2 158 077	2 287 562
Increase / (Decrease) in allocation	1 338 380	2 013 079	6 937 188
Transfer receipts from national	1 066 631	1 671 528	6 553 354
Equitable share	925 301	1 586 375	5 298 559
Conditional grants	141 330	85 153	1 254 795
Provincial own receipts	271 749	341 551	383 834
Revised allocation	84 569 313	90 644 559	96 957 731
Transfer receipts from national	82 230 360	88 144 931	94 286 335
Equitable share	67 802 913	72 579 341	77 551 103
Conditional grants	14 427 447	15 565 590	16 735 232
Provincial own receipts	2 338 953	2 499 628	2 671 396
2. Planned spending by departments	83 571 460	89 435 033	95 700 937
3. Budgeted surplus before further priorities & cond. grant additions	997 853	1 209 526	1 256 794
4. Provincial cash resources	130 824	-	-
5. Budgeted surplus before capping surplus at R1bn	1 128 677	1 209 526	1 256 794
6. Capping budgeted surplus at R1bn	1 000 000	1 000 000	1 000 000
7. Amount ear-marked for Education (once cost containment plan bears fruit)	128 677	209 526	256 794

Section 2 of Table 3.2 gives the planned spending of departments, based on their 2012/13 MTEF allocations. After deducting this from the province's updated national and provincial own receipts, the province is left with a budgeted surplus of R997.853 million, R1.210 billion and R1.257 billion over the MTEF (see Section 3).

Section 4 indicates that some of the additional funding provided to departments in 2012/13 was funded using provincial cash resources which became available due to the provincial under-spending and own revenue over-collection that occurred in 2010/11. Once this amount is taken into account, the budgeted surplus for the province is R1.129 billion in 2012/13, R1.210 billion in 2013/14 and R1.257 billion in 2014/15. As mentioned, a decision was taken to cap the budgeted surplus at R1 billion per year over the 2012/13 MTEF (see Section 6).

As can be seen in Section 7 of Table 3.2, the province is setting aside R128.677 million in 2012/13, R209.526 million in 2013/14 and R256.794 million in 2014/15 for possible allocation to the Department of Education for the various spending pressures that exist in this department. These spending pressures were brought about by filling numerous unfunded vacant posts, as well as prior years' under-funding with respect to the various wage agreements, and the concomitant carry-through costs. This continues to be the single biggest cause of the department's over-expenditure. Due to the ongoing spending pressures on *Compensation of employees*, the department has developed some control measures from 2011/12 onward, which are expected to control the ever rising personnel costs. These measures include, among others, a moratorium on the filling of vacant posts, filling of educator posts by redeploying excess teachers currently on the system while, in the mean-time, terminating temporary educators with no academic/professional qualifications from the system. This plan will only yield results, pending the department's commitment and adherence to it. As such, these funds are set aside for allocation to the Department of Education only when the department shows clear commitment to the newly devised cost containment plan, and when this cost containment plan begins to bear fruit.

Table 3.4 in Section 3.3.2 below then indicates the amounts that were allocated to departments in addition to their baseline allocations, as well as the reductions to departments resulting from the provincial reprioritisation exercise that was undertaken.

3.3 Summary of additional allocation for the 2012/13 MTEF

3.3.1 Existing growth in the 2011/12 MTEF baseline allocation

Table 3.3 shows the departmental baseline budgets for the 2011/12 MTEF period, before any additional allocations were made. This serves as an important reminder that most departments' baseline budgets for the 2011/12 MTEF already include positive rates of growth, although this may differ in terms of the levels.

Table 3.3: Existing growth rates in 2011/12 MTEF baseline budgets

R thousand	Main Appropriation	Medium-term baseline budgets			Ann. % growth
	2011/12	2012/13	2013/14	2014/15	11/12-14/15
1. Office of the Premier	471 105	490 769	524 827	556 317	5.7
2. Provincial Legislature	374 702	400 831	421 247	446 522	6.0
3. Agriculture, Environmental Affairs and Rural Development	2 460 585	2 597 165	2 765 191	2 931 102	6.0
4. Economic Development and Tourism	1 486 950	1 561 519	1 650 807	1 749 855	5.6
5. Education	32 618 276	34 466 649	36 492 227	38 681 761	5.8
6. Provincial Treasury	536 486	553 158	590 764	626 210	5.3
7. Health	24 484 855	26 325 124	28 189 424	29 880 789	6.9
8. Human Settlements	3 053 315	3 189 503	3 363 874	3 565 706	5.3
9. Community Safety and Liaison	150 139	157 048	165 637	175 575	5.4
10. The Royal Household	55 028	59 434	64 065	67 909	7.3
11. Co-operative Governance and Traditional Affairs	1 138 289	1 190 047	1 253 213	1 328 406	5.3
12. Transport	6 573 729	7 109 300	7 678 933	8 139 669	7.4
13. Social Development	1 952 956	2 045 397	2 139 888	2 268 281	5.1
14. Public Works	1 220 407	1 293 444	1 375 435	1 457 961	6.1
15. Arts and Culture	364 856	467 230	610 760	647 406	21.1
16. Sport and Recreation	358 333	376 273	396 801	420 609	5.5
Total	77 300 011	82 282 891	87 683 093	92 944 078	6.3

3.3.2 Summary of additional allocations

The additional allocations to departments and their respective purposes are summarised in Table 3.4 below. Note that Table 3.4 reflects only the provincial additional allocations, and excludes the additional allocations in respect of national conditional grants.

As can be seen in Table 3.4, all departments receive an additional allocation for the carry-through costs of the higher than anticipated 2011 wage agreement. The full funding requirement in this regard was received from National Treasury. In fact, National Treasury allocated funds in excess of requirement, which allowed the province to allocate additional funding to the Department of Education to assist with the pressures that exist under its *Compensation of employees* budget.

Some departments received carry-through costs relating to allocations that were made during the 2011/12 Adjustments Estimate, such as the allocation to the Pietermaritzburg and Ulundi (Prince Mangosuthu Buthelezi) airports.

National Treasury provided additional funding for nationally identified priorities, apart from the allocation provided for the higher than anticipated 2011 wage agreement. The additional funding was provided to Education for the universalisation of Grade R and the expansion of no-fee schools. Additional funding was also provided to Social Development for Child and Youth Care and Victim Empowerment. Funding was also allocated, according to guidelines provided by National Treasury, for improving infrastructure support in Provincial Treasury, Education, Health and Public Works. This allocation is to be used to strengthen the organisational capacity required to improve infrastructure delivery. In line with this, the Minister of Public Service and Administration is expected to issue a directive on the organisational structures required for supporting infrastructure delivery in these departments.

A short description of the purpose of the main reductions or additional allocations made to departments, over and above the carry-through costs of the 2011/12 Adjustments Estimate and the 2011 wage agreement is provided below the table.

Table 3.4: Summary of additional allocations, 2012/13 MTEF

	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15
	R thousand			Percentage share		
Vote 1: Office of the Premier	103 831	86 927	100 109	9.1	5.2	4.1
LIV Orphanage	8 000	-	-	0.7	-	-
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement	1 260	1 323	1 389	0.1	0.1	0.1
Public Service Training Academy (renovations and refurb.)	10 000	12 000	15 000	0.9	0.7	0.6
Merger of horse racing regulator into KZNGBB	17 571	18 604	19 720	1.5	1.1	0.8
Youth ambassadors	15 000	17 000	20 000	1.3	1.0	0.8
Youth ambassador training by SANDF	20 000	-	-	1.7	-	-
Operation <i>Sukuma Sakhe</i> - equipping war rooms	12 000	13 000	14 000	1.0	0.8	0.6
Luwamba Clinic - provision of piped water and roads	20 000	25 000	30 000	1.7	1.5	1.2
Vote 2: Provincial Legislature	1 546	1 624	1 705	0.1	0.1	0.1
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement	1 546	1 624	1 705	0.1	0.1	0.1
Vote 3: Agriculture, Environmental Affairs and Rural Development	46 961	101 356	108 613	4.1	6.1	4.5
Carry-through of 2011/12 Adjustments Estimate	14 448	15 170	15 928	1.3	0.9	0.7
2011 wage agreement	9 408	9 878	10 371	0.8	0.6	0.4
EKZNW - 2011 wage agreement	5 040	5 292	5 557	0.4	0.3	0.2
Fencing programme	11 000	12 000	13 000	1.0	0.7	0.5
Irrigation scheme programme	9 000	10 000	11 000	0.8	0.6	0.5
EKZNW - Road maintenance and protected area expansion	-	50 000	60 000	-	3.0	2.5
EKZNW - Road maintenance	12 513	14 186	8 685	1.1	0.9	0.4
Vote 4: Economic Development and Tourism	78 499	211 539	253 442	6.8	12.7	10.4
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement	2 224	2 336	2 452	0.2	0.1	0.1
ADA - Operating costs	21 591	22 851	24 257	1.9	1.4	1.0
DTP - Infrastructure development	50 000	180 000	220 000	4.4	10.8	9.1
UCI/BMX cycling events	4 684	6 352	6 733	0.4	0.4	0.3
Vote 5: Education	309 141	691 102	897 917	26.9	41.5	36.9
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement	322 469	338 592	355 522	28.1	20.3	14.6
Funding for <i>Compensation of employees</i> pressures	83 844	96 750	110 906	7.3	5.8	4.6
Movement of part of learner transport function to Vote 12	(106 081)	-	-	(9.2)	-	-
Improving infrastructure support	8 909	9 354	9 822	0.8	0.6	0.4
National priorities:	-	246 406	421 667	-	14.8	17.3
Expansion of no-fee schools	-	99 379	186 325	-	6.0	7.7
Universalisation of Grade R	-	147 027	235 342	-	8.8	9.7
Vote 6: Provincial Treasury	51 116	4 585	(1 087)	4.5	0.3	(0.0)
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement	1 089	1 144	1 201	0.1	0.1	0.0
Capping of overdraft interest charges at R50 million	(40 000)	(40 000)	(46 000)	(3.5)	(2.4)	(1.9)
BEE verification	6 000	6 000	6 000	0.5	0.4	0.2
Pietermaritzburg airport (roll-over)	16 027	-	-	1.4	-	-
Ulundi airport	20 000	-	-	1.7	-	-
Improving infrastructure support (Crack Team)	8 000	8 400	8 820	0.7	0.5	0.4
Strategic Cabinet Initiatives	40 000	29 041	28 892	3.5	1.7	1.2
Vote 7: Health	208 794	219 234	230 195	18.2	13.2	9.5
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement	189 939	199 436	209 408	16.6	12.0	8.6
Improving infrastructure support	18 855	19 798	20 787	1.6	1.2	0.9
Vote 8: Human Settlements	87 948	2 855	2 998	7.7	0.2	0.1
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement	2 719	2 855	2 998	0.2	0.2	0.1
Re-allocation of funds returned by Thubelisha Homes	85 229	-	-	7.4	-	-
Vote 9: Community Safety and Liaison	2 613	3 643	4 676	0.2	0.2	0.2
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement	613	643	676	0.1	0.0	0.0
Establishment of community safety structures	2 000	3 000	4 000	0.2	0.2	0.2
Vote 10: The Royal Household	132	138	(12 575)	0.0	0.0	(0.5)
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement	132	138	145	0.0	0.0	0.0
Removal of upgrading, refurbishment of Royal Palaces in 2014/15	-	-	(12 720)	-	-	(0.5)
Vote 11: Co-operative Governance and Traditional Affairs	17 956	9 254	9 567	1.6	0.6	0.4
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement	5 956	6 254	6 567	0.5	0.4	0.3
Disaster management	12 000	3 000	3 000	1.0	0.2	0.1
Vote 12: Transport	205 543	149 767	677 544	17.9	9.0	27.9
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement	14 716	15 451	16 224	1.3	0.9	0.7
Movement of part of learner transport function from Vote 5	106 081	-	-	9.2	-	-
Maintenance of the provincial road network	84 746	134 316	661 320	7.4	8.1	27.2
Vote 13: Social Development	7 238	159 193	138 499	0.6	9.6	5.7
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement	7 238	7 600	7 980	0.6	0.5	0.3
National priorities: Child and Youth Care and Victim Empowerment	-	151 593	164 559	-	9.1	6.8
Removal of existing infra. assets and maintenance allocation in 2014/15	-	-	(34 040)	-	-	(1.4)
Vote 14: Public Works	21 788	22 877	16 458	1.9	1.4	0.7
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement	3 788	3 977	4 176	0.3	0.2	0.2
Improving infrastructure support	18 000	18 900	19 845	1.6	1.1	0.8
Reduction of GIAMA allocation in 2014/15	-	-	(7 563)	-	-	(0.3)
Vote 15: Arts and Culture	3 162	1 674	1 758	0.3	0.1	0.1
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement	1 594	1 674	1 758	0.1	0.1	0.1
Guarantee amount received for termination of contractor	1 568	-	-	0.1	-	-
Vote 16: Sport and Recreation	971	1 020	1 071	0.1	0.1	0.0
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement	971	1 020	1 071	0.1	0.1	0.0
Total	1 147 239	1 666 788	2 430 890	100.0	100.0	100.0

The Office of the Premier sees an increase in its baseline, being funding provided for renovations to the Public Service Training Academy, the merger of the horse racing regulator into the KZN Gaming and Betting Board (KZNGBB), the Youth Ambassadors programme, training of the youth ambassadors by the SA National Defence Force (SANDF), as well as an allocation toward equipping the war rooms in the various wards with regard to Operation *Sukuma Sakhe*. The Office of the Premier also receives additional funding to provide piped water and proper access roads to the Luwamba Clinic in the Ntambanana Municipality.

The Department of Agriculture, Environmental Affairs and Rural Development (DAEARD) receives additional funding for the expansion of the fencing programme, as well as the irrigation scheme programme. Further, the department receives funding for transfer to Ezemvelo KZN Wildlife (EKZNW) toward road maintenance in the protected areas, as well as a contribution toward the expansion of protected areas in the province.

The Department of Economic Development and Tourism (DEDT) receives additional funding for the infrastructure development of the Dube TradePort Corporation (DTP), as well as funding toward the UCI/BMX cycling events to be held in the province. The department also receives an additional allocation for the operating expenses of the Agri-business Development Agency (ADA).

The Department of Education receives funding for pressures that exist in its *Compensation of employees* budget. Funding was also provided for improving infrastructure support, as mentioned in more detail above. The department also receives national priority funding, namely for the universalisation of Grade R, as well as the expansion of no-fee schools. Finally, the 2012/13 year sees a reduction of R106.081 million being moved to Vote 12: Transport in relation to the learner transport function. The department still retains some of the functions related to learner transport, such as the verification of learner numbers.

Provincial Treasury sees a reduction in its budget allocation, due to the decision to cap the interest on the overdraft provision at R50 million. Treasury also receives an allocation for the BEE verification exercise which needs to be undertaken on all service providers who do business with government. Treasury receives an allocation toward the development of the Pietermaritzburg and Ulundi (Prince Mangosuthu Buthelezi) airports, as well as improving its infrastructure support (which is allocated to the Infrastructure Crack Team). Finally, Treasury receives funding toward Strategic Cabinet Initiatives. These funds will be accessible to Cabinet in-year for any strategic projects that can profile and showcase the province as an investment destination of choice internationally. These funds will be used to fund special events such as international sport tournaments that will draw international audiences and participants.

The Department of Health received funding for improving its infrastructure support, as mentioned above.

Human Settlements receives R85.229 million in 2012/13 only. These funds were recovered from the liquidation process of Thubelisha Homes that were contracted by the department for one of their housing projects. This developer went bankrupt while the project was underway. The amount is allocated back to the department to use on similar housing projects.

Community Safety and Liaison receives additional funding toward strengthening community safety structures to assist in fighting crime across all communities in KZN.

The Royal Household sees a reduction in its baseline in 2014/15. The department received additional funding over the 2011/12 MTEF for renovations and refurbishments to the Royal Palaces. This allocation was time-bound according to project requirements, and the funds are therefore not required by the department beyond 2013/14.

Co-operative Governance and Traditional Affairs receives additional funding to equip disaster management centres in KZN to ensure readiness in the event of a disaster.

The Department of Transport once again receives additional funding for the maintenance of the provincial road network. The department also receives some funding in 2012/13 in relation to portion of the learner transport function, moving from Education. Transport will be responsible for the route planning and management of operators.

The Department of Social Development sees a reduction in its baseline in 2014/15. The department received additional funding over the 2011/12 MTEF for maintenance of existing infrastructure such as the maintenance of secure care centres, old age homes, etc. This allocation was time-bound according to project requirements, and the funds are therefore not required by the department beyond 2013/14. The department also receives additional funding for child and youth care and victim empowerment, which are national priorities.

The Department of Public Works receives additional funding for improving its infrastructure support, as mentioned above. Also, in line with detailed costing done by the department, the GIAMA allocation decreases in 2014/15.

The Department of Arts and Culture receives a guarantee amount paid into the Provincial Revenue Fund in 2011/12. This guarantee amount relates to the termination of a non-performing contractor with regard to the Mbazwana library project.

Table 3.5 shows the revised budgets of departments for the 2012/13 MTEF, after taking into account all of the adjustments to the baseline allocations mentioned above, as well as the additional allocations received in respect of national conditional grants.

Table 3.5: Summary of revised budgets by departments, 2012/13 MTEF

	Main Appropriation	Medium-term Estimates (R thousand)			Annual Percentage Growth		
	2011/12	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15
1. Office of the Premier	471 105	594 600	611 754	656 426	26.2	2.9	7.3
2. Provincial Legislature	374 702	402 377	422 871	448 227	7.4	5.1	6.0
3. Agriculture, Environmental Affairs & Rural Development	2 460 585	2 653 834	2 857 997	3 018 973	7.9	7.7	5.6
4. Economic Development and Tourism	1 486 950	1 641 018	1 862 345	2 003 296	10.4	13.5	7.6
5. Education	32 618 276	34 764 633	37 159 915	39 523 694	6.6	6.9	6.4
6. Provincial Treasury	536 486	604 274	595 349	625 123	12.6	(1.5)	5.0
7. Health	24 484 855	26 555 350	28 508 609	30 544 907	8.5	7.4	7.1
8. Human Settlements	3 053 315	3 300 935	3 465 289	3 641 059	8.1	5.0	5.1
9. Community Safety and Liaison	150 139	161 334	169 280	180 251	7.5	4.9	6.5
10. The Royal Household	55 028	59 566	64 203	55 334	8.2	7.8	(13.8)
11. Co-operative Governance and Traditional Affairs	1 138 289	1 208 003	1 262 467	1 337 973	6.1	4.5	6.0
12. Transport	6 573 729	7 418 873	7 764 144	8 723 942	12.9	4.7	12.4
13. Social Development	1 952 956	2 047 812	2 293 980	2 401 373	4.9	12.0	4.7
14. Public Works	1 220 407	1 311 171	1 387 173	1 460 500	7.4	5.8	5.3
15. Arts and Culture	364 856	470 392	612 434	659 163	28.9	30.2	7.6
16. Sport and Recreation	358 333	377 288	397 223	420 696	5.3	5.3	5.9
Total	77 300 011	83 571 460	89 435 033	95 700 937	8.1	7.0	7.0

The provincial budget grows by 8.1 per cent in 2012/13 from the 2011/12 Main Appropriation.

The negative growth in Provincial Treasury in 2013/14 relates to the once-off allocations in 2012/13 for the Pietermaritzburg and Ulundi (Prince Mangosuthu Buthelezi) airports. The negative growth in the Royal Household in 2014/15 relates to the removal of the funding for the renovations to the Royal Palaces in line with project requirements, as mentioned above.

The high growth shown by the Office of the Premier in 2012/13 is due to the once-off additional funding provided in that year for the LIV Orphanage and the training of the youth ambassadors by the SANDF.

The significant growth shown by Economic Development and Tourism results from the additional funding provided for infrastructure development at DTP.

The strong growth shown by Arts and Culture relates to the significant additional funding given to the department over the 2011/12 MTEF (with carry-through) for the provincialisation of libraries and museums.

4. RECEIPTS

4.1 National Fiscal Framework and Division of Revenue for the 2012/13 MTEF

4.1.1 Background

Section 214(1) of the Constitution of South Africa requires that, annually, a Division of Revenue Act (DORA) determines the equitable division of nationally raised revenue between the three spheres of government. This section of the Constitution is supported by Section 9 of the Intergovernmental Fiscal Relations Act, which promotes co-operative governance of fiscal, budgetary and financial matters, by prescribing the process for determining the equitable allocation of revenue raised nationally.

In terms of Section 214, an equitable system of vertical and horizontal division of centrally collected revenue is essential for the creation of a balance between the three spheres of government. The mechanism that was developed to achieve this is dependent on functions, social and economic developmental needs and spatial and age distribution of the population in the provinces, and the country as a whole.

The vertical division of revenue among the three spheres of government – national, provincial and local – is based on a value judgement and not on any predetermined formula. This division of revenue is determined through annual consultative processes involving the Budget Council, the Financial and Fiscal Commission (FFC) and National Treasury. However, the horizontal division of revenue among provinces, as well as municipalities, is formula-based, and this is further explained in Sections 4.1.3 and 4.1.5 below.

4.1.2 Division of revenue and fiscal framework

4.1.2.1 Fiscal policy and trends

The 2012/13 MTEF budget is prepared in a challenging environment, where slowing world economic growth, unresolved financial crises in Europe and a sluggish recovery in the US all hold substantial risks for South Africa's economic growth. Inflationary pressures have emerged in several countries worldwide, and rising income inequality and high unemployment have fuelled widespread public indignation. Although South Africa's growth has been positive since the 2009 recession, job creation has been weak and the volatility of the Rand has harmed economic activity. Revenue generation has slowed, while the budget deficit has increased.

Set against this backdrop, government maintains its counter-cyclical stance. Applied consistently, the principles of counter-cyclicality, long-term debt sustainability and intergenerational equity will enable government to improve social conditions and provide economic support for growth, employment and fiscal sustainability over the long term.

Despite lower economic growth over the past several years, public expenditure has continued to grow, although at a more moderate pace since 2008/09. Over the 2012/13 MTEF, government will support economic recovery by promoting competitiveness, strengthening economic development, creating work and continuing to make large-scale investments in electricity, roads, rail and water. While shifting an increasing share of expenditure toward infrastructure investment, government will still maintain its commitment to social expenditure in real terms.

The principle of inter-generational equity implies that today's policy decisions should take into account how they will affect South Africans in 10, 20 or 30 years. The Constitution requires government to provide for a continuous rise in the level of socio-economic rights within its resources. This up-scaling requires sustainable increases in real expenditure in decades to come, and therefore spending over the long term should increase at a pace commensurate with the rate of economic growth. Policy shifts, resulting in permanent increases in expenditure levels, need to be supported by corresponding changes in tax revenue.

To return to sustainability, government will limit spending growth in line with capacity to generate revenue, and also change the composition of spending to balance consumption spending and investment spending. In real terms, the fastest-growing component of current expenditure over the past decade has been government's wage bill and hence, as a step towards sustainability, this proportion of non-interest spending must see a decline over the MTEF period. Priority will be given to spending that strengthens the asset base of the economy. In addition, genuine savings need to be realised and budgets need to be reprioritised so that progress can be made to reduce the budget deficit.

4.1.2.2 Value for money in public expenditure – Budgeting priorities

Government's outcomes approach provides a framework for enhanced monitoring of service delivery, including guidelines for results-driven performance that form the basis of ministerial performance agreements and the related delivery agreements. In making strategic choices, government will focus on those outcomes with the greatest potential impact on job creation and infrastructure investment. Over the next three years, departments and public entities will reprioritise and realign their budget baselines to make more effective use of resources.

The fiscal framework supports a determined effort to shift the composition of spending towards investment in long-term assets that can build the economy. Government will assess the trade-off between consumption expenditure and investments that support higher growth and improved service delivery. In line with the focus on job creation and infrastructure investment, the priority areas for the 2012/13 MTEF are:

- Education: To this end government is prioritising funding towards broadening access, enhancing quality, infrastructure improvements and expanding Grade R access.
- Health: Increasing life expectancy, decreasing maternal and child mortality and combating HIV and AIDS through strengthening the effectiveness of the health system. Reforms to the public health system are essential preparatory steps to phase in the NHI, of which pilot projects will take place in ten district health authorities and seven central hospitals nationally.
- Social security: The social security system needs to become more efficient, ensuring effective use of funds and providing better services. In addition, access to childhood development services will be expanded and home and community based child care and protection will receive additional support.
- Infrastructure and economic development: Government spending supports higher levels of infrastructure maintenance and capital expenditure, in particular in economic infrastructure such as electricity, roads, rail, water and telecommunications. The eradication of backlogs in basic services and housing, improvement in the provision of services by local government, as well as expansion of food production and rural development, are among government's most important goals.
- Improving environmental management and addressing climate change through the development of policies.
- Improving general government services and administration, in particular in the management of government buildings and accommodation.
- Defence, public order and safety: The policy focus for policing and justice over the medium term is to reduce the high level of serious crimes, improve investigative capacity and increase access to justice services.

4.1.2.3 Division of revenue

The 2012/13 MTEF division of revenue was done in the context of government's priorities and the revenue raising capacity and functional responsibilities of each sphere of government. The budget policy framework continues to seek enhanced economic growth and people-centered development through strategic economic investment, progressive realisation of basic social rights, and improving public sector governance and service delivery.

The national MinComBud agreed to baseline cuts to realise savings of R10.200 billion to reallocate toward specific government priorities. During this exercise, it was agreed that the Provincial Equitable Share (PES) should be protected from the cuts. It was furthermore agreed that additional savings identified through the reprioritisation exercise are to be made available to provinces to address the carry-through costs of the higher than anticipated 2011 wage agreement. A portion of these funds were allocated through the National Tertiary Services grant to address the skewed distribution of health personnel across provinces.

The formal functional groups into which the 2012/13 budget process was structured, were required to identify savings which were equivalent to 0.4 per cent of their functional baselines, but were required to exercise discretion, so as to ensure key government priorities were protected.

The proposed framework for the 2012/13 budget gives effect to these priorities, and reflects government's determination to achieve better value for money and improved service delivery. Table 4.1 sets out the division of nationally raised revenue between the three spheres of government for the 2012/13 MTEF.

Table 4.1: Division of revenue between spheres of government, 2008/09 – 2014/15

R million	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
National departments	289 236	345 366	355 189	383 747	412 368	446 220	478 828
Provinces	246 836	293 164	322 822	362 626	384 487	411 092	437 004
Equitable share	201 796	236 891	265 139	291 736	309 057	328 921	349 351
Conditional grants	45 040	56 273	57 682	70 891	75 430	82 171	87 653
Local government	45 487	51 537	60 904	68 180	77 342	83 858	90 707
Equitable share	25 560	23 845	30 541	32 876	37 873	40 582	43 639
Conditional grants	19 928	20 892	22 821	26 732	30 429	33 663	36 878
General fuel levy sharing	-	6 800	7 542	8 573	9 040	9 613	10 190
Total	581 559	690 067	738 916	814 554	874 197	941 171	1 006 539
Percentage shares							
National departments	49.7%	50.0%	48.1%	47.1%	47.2%	47.4%	47.6%
Provinces	42.4%	42.5%	43.7%	44.5%	44.0%	43.7%	43.4%
Local government	7.8%	7.5%	8.2%	8.4%	8.8%	8.9%	9.0%

The fiscal framework makes R874.197 billion available for spending in 2012/13, growing substantially to R941.171 billion and R1.007 trillion in 2013/14 and 2014/15, respectively. The allocations recognise the need for government at all levels to prioritise frontline services.

At R412.368 billion in 2012/13, and increasing to R446.220 billion in 2013/14 and R478.828 billion in 2014/15, national departments continue to receive the largest share of funding, sustaining real growth in social grant provisions, public infrastructure and employment programmes. The allocation to provinces also shows real growth from R384.487 billion in 2012/13, increasing to R437.004 billion in 2014/15. The local government allocations are revised upward by R13.365 billion over the MTEF.

The national share of revenue increases from 47.2 per cent in 2012/13 to 47.6 per cent in 2014/15. Similarly, the local government share grows from 8.8 per cent in 2012/13 to 9 per cent over the MTEF, while there is a decline in the provincial share from 44 per cent to 43.4 per cent between 2012/13 and 2014/15, in line with the functions and responsibilities assigned to the various spheres of government.

Table 4.2 summarises the additional funding allocated to the three spheres of government when compared to the 2011/12 MTEF baseline allocations.

Table 4.2: Changes over baseline, 2012/13 – 2014/15

R million	2012/13	2013/14	2014/15
National departments	4 229	7 742	19 244
Provinces	4 038	6 840	8 546
Local government	312	1 541	3 451
Allocated expenditure	8 579	16 123	31 241

The fiscal framework adds R8.579 billion to expenditure in 2012/13, R16.123 billion in 2013/14 and R31.241 billion in 2014/15, translating into annual growth in government spending of 7.3 per cent, 7.7 per cent and 6.9 per cent over the next three years.

Of the additions to the baseline over the MTEF, 55.8 per cent goes to national departments, largely to address central policy changes which will encourage growth of the economy, more rapid job creation and the reduction of poverty. Government is currently exploring programmes to strengthen support for business sector growth, incentivise youth employment, enhance competitiveness of industries and accelerate apprentice training, among others. Recognising that support to the private sector goes beyond the provision of incentives, government is looking at large scale interventions to lower the cost of doing business. Improvements are being made to economic infrastructure such as ports, roads and electricity to cater for the needs of business.

Provinces receive 34.7 per cent of the additional funding, mainly to accommodate the carry-through costs of the higher-than anticipated wage agreements, and policy priorities in Education and Social Development. In Education, additions are made toward the expansion of no-fee schools and universalisation of Grade R, and in Social Development the focus will be on increasing access to Early Childhood Development programmes, as well as victim empowerment programmes.

Municipalities receive 9.5 per cent of the additions to the baseline, mainly for sustainable provision of basic services and bulk infrastructure.

4.1.3 Provincial equitable share

The nine provinces' revenue is made up of national transfers and own receipts. The bulk of the national transfers come in the form of an equitable share allocation, and the balance comes from conditional grants. Unlike the division of revenue between the spheres of government (vertical split), which is based on a value judgement, the PES allocation of the nationally raised revenue is formula driven.

It must be noted that, in terms of Section 214 of the Constitution, the equitable division of revenue raised nationally among the national, provincial and local spheres of government, is unconditional. By implication this means that, although the division is based on the shares as outlined below, provinces have a prerogative to allocate PES funds in line with their specific provincial priorities.

Component	Share (weighting) %
Education share – based on the size of the school-age population (ages 5 – 17) and the number of learners (Grade R to 12) enrolled in public ordinary schools.	48
Health share – based on the estimated demand for health services according to age and gender, as well as data obtained from the District Health Information System	27
Basic share – derived from each province's share of the total population of the country	16
Institutional component – divided equally among the provinces	5
Poverty component – used to reinforce the redistributive bias of the formula	3
Economic activity component – based on the final Gross Domestic Product by Region (province) data	1

For the 2012/13 MTEF, data from the following surveys is used:

- 2011 Mid-year population estimates.
- 2011 School Realities Survey (SNAP survey).
- Census 2001 for school age cohort (5 - 17 years).
- 2009 GDP-R.
- 2005 Income and Expenditure Survey (IES).
- 2010 General Household Survey (GHS).
- Output data from health sectors.
- Risk Equalisation Fund (REF).

The data updates impact on the various components as follows:

Education (48 per cent)

As reflected above, the education component uses the school age population from 5 - 17 years, based on Census 2001, and school enrolment drawn from the 2011 School Realities Survey. These elements are assigned equal weights. From the 2011 MTEF to the 2012 MTEF, the total number of learners in KZN increased by 40 390. The impact of updating the education component with the 2011 School Realities Survey enrolment data resulted in the weighted average for KZN being revised upward by 0.14 per cent.

Health (27 per cent)

The health component uses three sub-components, namely the risk adjusted component, output sub-component and the weighted share. The risk adjusted sub-component estimates the uninsured population per province using the percentage of the medical aid insured population as per the General Household Survey 2010, and deducting it from the 2011 Mid-year population estimates. The risk adjusted index is then applied to the uninsured population to estimate a weighted population. The KZN share of the risk adjusted component declines by 0.1 per cent, from 22 per cent to 21.9 per cent from 2011 to 2012.

The output sub-component uses patient load data from the District Health Information Services (DHIS), excluding the patient load that is funded from the National Tertiary Services grant. Clinic visits at primary health care clinics from 2009/10 and 2010/11 are averaged and used to estimate the province's share of the primary health care component, i.e. 21.7 per cent. In addition, the patient day mix at tertiary hospitals is used to estimate the province's share of the hospital workload patient day equivalent. The KZN share is 27.1 per cent in this regard.

The final share of the health component is calculated by giving the risk adjusted index a weighting of 75 per cent, primary health care visits 5 per cent and patient day equivalents 20 per cent. The impact on the KZN Health share resulted in an increase from 22.4 to 23 per cent.

Basic component (16 per cent)

This component is derived from the proportion of each province's share of the total population in the country. The 2011 Mid-year population estimates were used and the 1.6 per cent increase in population in KZN resulted in a 0.09 per cent increase in the province's basic component share from 2011 to 2012, from 21.3 to 21.4 per cent, respectively.

Poverty component (3 per cent)

This component uses the 2005 Income and Expenditure Survey (IES) and updated 2011 Mid-year population estimates. The IES collects information on household income and expenditure patterns, and groups households into five quintiles, with Quintile 1 (Q1) being the poorest. The poverty component uses the persons who fall in Q1 and Q2. The updates in data resulted in KZN's share increasing from 22.9 per cent in 2011 to 23 per cent in 2012.

Economic activity (1 per cent)

The economic activity component was updated with the 2009 GDP-R data, and resulted in a decrease in the KZN share from 16.4 to 16.1 per cent from 2011 to 2012.

Institutional component (5 per cent)

As this component is independent of data, it is equally divided among provinces, so it remains unchanged.

The full impact of the changes in the data and the formula on the equitable share is reflected in Table 4.3.

Table 4.3: Components and shares of equitable share formula by province, 2012/13

	Education	Health	Basic share	Poverty	Economic activity	Institutional	Weighted average
	48%	27%	16%	3%	1%	5%	100%
Eastern Cape	16.3%	14.2%	13.5%	16.7%	7.6%	11.1%	15.0%
Free State	5.6%	5.5%	5.5%	5.7%	5.5%	11.1%	5.9%
Gauteng	15.7%	20.5%	22.4%	15.7%	33.9%	11.1%	17.9%
KwaZulu-Natal	23.2%	23.0%	21.4%	23.0%	16.1%	11.1%	22.0%
Limpopo	13.9%	10.7%	11.0%	14.4%	7.0%	11.1%	12.5%
Mpumalanga	8.4%	6.8%	7.2%	8.6%	7.1%	11.1%	8.0%
Northern Cape	2.2%	2.2%	2.2%	2.4%	2.3%	11.1%	2.7%
North West	6.3%	6.5%	6.4%	7.5%	6.5%	11.1%	6.7%
Western Cape	8.4%	10.6%	10.5%	6.0%	14.0%	11.1%	9.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

A total of R14.979 billion (R3.332 billion in 2012/13, R5.316 billion in 2013/14 and R6.330 billion) is added to the PES over the 2012/13 MTEF. Of this additional funding, 70 per cent is added to cover the higher than anticipated 2011 wage agreement. The funding provided is sufficient to fully fund the carry-through costs of the 2011 wage agreement. Other priorities funded from 2013/14 are the expansion of no-fee schools, universalisation of Grade R, additional access to early childhood care for 0-4 year olds, as well as victim empowerment programmes, as reflected in Table 4.4 below.

Table 4.4: Policy and inflationary additions to the provincial equitable share

R thousand	Medium-term Estimates			Total Revisions
	2012/13	2013/14	2014/15	
Provincial equitable share baseline 2011	305 725 449	323 604 408	343 020 672	972 350 529
Additions to baseline	3 331 933	5 316 285	6 330 327	14 978 545
Improved conditions of service	3 331 933	3 512 660	3 689 589	10 534 182
Policy priorities funded through equitable share	-	1 803 625	2 640 738	4 444 363
Education	-	1 116 645	1 899 458	3 016 103
Expansion of no-fee schools	-	450 358	839 326	1 289 684
Universalisation of Grade R	-	666 287	1 060 132	1 726 419
Social Development	-	686 980	741 280	1 428 260
Child and youth care: Access to early childhood development	-	650 000	700 000	1 350 000
Victim empowerment programme	-	36 980	41 280	78 260
Revised provincial equitable share for 2012 MTEF	309 057 382	328 920 693	349 350 999	987 329 074

Nationally, the expansion of no-fee schools receives R1.290 billion over the MTEF. These funds will enable provincial education departments to implement a policy decision of the national department to classify all schools in Quintiles 2 and 3 as no-fee.

An amount of R1.726 billion is allocated from 2013/14 (R666.287 million in 2013/14 and R1.060 billion in 2014/15) to make the universalisation of Grade R a reality. Grade R is the reception year in the foundation phase and there is extensive evidence that shows participation in a quality Grade R programme improves the ability to learn at primary school.

An amount of R1.428 billion (R686.980 million and R741.280 million in 2013/14 and 2014/15, respectively) has been reprioritised from the baseline of the Department of Social Development (DSD) for child and youth care and victim empowerment. This will enable the department to implement an integrated sector plan for child and youth care and protection, by integrating programmes for children and youth and to continue victim empowerment programmes currently funded from donor funding.

The largest portion of the PES is allocated to KZN, at 22 per cent of the total PES allocated to provinces. The impact of these updates will be phased in over three years from 2012/13 to 2014/15, with the 2011/12 weighted share of KZN growing from 21.8 per cent in 2011/12 to 21.9 per cent in 2012/13 to 22 per cent in 2014/15.

The horizontal division of revenue among provinces, in rand terms, after changes in data and revisions to the PES are reflected in Table 4.5 below.

Table 4.5: Provincial equitable shares allocations, 2012/13 - 2014/15

R million	Allocation	Forward Estimates	
	2012/13	2013/14	2014/15
Eastern Cape	46 940	49 602	52 216
Free State	18 531	19 467	20 413
Gauteng	54 545	58 614	62 881
KwaZulu-Natal	67 803	72 579	77 551
Limpopo	38 721	40 969	43 170
Mpumalanga	24 874	26 288	27 698
Northern Cape	8 255	8 743	9 230
North West	20 615	21 906	23 215
Western Cape	28 772	30 753	32 977
Total	309 057	328 921	349 351

4.1.4 Conditional grants to provinces

Conditional grants to provinces are classified into two types, namely Schedule 4 and 5 grants, which have different governance arrangements. Schedule 4 grants are more general grants that supplement various programmes already funded by provinces, and include the Education Infrastructure grant, Health Infrastructure grant and the Provincial Roads Maintenance grant, all of which are aimed at addressing backlogs in provincial infrastructure. Transfer and spending accountability arrangements differ in each case. More than one national or provincial department may be responsible for different outputs expected from the grant, so accountability is broader and more comprehensive, and related to entire programmes rather than specific projects. Schedule 5 grants are specific purpose conditional grants, with specific responsibilities for both the transferring and receiving accounting officers.

Table 4.6 reflects the revisions to the total conditional grant baseline allocations for 2012/13 to 2014/15.

Table 4.6: Revision to provincial conditional grants baseline allocations, 2012/13 – 2014/15

R million	Medium-term Estimates			Total Revisions
	2012/13	2013/14	2014/15	
Technical revisions	(57)	(68)	(73)	(198)
Health	-	-	-	-
Health Infrastructure grant	(100)	(150)	(200)	(450)
Revised to:				
Nursing Colleges and Schools grant	100	150	200	450
Public Works	(57)	(68)	(73)	(198)
EPWP Integrated Grant for Provinces	(32)	(40)	(42)	(115)
Social Sector EPWP Incentive Grant for Provinces	(24)	(28)	(30)	(83)
Savings created	(1 042)	(937)	(1 453)	(3 433)
Agriculture, Forestry and Fisheries	(16)	(18)	(36)	(70)
Comprehensive Agricultural Support Programme grant	(11)	(14)	(27)	(52)
Ilima/Letsemsa Projects grant	(4)	(5)	(9)	(18)
Arts and Culture	(6)	(4)	(7)	(17)
Community Library Services grant	(6)	(4)	(7)	(17)
Basic Education	(203)	(190)	(350)	(743)
Dinaledi Schools grant	(0.3)	(0.3)	(1)	(1)
Education Infrastructure grant	(180)	(168)	(309)	(657)
HIV and AIDS (Life-Skills Education) grant	(1)	(1)	(1)	(3)
National School Nutrition Programme grant	(22)	(20)	(37)	(79)
Technical Secondary Schools Recapitalisation grant	(1)	(1)	(1)	(3)
Health	(505)	(376)	(390)	(1 270)
Comprehensive HIV and AIDS grant	(62)	(73)	(132)	(266)
Health Infrastructure grant	(100)	(50)	-	(150)
Hospital Revitalisation grant	(282)	(184)	(124)	(590)
National Tertiary Services grant	(61)	(69)	(134)	(264)
Higher Education and Training	-	-	(18)	(18)
Further Education and Training Colleges Sector grant	-	-	(18)	(18)
Human Settlements	(168)	(172)	(337)	(677)
Human Settlements Development grant	(168)	(172)	(337)	(677)
Public Works	(19)	(39)	(49)	(107)
Devolution of Property Rates Fund grant	(19)	(39)	(49)	(107)
Sports and Recreation South Africa	(5)	(3)	(5)	(13)
Mass Participation and Sport Development grant	(5)	(3)	(5)	(13)
Transport	(119)	(135)	(263)	(517)
Provincial Roads Maintenance grant	(76)	(87)	(169)	(331)
Public Transport Operations grant	(44)	(48)	(94)	(186)
Addition to baselines	1 805	2 530	3 742	8 076
Agriculture, Forestry and Fisheries	398	299	298	995
Comprehensive Agricultural Support Programme grant	398	299	298	995
Basic Education	119	159	-	278
Education Infrastructure grant	119	159	-	278
Health	450	950	2 318	3 718
Comprehensive HIV and AIDS grant	-	-	1 100	1 100
Hospital Revitalisation grant	50	300	368	718
National Tertiary Services grant	250	300	350	900
National Health Insurance grant	150	350	500	1 000
Higher Education and Training	52	55	58	166
Further Education and Training Colleges Sector grant	52	55	58	166
Human Settlements	295	699	700	1 694
Human Settlements Development grant	295	699	700	1 694
Transport	490	368	367	1 225
Provincial Roads Maintenance grant	490	368	367	1 225
Net revisions/additions/(deductions) to baseline	706	1 524	2 215	4 446

Policy additions to provincial conditional grant baselines are R8.076 billion over the 2012/13 MTEF and, after taking account of savings of R3.433 billion on the grant baselines, and the net effect of the technical revisions, the net change to the provincial conditional grant baseline is R4.446 billion over the MTEF.

Technical revisions

Portion of Health Infrastructure grant reallocated to Nursing Colleges and Schools grant

Over the MTEF, R450 million has been reprioritised from the baseline of the Health Infrastructure grant. The Nursing Colleges and Schools grant is a specific purpose (Schedule 5) grant toward the refurbishment and upgrading of nursing colleges. These colleges will provide accommodation and learning environments for nurses in training, which is a critical component of the human resources strategy of the Department of Health.

The National Department of Health will play a more active role in the planning, packaging and procurement of projects funded through this grant than it does in other infrastructure grants. Provinces will be given the opportunity to enter into agreements with the national department to allow the national department to deliver services on their behalf.

EPWP Integrated Grant for Provinces and Social Sector EPWP Incentive Grant for Provinces

The EPWP grants have been reconfigured as a result of the slow uptake and response on incentives by provinces and municipalities. The 2011/12 incentive payments to provinces were calculated on the basis of the number of Full Time Equivalent (FTE) jobs created, as reported at the end of each quarter. The 2012/13 MTEF allocations are based on the actual performance in the previous year. Schedule 8 of the DORA falls away in 2012/13 and the EPWP grants for provinces are shifted to Schedule 5 allocations.

Savings created

As mentioned above, the formal functional groups of the 2012/13 budget process were required to identify savings of 0.4 per cent to their functions' baselines, provided that spending on key priorities was not eroded. In order to protect spending pressures, savings were then 'moved' around within the baselines of the functional groups over the MTEF. Net savings of R3.433 billion have been realised, to be reallocated to priority areas and to cover the carry-through costs of the 2011 wage agreement.

Additions to baselines

Comprehensive Agricultural Support Programme (CASP) grant

Amounts of R398 million in 2012/13, R299 million in 2013/14 and R298 million in 2014/15 have been added to the baseline for CASP, to be used mainly to build capacity so that newly settled and emerging farmers can receive quality extension services.

Education Infrastructure grant

Amounts of R119 million and R159 million have been allocated in 2012/13 and 2013/14 for repair work on schools and other education facilities.

Comprehensive HIV and AIDS grant

On 1 December 2009, the President announced that the CD4 count threshold for accessing HIV and AIDS treatment would be increasing to 350. This has increased the number of people who qualify for treatment and therefore additional funding is provided to respond to the increased demand, and R1.100 billion is added to this grant in 2014/15.

Hospital Revitalisation grant

The additions to the Hospital Revitalisation grant are R718 million over the MTEF and are set aside for large infrastructure projects that will be implemented through public private partnerships.

National Tertiary Services grant

The additions to the baseline of this grant are R900 million over the MTEF, to assist with the cost of the 2011 wage agreements for the health sector.

National Health Insurance (NHI) grant

This Schedule 5 grant will fund ten district NHI pilots aimed at strengthening primary health care as the platform on which the NHI will be implemented. It is also aimed at strengthening revenue collection and management in selected central hospitals. The pilots will test the feasibility of policy proposals in the NHI Green Paper and models of delivery such as district based clinical specialist support teams, school-based primary health care services, municipal ward based primary health care agents, general practitioner services and primary care clinics and allied health professional services.

Over the MTEF, R1 billion (R150 million in 2012/13, R350 million in 2013/14 and R500 million in 2014/15) has been set aside for this and the national department and provinces will agree on the most appropriate delivery and funding mechanisms during 2012/13.

Further Education and Training (FET) Colleges Sector grant

To ensure the successful transfer of the FET College function to the Department of Higher Education and Training, R52 million, R55 million and R58 million has been provided over the 2012/13 MTEF.

Human Settlements Development grant

To assist provinces progress toward the eradication of informal settlements, R1.694 billion is added to the Human Settlements Development grant over the MTEF (R295 million in 2012/13, R699 million in 2013/14 and R700 million in 2014/15). These funds will enable provinces to install the necessary infrastructure in smaller and less capacitated municipalities to upgrade informal settlements to be sustainable communities.

Provincial Roads Maintenance grant

Additions of R490 million, R368 million and R367 million over the MTEF were made to supplement provincial roads investments and support preventative, routine and emergency maintenance on the provincial road networks. Funding is furthermore aimed at ensuring that provinces implement and maintain road asset management systems, promote the use of labour-intensive methods in road maintenance and repair roads and bridges damaged by floods.

The revised provincial conditional grant baseline for the 2012/13 MTEF is R245.256 billion, as reflected in Table 4.7.

Provisions in respect of infrastructure conditional grants

In order to address slow and inefficient spending on social and economic infrastructure by provinces (and municipalities), the conditions of the grants have been adapted to improve planning, procurement and implementation procedures. The intention is to reward provincial departments that accelerate implementation and ensure efficient and cost effective delivery of services. Specific reporting requirements have been set that allow the relevant national department and National Treasury to assess expenditure and procurement processes and stop allocations if there are any signs of non-compliance.

As under-capacitated infrastructure units are a major stumbling block to infrastructure delivery, the revised conditions also require provinces to confirm that they have capacitation plans in place to build the organisational capacity in infrastructure units so that they are able to comply with the directives set by the Minister of Public Works.

The additions for repair of infrastructure in Education, Roads, Human Settlements and Agriculture are to flow through the most appropriate existing sector conditional grants. Conditions are included in these grant frameworks that require provinces to use only the disaster allocation for repair work and not any funds from the original conditional grant allocation for this purpose.

To assist provinces to respond to the damage caused by floods in January and February 2011, R3.029 billion over the MTEF (R1.300 billion, R1.100 billion and R665 million) has been made available. These funds will be administered through specific disaster management grants under the administration of the Departments of Human Settlements, Transport and Basic Education.

Table 4.7: Revised conditional grants allocations to provinces, 2012/13 – 2014/15

R million	Medium-term Estimates			Total
	2012/13	2013/14	2014/15	
Agriculture, Forestry and Fisheries	2 067	2 147	2 194	6 408
Comprehensive Agricultural Support Programme grant	1 535	1 600	1 665	4 800
Ilima/Letsema Projects grant	416	438	461	1 315
Land Care Programme grant	116	109	68	293
Arts and Culture	565	598	632	1 795
Community Library Services grant	565	598	632	1 795
Basic Education	11 246	11 923	12 321	35 490
Dinaledi Schools grant	100	105	111	316
Education Infrastructure grant	5 822	6 198	6 270	18 290
HIV and AIDS (Life-Skills Education) grant	209	220	233	662
National School Nutrition Programme grant	4 906	5 179	5 474	15 559
Technical Secondary Schools Recapitalisation grant	209	221	233	663
Co-operative Governance	180	190	201	571
Provincial Infrastructure Disaster Relief grant	180	190	201	571
Health	25 692	28 749	31 793	86 234
Comprehensive HIV and AIDS grant	8 763	10 534	12 211	31 508
Health Infrastructure grant	1 621	1 721	1 836	5 178
Health Professions Training and Development grant	2 076	2 190	2 322	6 588
Hospital Revitalisation grant	4 104	4 184	4 556	12 844
National Tertiary Services grant	8 878	9 620	10 168	28 666
National Health Insurance grant	150	350	500	1 000
Nursing Colleges and Schools grant	100	150	200	450
Higher Education	4 757	5 318	5 618	15 693
Further Education and Training Colleges Sector grant	4 757	5 318	5 618	15 693
Human Settlements	15 726	16 984	17 808	50 518
Human Settlements Development grant	15 726	16 984	17 808	50 518
Public Works	2 429	2 672	2 824	7 925
Devolution of Property Rates Fund grant	1 919	2 052	2 168	6 139
EPWP Integrated Grant for Provinces	293	362	383	1 038
Social Sector EPWP Incentive Grant for Provinces	217	258	273	748
Sport and Recreation South Africa	470	498	526	1 494
Mass Participation and Sport Development grant	470	498	526	1 494
Transport	12 299	13 093	13 736	39 128
Provincial Roads Maintenance grant	7 982	8 540	8 953	25 475
Public Transport Operations grant	4 317	4 553	4 783	13 653
Total conditional grants	75 431	82 172	87 653	245 256
Indirect transfers	700	2 315	5 189	8 204
School Infrastructure Backlogs grant	700	2 315	5 189	8 204
Total	76 131	84 487	92 842	253 460

4.1.5 The local government equitable share (LES) and conditional grants

Table 4.8 reflects the national transfers to local government, which grow from a Revised Estimate of R72.209 billion in 2011/12 to R82.432 billion, R89.519 billion and R96.545 billion over the 2012/13 MTEF. The national allocations to local government are made up of direct and indirect transfers. The direct transfers are appropriated in the DORA, while the indirect transfers relate to in-kind transfers. Direct transfers to local government are made up of discretionary equitable share allocations, the general fuel levy sharing with metros, as well as conditional grants.

Table 4.8: National transfers to local government, 2008/09 – 2014/15

R million	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Direct transfers to local government	45 487	51 537	60 530	68 180	77 342	83 858	90 707
Equitable share and related	25 560	23 847	30 168	32 876	37 873	40 582	43 639
Equitable share formula	16 300	20 283	26 388	28 991	33 483	35 879	38 538
Regional Service Council levy replacement	9 045	3 306	3 492	3 544	3 733	3 930	4 146
Support for councillor remuneration and ward committees	215	258	288	340	658	772	955
General fuel levy sharing with metros	-	6 800	7 542	8 573	9 040	9 613	10 190
Conditional grants	19 928	20 891	22 821	26 732	30 429	33 663	36 878
Infrastructure	18 562	18 759	20 870	24 846	28 029	31 222	34 301
Capacity building and other	1 366	2 132	1 951	1 886	2 400	2 440	2 577
Indirect transfers to local government	2 418	3 088	2 996	4 029	5 088	5 661	5 836
Infrastructure	2 038	2 763	2 682	3 781	4 956	5 348	5 509
Capacity building and other	380	326	314	247	133	313	328
Total transfers to local government	47 906	54 626	63 526	72 209	82 432	89 519	96 545

Direct transfers to local government

Direct transfers are made up of a local government equitable share portion and related allocations, a general fuel levy allocated to specific metros, as well as conditional grants geared toward infrastructure and capacity building.

Local government Equitable Share (LES)

Local government is responsible for the provision of water and sanitation, electricity, refuse removal, municipal health services, storm water management and municipal transport and roads. The functions performed by local government rely largely on self-financing. Substantial progress has been made in overcoming the service disparities of the past, through transfers from the national fiscus, but large backlogs remain. The LES helps municipalities to provide free basic services to poor households and subsidises the basic costs of running a municipal administration.

Over the 2012/13 MTEF, the LES grows from R33.483 billion to R38.538 billion in 2014/15. Additions to the equitable share cater for the increased cost of providing free basic services to poor households and subsidising poor municipalities, and recognise the inadequacy of fiscal capacity in a significant number of municipalities, which do not have a sizeable ratepayers' base from which to generate sufficient revenue.

Further work will be done to review the formula, with revisions making use of the data from the 2011 Census, due to be released in March 2013. Allocations using the revised formula will be introduced from 2014/15 onward.

The allocation in respect of the Regional Service Council (RSC) levy replacement for 2008/09 includes allocations towards metros, whereas from 2009/10, metros receive a share of the General fuel levy. As part of continuing efforts to find a viable basket of tax instruments to replace the RSC levies that were abolished several years ago, from 2009/10, a share of the revenues from the General fuel levy have been earmarked for metropolitan (Category A) municipalities. The distribution of revenue among various metropolitan municipalities is to be phased in over four years, and will eventually be based on fuel sales in each metro. Each metro is to use these funds to boost budgets for roads and transportation infrastructure. Two new metros (Mangaung and Buffalo City) are entitled to their share of the fuel levy from 2011/12 onward, which explains the slight increase in the allocation from this year forward.

Local government conditional grants

In line with the fiscal policy, municipalities are expected to invest in improved basic and economic infrastructure. Addressing the capacity to better plan and implement infrastructure projects will receive priority. The emphasis on infrastructure investment is supported by significant increases in the Infrastructure conditional grants from R28.029 billion to R34.301 billion over the 2012/13 MTEF. This allocation includes funding for an array of infrastructure grants, such as the Municipal Infrastructure grant (MIG), Urban Settlement Development grant (USDG), Integrated National Electrification Programme grant, Public Transport Infrastructure and Systems grant, Neighbourhood Development Partnership grant, Rural Roads Assets Management grant, as well as the Municipal Drought Relief grant.

In addition, provision of R7.417 billion is made over the 2012/13 MTEF as the Capacity building allocation, which in turn is made up of several grants, such as the Municipal Systems Improvement grant, Financial Management grant, Water Services Operating Subsidy grant, EPWP grant, Infrastructure Skills Development grant, Electricity Demand Side Management grant and Municipal Disaster grant.

Indirect transfers to local government

An amount of R16.585 billion is also made available over the MTEF for indirect transfers that will be spent by national departments on behalf of municipalities. As with the direct transfers, these transfers focus on infrastructure and capacity building, and consist of the Financial Management grant: DBSA, Electricity Demand Side Management grant and the Water Services Operating Subsidy grant.

4.2 Provincial receipts

4.2.1 Overall provincial position

Table 4.9 shows the actual and projected total revenue for the seven-year period, 2008/09 to 2014/15.

National transfers to the province, which comprise equitable share funding and conditional grants, make up 97.2 per cent of provincial revenue in 2012/13. Provincial own revenue makes up the balance of the total provincial funding, of 2.8 per cent.

Table 4.9: Analysis of total receipts

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2008/09-2011/12	2011/12-2014/15
R thousand									
Transfers from national	51 490 462	60 826 209	69 985 468	76 990 750	82 230 360	88 144 931	94 286 335		
Equitable share	44 223 509	51 972 804	57 632 201	63 584 195	67 802 913	72 579 341	77 551 103		
Conditional grants	7 266 953	8 853 405	12 353 267	13 406 555	14 427 447	15 565 590	16 735 232		
Own revenue	1 698 353	1 857 195	2 041 364	1 942 965	2 338 953	2 499 628	2 671 396		
Total receipts	53 188 815	62 683 404	72 026 832	78 933 715	84 569 313	90 644 559	96 957 731		
% of total revenue									
Transfers from national	96.8	97.0	97.2	97.5	97.2	97.2	97.2		
Equitable share	83.1	82.9	80.0	80.6	80.2	80.1	80.0		
Conditional grants	13.7	14.1	17.2	17.0	17.1	17.2	17.3		
Own revenue	3.2	3.0	2.8	2.5	2.8	2.8	2.8		
Nominal growth (%)									
Transfers from national		18.1	15.1	10.0	6.8	7.2	7.0	14.4	7.0
Equitable share		17.5	10.9	10.3	6.6	7.0	6.9	12.9	6.8
Conditional grants		21.8	39.5	8.5	7.6	7.9	7.5	22.6	7.7
Own revenue		9.4	9.9	(4.8)	20.4	6.9	6.9	4.6	11.2
Total		17.9	14.9	9.6	7.1	7.2	7.0	14.1	7.1
Real growth (%)									
Transfers from national		11.1	10.4	4.9	1.4	1.6	1.9	8.8	1.6
Equitable share		10.5	6.4	5.2	1.3	1.5	1.8	7.4	1.5
Conditional grants		14.6	33.9	3.5	2.2	2.3	2.4	16.7	2.3
Own revenue		2.8	5.5	(9.2)	14.3	1.3	1.8	(0.5)	5.6
Total receipts		10.8	10.3	4.5	1.7	1.6	1.9	8.5	1.7

In the 2012/13 MTEF, the total provincial receipts are R84.569 billion, R90.645 billion and R96.958 billion, respectively. The largest share of national transfers to KZN is the equitable share of R67.803 billion in 2012/13, R72.579 billion in 2013/14 and R77.551 billion in 2014/15. Conditional grant funding provides a further R14.427 billion, R15.566 billion and R16.735 billion over the MTEF.

The balance of the revenue comes from provincial own revenue, which forms a small proportion of total provincial revenue. There is a gradual decline in the share of total own revenue from 2008/09 to 2014/15, due to national transfers increasing at a faster rate than own revenue. Despite this, own revenue is showing a steady increase in nominal terms over the MTEF period.

Table 4.9 also shows the analysis of total provincial receipts in terms of percentage shares, as well as nominal and real average annual growth rates from 2008/09 to 2014/15. In real terms, total provincial revenue is set to increase over the 2012/13 MTEF by 1.7 per cent on average, which is lower than that of prior years, which was 8.5 per cent. The share of national transfers increases from 96.8 per cent in 2008/09 to 97.5 per cent in 2011/12, stabilising at 97.2 per cent over the MTEF. Provincial own revenue illustrates the opposite trend, decreasing from 3.2 per cent in 2008/09 to 2.8 per cent in the outer years.

In 2012/13, provincial own revenue is projected to yield R2.339 billion, rising to R2.500 billion and R2.671 billion in 2013/14 and 2014/15, respectively. In nominal terms, own revenue increased by an annual average of 4.6 per cent from 2008/09 to 2011/12. Over the 2012/13 MTEF, this annual average nominal growth is 11.2 per cent. In real terms, own revenue decreased at an annual average rate of 0.5 per cent between 2008/09 and 2011/12 and afterward increases to 5.6 per cent over the 2012/13 MTEF. This is largely due to lower revenue being collected in 2009/10 and 2010/11 from interest due to the provincial bank overdraft. Provincial Treasury previously generated a significant portion of own revenue through the interest earned on positive cash balances in the Inter-Governmental Cash Co-ordination (IGCC) and the Paymaster-General (PMG) accounts. The drastic decrease in the 2008/09 to 2010/11 period is mainly due to the provincial over-spending in 2007/08 to 2009/10, resulting in a negative effect on the provincial

cash balances. Further to the real negative growth in provincial own revenue, Health collected substantially less in 2010/11 on patient fees when compared to 2009/10.

4.2.2 Provincial equitable share

The equitable share formula has evolved since its inception in 1998/99. The weighting of the various components is a policy decision that takes a number of factors into account, including the historical expenditure patterns and relative demand for particular services. The six components of the formula are updated annually with the release of official data.

The equitable share received by KZN is based on demographic and economic statistics that attempt to capture the relative demand for public services. The largest portion of funds available to provinces is aimed at meeting Constitutional mandates, and at delivering a wide variety of public services.

The PES is formula-based, and is the main source of revenue that enables the province to deliver its statutory obligations. Table 4.9 shows that the total equitable share allocation to the province for the 2012/13 MTEF will grow by an annual average of 1.5 per cent in real terms. This is a decrease from the annual average of 7.4 per cent between 2008/09 to 2011/12. For the period under review, the equitable share allocation to the province decreases from 83.1 per cent of total provincial revenue in 2008/09, to 80.2 per cent in 2012/13. The share of total provincial revenue remains fairly steady over the 2012/13 MTEF. The PES increases in nominal terms, the major reason for the decline in percentage share is mainly due to the conditional grants increasing at a faster rate than the equitable share. In nominal terms, the equitable share increases at an annual average rate of 12.9 per cent between the period 2008/09 to 2011/12 and then increases by only 6.8 per cent over the 2012/13 MTEF. This nominal growth will continue to provide for improved levels of service in KZN.

4.2.3 Provincial conditional grants

When national conditional grants were introduced in 1998/99, their objective was to promote national priorities and to compensate provinces for the provision of specialised services across provincial boundaries. Subsequent to this phase, several conditional grants were introduced with varying purposes, conditions and outcomes. A number of changes were made to the conditional grant framework over time and included the merging of some grants. Relative to the equitable share, conditional grants are used for more specific purposes, *inter alia*, infrastructure provision, institutional capacity building, and the implementation of various national priorities (e.g., HIV and AIDS and school nutrition programmes).

As Table 4.9 shows, the KZN's conditional grant allocation has grown steadily since 2008/09 as a share of total revenue. From 2008/09 to 2011/12, the conditional grant allocation as a share of total revenue rises from 13.7 per cent to 17 per cent, remaining steady at 17.1 per cent to 17.3 per cent over the MTEF. Nominally, the conditional grant allocation grew at an average annual rate of 22.6 per cent 2008/09 to 2011/12. Over the 2012/13 MTEF, it is projected to grow at an average annual rate of 7.7 per cent.

Table 4.10 summarises conditional grant transfers per vote.

Relative to other provincial departments, the Department of Health is the largest recipient of grant allocation, receiving 33.4 per cent of total grants in 2012/13. Of the total grant to the department, the Comprehensive HIV and AIDS grant was increased substantially over the 2012/13 MTEF. Such efforts are in line with the national government's commitment of fighting the scourge of HIV and AIDS in the country. These include the lowering of the CD4 threshold for TB sufferers and pregnant women, and providing triple therapy to all children born with HIV and AIDS.

The Department of Education receives the second largest share of grant allocation over the period under review, increasing increases considerably from R3.108 billion in 2011/12 to R3.345 billion in 2012/13. Since 2010/11, the FET College Sector Recapitalisation grant was incorporated into the equitable share of the department. The FET College Sector grant is a fairly new grant, with this function previously being funded through the equitable share. In addition, Education received the Technical Secondary Schools Recapitalisation grant from 2010/11, and the Dinaledi Schools grant from 2011/12.

Table 4.10: Summary of national conditional grant transfers by vote

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Vote 3: Agriculture, Enviro. Affairs and Rural Dev.	123 890	138 489	174 525	233 935	242 251	242 251	276 738	287 036	292 579
Land Care Programme grant	7 345	8 227	8 721	9 244	9 244	9 244	20 304	18 746	10 854
Comprehensive Agricultural Support Programme	100 545	117 762	135 804	164 691	164 691	164 691	183 726	202 522	212 632
Agricultural Disaster Management grant	5 000	5 000	-	-	-	-	-	-	-
Ilima/Letsema Projects grant	11 000	7 500	30 000	60 000	60 000	60 000	63 000	65 768	69 093
EPWP Integrated Grant for Provinces	-	-	-	-	8 316	8 316	9 708	-	-
Vote 4: Economic Development and Tourism	-	-	-	-	536	536	1 000	-	-
EPWP Integrated Grant for Provinces	-	-	-	-	536	536	1 000	-	-
Vote 5: Education	1 280 569	1 341 818	2 598 423	3 078 939	3 108 039	3 108 039	3 344 801	3 582 787	3 766 589
Education Infrastructure grant (previously IGP)	602 756	746 136	1 035 501	1 158 136	1 175 956	1 175 956	1 247 477	1 318 435	1 373 989
HIV and AIDS (Life-Skills Education) grant	39 910	39 765	42 686	45 114	45 114	45 114	46 806	49 368	52 261
National School Nutrition Programme (NSNP) grant	458 233	555 917	855 285	1 070 013	1 070 013	1 070 013	1 151 644	1 214 985	1 283 755
FET College Sector Recapitalisation grant	162 974	-	-	-	-	-	-	-	-
FET College Sector grant	-	-	649 177	754 793	765 537	765 537	839 837	938 774	991 823
Education Disaster Management grant	16 696	-	-	-	-	-	-	-	-
Technical Secondary Schools Recapitalisation grant	-	-	15 274	38 563	38 563	38 563	40 490	42 716	45 193
EPWP Integrated Grant for Provinces	-	-	500	-	536	536	1 000	-	-
Dinaledi Schools grant	-	-	-	12 320	12 320	12 320	17 547	18 509	19 568
Vote 6: Provincial Treasury	-	-	1 634	-	-	-	-	-	-
Education and Health Infrastructure grants	-	-	1 634	-	-	-	-	-	-
Vote 7: Health	2 634 190	3 114 646	3 924 609	4 434 669	4 435 205	4 435 205	4 820 849	5 437 034	6 091 231
Health Professions Training & Development grant	212 092	222 425	235 771	249 917	249 917	249 917	261 860	276 262	292 837
Hospital Revitalisation grant	330 404	288 862	500 815	547 698	547 698	547 698	566 605	575 104	661 132
National Tertiary Services grant	911 892	983 948	1 102 585	1 201 831	1 201 831	1 201 831	1 323 114	1 415 731	1 496 427
Comprehensive HIV and AIDS grant	757 213	1 121 575	1 518 811	1 889 427	1 889 427	1 889 427	2 225 423	2 652 072	3 073 536
Health Infrastructure grant (was IGP)	294 832	359 717	400 238	358 471	358 471	358 471	393 367	416 969	427 845
Forensic Pathology Services grant	127 757	134 538	152 406	161 550	161 550	161 550	-	-	-
2010 World Cup Health Preparation Strategy grant	-	3 581	-	-	-	-	-	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	2 676	25 775	25 775	25 775	-	-	-
EPWP Integrated Grant for Provinces	-	-	11 307	-	536	536	1 000	-	-
National Health Insurance grant	-	-	-	-	-	-	33 000	77 000	110 000
Nursing Colleges and Schools grant	-	-	-	-	-	-	16 480	23 896	29 454
Vote 8 : Human Settlements	1 622 053	2 330 448	2 768 502	2 769 871	2 801 547	2 801 547	2 915 297	3 148 736	3 305 541
Human Settlements Development grant	1 622 053	2 180 448	2 634 109	2 769 871	2 769 871	2 769 871	2 915 297	3 148 736	3 305 541
Housing Disaster Relief grant	-	150 000	133 800	-	31 140	31 140	-	-	-
EPWP Integrated Grant for Provinces	-	-	593	-	536	536	-	-	-
Vote 9: Community Safety and Liaison	-	-	-	-	-	-	1 673	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	-	-	-	-	1 673	-	-
Vote 12 : Transport	1 309 475	1 570 723	2 040 505	2 139 957	2 157 272	2 157 272	2 373 740	2 368 976	2 486 273
Sani Pass Road grant	30 000	34 347	-	-	-	-	-	-	-
Transport Disaster Management grant	616 773	-	-	-	29 736	29 736	-	-	-
Public Transport Operations grant	-	587 396	714 587	773 473	773 473	773 473	808 279	852 325	895 350
EPWP Integrated Grant for Provinces	-	83 900	153 130	129 836	117 415	117 415	64 290	-	-
Provincial Roads Maintenance grant (was IGP)	662 702	865 080	958 390	1 236 648	1 236 648	1 236 648	1 501 171	1 516 651	1 590 923
Provincial Disaster Relief grant	-	-	214 398	-	-	-	-	-	-
Vote 13 : Social Development	-	-	2 700	4 494	4 494	4 494	-	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	2 700	4 494	4 494	4 494	-	-	-
Vote 14 : Public Works	210 846	236 544	713 331	518 585	520 546	520 546	552 608	588 180	621 359
Devolution of Property Rate Funds grant	210 846	236 264	709 891	518 585	518 585	518 585	551 100	588 180	621 359
EPWP Integrated Grant for Provinces	-	280	3 440	-	1 961	1 961	1 508	-	-
Vote 15 : Arts and Culture	26 195	35 589	38 282	45 401	48 971	48 971	48 619	56 297	69 674
Community Library Services grant	26 195	35 589	38 282	45 401	48 971	48 971	48 619	56 297	69 674
Vote 16: Sport and Recreation	59 735	85 148	90 756	87 694	87 694	87 694	92 122	96 544	101 986
Mass Participation and Sport Development grant	59 735	85 148	90 256	87 694	87 694	87 694	91 122	96 544	101 986
EPWP Integrated Grant for Provinces	-	-	500	-	-	-	1 000	-	-
Total	7 266 953	8 853 405	12 353 267	13 313 545	13 406 555	13 406 555	14 427 447	15 565 590	16 735 232

The Department of Human Settlements is the third largest recipient of grant allocation. This allocation shows a steady nominal increase over the 2012/13 MTEF. The bulk of this grant allocation consists of the Human Settlements Development grant. The Housing Disaster Relief grant allocation in 2010/11 was to repair houses ravaged by storms.

Over the MTEF period, the conditional grant funding for the Department of Transport increases from R2.374 billion in 2012/13 to R2.486 billion in 2014/15. This allocation comprises of the Provincial Roads Maintenance grant, Public Transport Operations grant and the EPWP Integrated Grant for Provinces. The Provincial Roads Maintenance grant (previously the Infrastructure Grant to Provinces) is aimed at accelerating the construction, maintenance, upgrading and rehabilitation of new and existing transport infrastructure. The framework for the IGP has been replaced with sector specific grants for Education, Health and Transport.

With regard to Public Works, a significant increase in the conditional grant funding is noted in the 2012/13 MTEF. The total grant allocation rises from R552.608 million in 2012/13 to R621.359 million in

2014/15. Of this amount, the bulk of the allocation relates to the Devolution of Property Rate Funds grant. This grant commenced in 2008/09 to provide for payments of provincially owned land and buildings' property rates to various municipalities. This function was previously administered by the National Department of Public Works.

The EPWP Integrated Grant for Provinces is allocated to provincial departments in line with schedules to the DORA. From 2012/13, this grant changes from being a Schedule 8 conditional grant to a Schedule 5 conditional grant. Allocations are made to departments based on the previous year's performance and as such, Transport receives R64.290 million in 2012/13, while Agriculture, Environmental Affairs and Rural Development receives R9.708 million. Economic Development and Tourism, Education, Health and Sport and Recreation each receive R1 million in 2012/13.

4.2.4 Total provincial own receipts (own revenue)

Tables 4.11 and 4.12 summarise provincial own revenue by economic classification and by vote, respectively.

The bulk of provincial own revenue is collected against *Tax receipts* which comprises of *Motor vehicle licences*, *Casino and Horse racing taxes* and *Liquor licences*. The next largest revenue collection category is *Sale of goods and services other than capital assets*, particularly Health patient fees, followed by *Transactions in financial assets and liabilities*, *Interest, dividends and rent on land*, *Fines, penalties and forfeits* and *Sale of capital assets*.

Table 4.11: Summary of provincial own receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	1 207 899	1 327 599	1 439 970	1 492 700	1 492 700	1 567 703	1 702 324	1 827 020	1 953 088
Casino taxes	267 943	283 970	305 583	320 788	320 788	320 788	336 827	355 352	374 896
Horse racing taxes	65 070	41 571	45 857	45 817	45 817	59 300	67 097	70 606	74 322
Liquor licences	4 282	4 831	5 023	46 095	46 095	5 784	48 400	51 062	53 870
Motor vehicle licences	870 604	997 227	1 083 507	1 080 000	1 080 000	1 181 831	1 250 000	1 350 000	1 450 000
Sale of goods and services other than capital assets	302 546	345 775	326 565	353 354	353 354	363 962	359 551	377 949	402 608
Transfers received	921	-	1 255	-	-	-	-	-	-
Fines, penalties and forfeits	40 574	43 259	50 989	38 210	38 210	38 149	40 298	40 309	40 320
Interest, dividends and rent on land	43 444	32 384	34 598	8 398	8 398	283 884	186 161	201 239	216 348
Sale of capital assets	7 857	32 462	18 296	7 211	7 211	11 004	8 208	8 399	8 606
Transactions in financial assets and liabilities	95 112	75 716	169 691	43 092	43 092	318 659	42 411	44 712	50 426
Total receipts	1 698 353	1 857 195	2 041 364	1 942 965	1 942 965	2 583 361	2 338 953	2 499 628	2 671 396

Table 4.12: Summary of provincial own receipts by vote

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Office of the Premier	333 420	326 483	352 612	366 761	366 761	380 277	404 110	426 154	449 425
2. Provincial Legislature	3 828	594	4 076	601	601	1 095	629	663	703
3. Agriculture, Environmental Affairs and Rural Dev.	45 100	29 220	18 534	17 273	17 273	20 557	18 136	19 134	20 186
4. Economic Development and Tourism	4 787	5 556	105 494	46 281	46 281	6 551	48 595	51 267	54 087
5. Education	96 596	88 128	63 864	54 835	54 835	83 497	57 819	60 999	73 199
6. Provincial Treasury	15 553	9 881	30 826	8 848	8 848	270 385	185 505	200 556	215 611
7. Health	168 049	232 877	191 221	227 798	227 798	207 099	213 992	224 691	235 925
8. Human Settlements	1 405	6 555	8 117	1 136	1 136	269 305	1 250	1 318	1 439
9. Community Safety and Liaison	46	60	105	53	53	65	52	53	56
10. The Royal Household	87	89	513	93	93	150	98	103	109
11. Co-operative Governance and Traditional Affairs	10 870	5 490	5 622	2 083	2 083	1 698	2 703	2 838	2 995
12. Transport	1 008 826	1 139 462	1 245 979	1 207 948	1 207 948	1 330 246	1 395 850	1 500 900	1 605 950
13. Social Development	4 562	6 995	7 017	4 720	4 720	6 150	4 227	4 448	4 632
14. Public Works	4 573	4 982	6 608	4 120	4 120	5 372	5 498	5 999	6 549
15. Arts and Culture	522	470	609	360	360	537	394	405	425
16. Sport and Recreation	129	353	167	55	55	377	95	100	105
Total provincial own receipts	1 698 353	1 857 195	2 041 364	1 942 965	1 942 965	2 583 361	2 338 953	2 499 628	2 671 396
Provincial Legislature receipts not to be surrendered to the Provincial Revenue Fund	3 828	594	4 076	601	601	1 095	629	663	703
Total adjusted provincial own receipts	1 694 525	1 856 601	2 037 288	1 942 364	1 942 364	2 582 266	2 338 324	2 498 965	2 670 693

Table 4.11 includes *Tax receipts* which exhibit notable growth, averaging 9.1 per cent between 2008/09 and 2011/12. In nominal terms, *Tax receipts* increase from R1.208 billion in 2008/09 to R1.568 billion in

2011/12 with the main revenue collection category being *Motor vehicle licences*. Over the MTEF, *Tax receipts* are projected to rise from R1.702 billion in 2012/13 to R1.953 billion in 2014/15. This translates to an average annual nominal growth of 7.6 per cent over the period.

Tax receipts, as a percentage of total provincial own revenue, fell from 71.1 per cent in 2008/09 to 61 per cent in the 2011/12 Revised Estimate. This decrease is mainly due to other revenue categories becoming more significant, such as *Transactions in financial assets and liabilities* and *Interest, dividends and rent on land*. Over the MTEF period, this share is projected to average 73 per cent of provincial own revenue. In the medium term, the upward trend of *Interest, dividends and rent on land* is expected to continue because of the positive cash balances in the IGCC and PMG accounts.

Sale of goods and services other than capital assets is projected to rise from R359.551 million in 2012/13 to R402.608 million in 2014/15. As a percentage of total provincial own revenue, *Sale of goods and services other than capital assets* fell from 17.8 per cent in 2008/09 to 14.1 per cent in 2011/12 and is projected to stabilise at 15.2 per cent over the medium term. The 2011/12 Revised Estimate shows a spike at R363.962 million due to the Department of Transport over-collecting by R16.929 million against this category. This is due to higher than anticipated increases in the applications for learners' licences and renewal of drivers' licences, as well as the conversion of drivers' licences. In addition, an over-collection of R7.986 million was realised by the Department of Education, largely derived from higher than anticipated commission on PERSAL insurance and garnishee deductions. This over-collection is offset by the Department of Health as the budget for health patient fees was incorrectly based on a once-off peak in revenue collected in 2009/10. *Sale of goods and services other than capital assets* increases steadily over the MTEF.

Transactions in financial assets and liabilities increased from R42.411 million in 2012/13 to R50.426 million in 2014/15. The once-off peak in the 2011/12 Revised Estimate relates to funds paid into the Provincial Revenue Fund in relation to housing projects which did not go ahead as planned in previous financial years. More detail in this regard is included in the *EPRE* in the Human Settlements chapter. Trends in this category have always been difficult to project due to their volatility.

Interest, dividends and rent on land increased substantially from R43.444 million in 2008/09 to R283.884 million in 2011/12. The share of *Interest, dividends and rent on land* to provincial own revenue increases from 2.6 per cent in 2008/09 to 11 per cent in 2011/12, and stabilises at 8 per cent over the MTEF. This is largely due to the interest earned from the IGCC and PMG accounts. The revenue accrued from this source depends on cash balances and the prevailing interest rates, hence the fluctuating trend. The provincial *fiscus* was under severe strain from 2007/08 to 2009/10, resulting in the province going into overdraft. The province has had a positive cash balance since May 2010. However, *Interest, dividends and rent on land* is projected to decline between 2011/12 and 2012/13 as the high level of positive cash balances are not sustainable, especially in view of the 2011/12 projected year-end over-expenditure (largely due to spending pressures in Education).

Fines, penalties and forfeits falls marginally from R40.574 million in 2008/09 to R38.149 million in 2011/12. It is projected to remain steady over the 2012/13 MTEF. This category consists mainly of traffic fines resulting from road traffic infringements. The fluctuations in the trend can be attributed to the difficulty in projecting with certainty the collection of these receipts.

The lowest category by value is *Sale of capital assets*. Its share of provincial revenue is 0.5 per cent in 2008/09 decreasing marginally to 0.4 per cent in 2011/12. Over the MTEF, *Sale of capital assets* as a percentage of provincial own revenue, averages 0.3 per cent. The growth trend in this category reflects conservative projections by departments as it is difficult to determine with certainty the redundancy of capital assets such as motor vehicles.

The following section is a detailed analysis of revenue per vote. The most significant revenue contributors in the province are Transport, Office of the Premier, Health and Provincial Treasury. Economic Development and Tourism's increased revenue contribution over the MTEF is due to the implementation of the KZN Liquor Licensing Act and its associated tariffs. Other departments remain small contributors even though, in nominal terms, their collections have exhibited growth.

Transport

In Table 4.12, Transport continues to be the main contributor to total provincial own revenue, accounting for an average of 60.1 per cent of total provincial own revenue over the 2012/13 MTEF. The department's revenue has shown strong growth rising from R1.009 billion in 2008/09 to R1.330 billion in the 2011/12 Revised Estimate. This increase is set to continue to R1.396 billion in 2012/13 and R1.606 billion in 2014/15, growing at an annual average rate of 7 per cent over the MTEF period.

Revenue generated from *Motor vehicle licences* increased from R870.604 million in 2008/09 to R1.182 billion in 2011/12, and is projected to maintain a steady increase over the MTEF period to R1.450 billion in 2014/15. These increases are linked to the net growth of the motor vehicle population, coupled with the annual increase in motor vehicle licence fees. The growth in projected revenue can also be attributed to the initiatives of the Department of Transport to improve service delivery at the various registering authorities, for the registration and licensing of motor vehicles.

Presently, the variances between motor vehicle licence fees charged across all provinces in the various fee categories are significant. This has been discussed at national and provincial levels for quite some time with the view of equalising the fee variances across provinces (as is the case with the Health patient fee structure). At present, the provinces with higher motor vehicle licence fees, such as KZN and Western Cape, face the dilemma of people migrating to register their motor vehicles in provinces where the motor vehicle licence fees are lower. The main idea behind 'fee equalisation' is that there will be a unified motor vehicle licence fee structure that will be determined at a national level.

Office of the Premier

The Office of the Premier is another major own revenue contributor, yielding more than 16 per cent of total own revenue over the 2012/13 MTEF. The department's main sources of revenue are *Casino taxes* (including tax revenue from Limited Payout Machines) and *Horse racing taxes*.

Revenue generated from *Casino taxes* increased from R267.943 million in 2008/09 to R320.788 million in 2011/12. It is projected to further increase over the MTEF to R374.896 million in 2014/15 at an annual average growth rate of 5.3 per cent. The growth rate is lower than in previous years due to the effects of the global economic situation which left the public with less disposable income available for gaming activities. Since the enactment of the KZN Gaming and Betting Act and Gaming and Betting Tax Act, the Office of the Premier, Provincial Treasury and the KZNGBB are reviewing the fees and taxes for 2012/13.

Revenue generated from *Horse racing taxes* decreased from R65.070 million in 2008/09 to R59.300 million in 2011/12, as 2008/09 includes a once-off amount of R22 million received from the Bookmakers' Control Committee. *Horse racing taxes* continues to show positive growth over the 2012/13 MTEF, growing to R74.322 million in 2014/15. Revenue generated from gambling is unpredictable, as it largely depends on changes in disposable income of the population.

Economic Development and Tourism

Total revenue collection for the department grows from R4.787 million in 2008/09 to R6.551 million in 2011/12. The revenue collections peaked in 2010/11 at R105.494 million due to a once-off R100 million returned to the Provincial Revenue Fund by the Ithala Development Finance Corporation (Ithala) for direct transfer by the department to the Richards Bay Industrial Development Zone (RBIDZ). Over the 2012/13 MTEF period, the department's revenue contribution is projected to average at 2 per cent. The major source of revenue collected by the department is *Liquor licences*. The projected nominal increase in the departmental contribution is due to the enactment of the new KZN Liquor Licensing Act in 2010/11. This Act aims to bring unlicensed traders from historically disadvantaged communities into the tax net, enabling them to do business in a free and conducive environment, without barriers to entry. The Act also provides for the determination of application fees, annual licence renewals and penalties. The income generated will accrue to the Provincial Revenue Fund. In terms of this Act, the KZN Liquor Entity and the responsible municipalities, chosen as agents, will administer licensing of premises, collect liquor licence revenue and ensure the reconciliation of revenue collected.

Health

The receipts of the Department of Health rose from R168.049 million in 2008/09 to R207.099 million in 2011/12. In nominal terms, the department expects to increase its collections from R213.992 million in 2012/13 to R235.925 million in 2014/15. Health's largest proportion of revenue is from patient fees and board for accommodation paid by staff at the department's institutions.

The department is also focusing on patient billing and revenue collection. One of the major objectives is to eliminate leakages in the system, and to shorten patient payment intervals. The department is also continuing with staff training at the various institutions. More attention is being paid to the assessment of patients' ability to pay, the correct billing of patients and the timeous recovery of debts from patients and other third parties, such as medical aids. The department needs to continue to focus on clearing, *inter alia*, all medical aid and Road Accident Fund invoices that are accumulating in the back offices of institutions. Revenue collection processes are also affected by the use of manual billing systems, with only six hospitals currently operating a computerised patient billing system. The system will be implemented in the remaining hospitals as part of the plan of the Hospital Revitalisation grant.

The National Health Chief Financial Officer Forum has reiterated the need for revenue officials to be employed at provincial, district and site levels. Improving revenue generation is now a key output of all provincial health CFOs. Another concerted drive will be to fully roll-out a computerised billing system across all provinces.

Provincial Treasury

Provincial Treasury generates a significant portion of own revenue through interest earned on positive cash balances in the IGCC and the PMG accounts. Revenue generated by Provincial Treasury decreased from R15.553 million in 2008/09 to R9.881 million in 2009/10 and increased to R30.826 million in 2010/11. It is projected to further increase to R270.385 million in the 2011/12 Revised Estimate. The department collects the bulk of its own revenue from interest earned on the IGCC account and the PMG account, which is reflected against the category *Interest, dividends and rent on land*. The fluctuations over the seven-year period under review are directly linked to the amount of cash on hand and changes in interest rates. The low revenue collected in 2008/09 and 2009/10 can be attributed to the over-expenditure incurred by the province. During that period, the funds available for investment in the IGCC account decreased significantly, hence the low revenue collected. The slight improvement in 2010/11 and the substantial increase in the 2011/12 Revised Estimate is due to the improvement in the level of funds available in the IGCC and PMG accounts, largely due to the collective implementation of cost-cutting measures by provincial departments.

The department has significantly increased its projections over the 2012/13 MTEF based on current positive balances. This increase is, however, lower than the 2011/12 Revised Estimate, as mentioned in more detail above.

4.2.5 Donor funding and agency receipts

Table 4.13 shows information on donor funding and agency receipts, per department, for the period under review.

Table 4.13: Donor funding and agency receipts

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Donor Funding	203 843	95 516	119 789	57 869	58 439	58 908	21 081	21 081	-
Office of the Premier	-	-	19 841	19 841	19 841	19 841	19 766	19 766	-
Provincial Legislature	1 003	-	-	-	-	-	-	-	-
Agriculture, Enviro Affairs and Rural Development	11 509	19 474	22 276	19 349	19 349	33 619	1 315	1 315	-
Economic Development and Tourism	55 043	31 291	42 626	18 679	18 679	1 171	-	-	-
Education	29 999	-	31 709	-	-	-	-	-	-
Health	91 985	36 072	1 294	-	-	3 707	-	-	-
Human Settlements	604	-	-	-	-	-	-	-	-
Co-operative Governance and Traditional Affairs	13 700	8 679	2 043	-	570	570	-	-	-
Agency Receipt	776 514	44 835	17 454	7 420	7 420	7 420	7 858	8 290	8 290
Office of the Premier	34 541	38 639	10 034	-	-	-	-	-	-
Transport	741 973	6 196	7 420	7 420	7 420	7 420	7 858	8 290	8 290
Total	980 357	140 351	137 243	65 289	65 859	66 328	28 939	29 371	8 290

This funding is not voted for, and is relatively small in value. The funding gives an indication of additional local and international resources available to the province. Each department receiving donor funding and/or agency receipts has a table in the departmental chapter in the *EPRE*, which indicates how the donor funding and agency receipts have been spent over the seven-year period.

It has become crucial to monitor the quality and quantity of services being provided with regard to donor funding and agency receipts. To this extent, Provincial Treasury requires departments to report on donor funding and agency receipts on a quarterly basis. This is done mainly because, in some instances, departments commit themselves to projects and, when the donor funding ceases, these commitments continue and have to be funded through voted funds in order to reach completion.

4.2.5.1 Donor funding

The recipients of donor funding over the 2012/13 MTEF are the Office of the Premier and DAEARD.

The Office of the Premier receives funding from the National Skills Fund. The department receives R19.766 million in 2012/13 and it remains constant in 2013/14.

The Office of the Premier, through the Public Service Training Academy, will fund the following learning programmes:

- Learnerships in the construction sector.
- Automotive apprenticeships.
- Manufacturing and engineering apprenticeships and learnerships.
- National Youth Services Skills Programmes – Department of Public Works.
- EPWP learnerships.

Over the MTEF period, DAEARD will receive R1.315 million in 2012/13 and 2013/14. This emanates entirely from the World Health Organisation (WHO). The WHO funds commenced in 2009/10 and were earmarked for dog rabies control in the province. Other donor funds, such as those from the Flemish government who co-funded the Empowerment for Food Security programme, have since lapsed.

4.2.5.2 Agency receipts

The Department of Transport receives funding from the South African National Roads Agency Limited (SANRAL), to cater for an extended overload control function on the national road network in KZN. These agency receipts decrease from R741.973 million in 2008/09 to R6.196 million in 2009/10, and increase to R7.420 million in 2010/11 and remain unchanged in 2011/12. The decrease between 2008/09 and 2009/10 was due to the agency funding for bus subsidies from the National Department of Transport ending in 2008/09, and being replaced from 2009/10 onward by the Public Transport Operations grant to subsidise public transport.

Over the MTEF, the agency receipts increase steadily from R7.858 million in 2012/13 to R8.290 million in 2013/14 and remain constant in 2014/15. The budget remains constant in 2014/15 due to conservative budgeting, as a result of the uncertainty over the amount that will be transferred to the department.

5. PAYMENTS

5.1 Overall position

Total provincial payments increased from R55.529 billion in 2008/09 to an estimated R79.074 billion in 2011/12. This positive growth is set to continue over the 2012/13 MTEF, with the aggregated estimates rising to R95.701 billion in 2014/15. The additional funding, over and above the existing (2011/12 MTEF) growth within the various departments' baselines, caters for:

- Carry-through costs of the 2011/12 Adjustments Estimate (e.g. *Lungisisa Indlela* Village (LIV) Orphanage, Ulundi (Prince Mangosuthu Buthelezi) airport, etc.).
- Funding for the carry-through costs of the 2011 wage agreement, and additional funding for Education for personnel pressures.
- Growth in some conditional grants, as well as the introduction of new conditional grants in 2012/13, these being the NHI and the Nursing Colleges and Schools grants under Health.
- Revised allocations of the EPWP Integrated Grant for Provinces and Social Sector EPWP Incentive Grant for Provinces for 2012/13 only.
- Funding allocated to various provincial priorities such as the Youth Ambassadors programme, Operation *Sukuma Sakhe*, rehabilitation of the provincial road network, fencing and irrigation programmes, etc.

5.2 Payments by vote

Table 5.1 below illustrates the summary of provincial payments by vote. The trend analysis reveals that most departments' budgets are set to increase from the 2011/12 Main Appropriation to 2012/13 and over ensuing financial years. More detail of the payments and estimates is given under each vote's chapter in the *EPRE*.

Table 5.1: Summary of provincial payments and estimates by vote

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
1. Office of the Premier	463 842	429 103	423 807	471 105	491 105	538 605	594 600	611 754	656 426
2. Provincial Legislature	247 649	288 238	310 909	374 702	401 373	401 373	402 377	422 871	448 227
3. Agriculture, Enviro. Affairs and Rural Development	1 752 824	1 970 012	2 045 856	2 460 585	2 481 989	2 481 989	2 653 834	2 857 997	3 018 973
4. Economic Development and Tourism	1 766 565	2 425 317	1 624 311	1 486 950	1 577 558	1 572 492	1 641 018	1 862 345	2 003 296
5. Education	22 991 742	26 230 746	28 746 616	32 618 276	33 227 001	34 301 590	34 764 633	37 159 915	39 523 694
6. Provincial Treasury	693 565	613 902	388 936	536 486	510 024	462 831	604 274	595 349	625 123
Operational budget	492 298	434 989	364 300	523 962	463 962	416 769	515 865	541 867	570 892
Growth and Development	201 267	178 913	24 636	12 524	46 062	46 062	88 409	53 482	54 231
7. Health	17 103 101	20 349 276	20 734 986	24 484 855	24 669 096	24 463 061	26 555 350	28 508 609	30 544 907
8. Human Settlements	1 876 146	2 492 647	3 089 237	3 053 315	3 084 991	3 084 991	3 300 935	3 465 289	3 641 059
9. Community Safety and Liaison	109 287	125 272	129 186	150 139	150 139	150 139	161 334	169 280	180 251
10. The Royal Household	47 853	40 407	50 627	55 028	60 643	60 643	59 566	64 203	55 334
11. Co-operative Governance and Traditional Affairs	1 020 672	1 023 420	1 014 392	1 138 289	1 155 995	1 155 995	1 208 003	1 262 467	1 337 973
12. Transport	5 025 223	5 164 996	5 958 923	6 573 729	6 628 044	6 628 044	7 418 873	7 764 144	8 723 942
13. Social Development	1 232 408	1 361 280	1 416 423	1 952 956	1 952 956	1 831 609	2 047 812	2 293 980	2 401 373
14. Public Works	731 259	796 169	1 114 209	1 220 407	1 267 970	1 212 841	1 311 171	1 387 173	1 460 500
15. Arts and Culture	253 289	259 157	349 369	364 856	369 818	369 818	470 392	612 434	659 163
16. Sport and Recreation	213 267	239 342	276 740	358 333	358 333	358 333	377 288	397 223	420 696
Total	55 528 692	63 809 284	67 674 527	77 300 011	78 387 035	79 074 354	83 571 460	89 435 033	95 700 937

The substantial increase in the Office of the Premier over the 2012/13 MTEF relates to additional funding allocated for various provincial priorities such as the LIV Orphanage project, Youth Ambassadors programme, the administrative costs of the merger of the horse racing regulator into the KZNGBB, Operation *Sukuma Sakhe* and the provision of piped water and roads at the Luwamba Clinic in the Ntambanana municipality. Details are provided under the vote's chapter in the *EPRE*.

Education reflects a significant increase from the 2010/11 Audited Outcome to the 2011/12 Main Appropriation and over the 2012/13 MTEF due to additional funding allocated for the carry-through costs of the higher than anticipated 2010 and 2011 wage agreements, funding for the Occupational Specific Dispensation (OSD) for educators and the expansion of provincial examination administration. The department received further additional funding in the 2012/13 MTEF in respect of the carry-through costs of the 2011 wage agreement, funding for personnel spending pressures, improving infrastructure support and national priorities, including the expansion of no-fee schools and the universalisation of Grade R. The department's growth over the seven-year period relates to the OSD for educators, the various higher than anticipated wage agreements, the filling of unfunded vacant posts and also various national priorities.

The Social Sector, comprising Education, Health and Social Development, reflects positive growth over the MTEF, mainly due to allocations for various national priorities allocated to the province in previous MTEFs and also those allocated in the 2012/13 MTEF and the introduction of two new conditional grants under Health. Also contributing to this growth is funding received for various OSDs and higher than anticipated wage agreements, including the 2011 wage agreement. In 2012/13, various provincial priorities were financed from provincial cash resources, as mentioned earlier.

Table 5.2 below shows an analysis of payments and estimates by major votes.

Table 5.2: Analysis of payments and estimates by major vote

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15	2008/09-2011/12	2011/12-2014/15
R thousand									
Education	22 991 742	26 230 746	28 746 616	33 227 001	34 764 633	37 159 915	39 523 694		
Health	17 103 101	20 349 276	20 734 986	24 669 096	26 555 350	28 508 609	30 544 907		
Social Development	1 232 408	1 361 280	1 416 423	1 952 956	2 047 812	2 293 980	2 401 373		
Other Functions	14 201 441	15 867 982	16 776 502	18 537 982	20 203 665	21 472 529	23 230 963		
Total expenditure	55 528 692	63 809 284	67 674 527	78 387 035	83 571 460	89 435 033	95 700 937		
% of total expenditure									
Education	41.4	41.1	42.5	42.4	41.6	41.5	41.3		
Health	30.8	31.9	30.6	31.5	31.8	31.9	31.9		
Social Development	2.2	2.1	2.1	2.5	2.5	2.6	2.5		
Other Functions	25.6	24.9	24.8	23.6	24.2	24.0	24.3		
Nominal growth (%)									
Education		14.1	9.6	15.6	4.6	6.9	6.4	13.1	6.0
Health		19.0	1.9	19.0	7.6	7.4	7.1	13.0	7.4
Social Development		10.5	4.1	37.9	4.9	12.0	4.7	16.6	7.1
Other Functions		11.7	5.7	10.5	9.0	6.3	8.2	9.3	7.8
Total expenditure		14.9	6.1	15.8	6.6	7.0	7.0	12.2	6.9
Real growth (%)									
Education		7.3	5.2	10.3	(0.6)	1.3	1.3	7.6	0.6
Health		11.9	(2.2)	13.5	2.2	1.7	2.0	7.5	2.0
Social Development		3.9	(0.1)	31.5	(0.4)	6.2	(0.3)	10.9	1.8
Other Functions		5.1	1.5	5.4	3.5	0.7	3.0	4.0	2.4
Total expenditure		8.1	1.8	10.5	1.2	1.4	1.9	6.7	1.5

As mentioned above, Social Sector spending increases considerably, in both nominal and real terms, over the seven-year period under review. The sector projects steady growth over the 2012/13 MTEF, with a negative annual real growth of 0.6 per cent under Education in 2012/13, which can be ascribed to the shortfall in funding for the carry-through costs of the OSD for educators, various wage agreements and the filling of unfunded posts. The share of the Social Sector increases from 74.4 per cent in 2008/09 to 76.4 per cent in 2011/12, and decrease slightly to 75.7 per cent in 2014/15. The share of total expenditure for Other Functions reflects a minimal decline over the seven-year period, from 25.6 per cent in 2008/09 to 24.3 per cent in 2014/15 despite additional funding allocated for the maintenance of the provincial road network and infrastructure development at DTP. This indicates that there has been equivalent growth in the Social Sector's allocation over the 2012/13 MTEF, and as such the percentage shares remain largely steady.

The Department of Education remains the highest spending provincial department, at 42.4 per cent in 2011/12 and decreasing slightly to 41.3 per cent in 2014/15, due to other sectors receiving substantial additional funding. Examples are Transport which received additional funding for the maintenance of the provincial road network and Economic Development and Tourism for infrastructure development at DTP. Education's budget increases by an average annual nominal (real) growth of 13.1 (7.6) per cent between

2008/09 and 2011/12, and 6 (0.6) per cent between 2011/12 and 2014/15. The positive growth over the former period is largely in respect of OSD for educators and the various higher than anticipated wage agreements, the filling of unfunded posts and the expansion of provincial examination administration. Also contributing to this positive growth are allocations for various national priorities, such as the expansion of no-fee schools, universalisation of Grade R, reduction of the learner/teacher ratio, etc.

The Department of Health remains the second highest spending department in the province and is showing an increase in the share, from 30.8 per cent in 2008/09 to 31.9 per cent in 2014/15. The budget for Health reflects healthy average annual nominal (real) growth of 13 (7.5) per cent between 2008/09 and 2011/12 and 7.4 (2) per cent between 2011/12 and 2014/15. This increase is largely as a result of additional funding allocated over the seven-year period in respect of the OSD for medical personnel and various wage agreements, and also increases in conditional grants, in particular the Comprehensive HIV and AIDS grant. Health is showing a substantial increase in 2011/12 which is largely in respect of various national priorities, such as increasing the CD4 count threshold to 350, maternal and child health, OSD for doctors and therapeutic personnel, etc.

Social Development reflects an increase in the share of total expenditure, from 2.2 per cent in 2008/09 to 2.5 per cent in 2011/12, and remains steady at 2.5 per cent in 2012/13 and 2014/15, with a slight increase to 2.6 per cent in 2013/14. Social Development enjoys the largest annual average nominal (real) growth of 16.6 (10.9) per cent between 2008/09 and 2011/12, and 7.1 (1.8) per cent between 2011/12 and 2014/15. This strong growth over the 2012/13 MTEF caters for, among others, the expansion of home/community based care and early childhood development. In the 2012/13 MTEF, funding was allocated for the carry-through costs of the 2011 wage agreement, and child and youth care and victim empowerment.

Other Functions reflect higher average annual nominal (real) growth of 9.3 (4) per cent between 2008/09 and 2011/12 when compared to 7.8 (2.4) per cent between 2011/12 and 2014/15. The higher percentage share of 25.6 per cent in 2008/09 relates to once-off funding for the construction of the airport at DTP and the decrease in allocation largely explains the decrease in the share, to 23.6 per cent in 2011/12. The increase over the 2012/13 MTEF relates mainly to additional funding given to the Department of Transport, for the maintenance of the provincial road network and also to deal with the backlog thereof, and also to DEDT for infrastructure development at DTP, as mentioned above. Also contributing is significant additional funding to DAEARD for the maintenance of roads in conservation areas and expansion of protected areas. Also, growth in the Human Settlements Development grant contributes to this increase over the 2012/13 MTEF.

5.3 Payments by economic classification

5.3.1 Provincial summary of payments and estimates by economic classification

Table 5.3 below, which presents a summary of payments and estimates by economic classification, is broken down into four main categories, namely *Current payments*, *Transfers and subsidies*, *Payments for capital assets* and *Payments for financial assets*, for the period 2008/09 to 2014/15.

Current payments consume the bulk of the total provincial spending, and is set to increase from R62.304 billion in the 2011/12 Revised Estimate to R75.702 billion in 2014/15. The largest portion of this category relates to *Compensation of employees*, which is set to increase from R46.433 billion in the 2011/12 Revised Estimate to R54.717 billion in 2014/15. The bulk of this budget is allocated under Education, followed by Health.

Table 5.3: Summary of provincial payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	43 085 775	48 430 471	52 286 234	60 737 820	60 770 196	62 303 934	65 973 570	70 446 933	75 701 539
Compensation of employees	31 062 640	35 608 907	39 312 068	44 039 402	44 645 148	46 432 895	48 035 685	51 010 496	54 716 934
Goods and services	11 884 124	12 716 062	12 958 017	16 598 418	16 096 048	15 869 691	17 887 885	19 386 437	20 934 605
Interest and rent on land	139 011	105 502	16 149	100 000	29 000	1 348	50 000	50 000	50 000
Transfers and subsidies to:	6 878 930	8 729 974	9 228 306	9 262 713	9 772 851	9 405 631	10 118 836	11 403 213	12 129 775
Provinces and municipalities	1 117 042	1 183 299	1 447 500	1 296 108	1 233 871	1 164 800	1 264 715	1 455 428	1 496 424
Departmental agencies and accounts	628 164	666 078	773 626	845 039	888 734	884 896	882 502	993 363	1 054 388
Universities and technikons	831	-	-	2 000	-	-	-	-	-
Foreign governments and international organisations	1 081	226	410	591	176	176	180	189	198
Public corporations and private enterprises	52 751	729 317	1 081 682	1 132 033	1 092 769	1 092 769	1 281 238	1 253 733	1 317 107
Non-profit institutions	3 588 630	4 003 614	3 253 010	3 795 814	3 840 320	3 505 860	4 013 480	4 860 672	5 226 173
Households	1 490 431	2 147 440	2 672 078	2 191 128	2 716 981	2 757 130	2 676 721	2 839 828	3 035 485
Payments for capital assets	5 500 427	5 417 997	5 651 866	7 210 771	7 761 854	7 282 530	7 406 955	7 507 037	7 785 616
Buildings and other fixed structures	4 661 497	4 604 839	4 985 532	5 832 022	5 765 659	5 783 022	5 853 391	6 302 753	6 741 851
Machinery and equipment	831 911	797 665	650 510	1 368 530	1 956 794	1 460 151	1 542 296	1 193 759	1 032 644
Heritage assets	262	-	323	-	5 275	5 275	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	360	222	354	15 354	15 354	523	553	586
Land and sub-soil assets	900	450	798	-	-	11	-	-	-
Software and other intangible assets	5 857	14 683	14 481	9 865	18 772	18 717	10 745	9 972	10 535
Payments for financial assets	14 801	1 164 407	445 440	13 070	13 497	13 622	1 800	1 800	3 394
Total	55 479 933	63 742 849	67 611 846	77 224 374	78 318 398	79 005 717	83 501 161	89 358 983	95 620 324
Statutory payments	48 759	66 435	62 681	75 637	68 637	68 637	70 299	76 050	80 613
Total economic classification (incl. stat. payment)	55 528 692	63 809 284	67 674 527	77 300 011	78 387 035	79 074 354	83 571 460	89 435 033	95 700 937

Transfers and subsidies shows steady growth between 2008/09 and 2010/11. The low growth in the 2011/12 Main Appropriation when compared to 2010/11 is mainly due to the reduction in transfers to DTP by Economic Development and Tourism, as the airport portion of the project was completed in 2010/11, therefore requiring a lower budget to be allocated to the project. A substantial portion of *Transfers and subsidies to: Provinces and municipalities* relate to transfers to municipalities for housing projects by Human Settlements. A large portion of *Transfers and subsidies to: Non-profit institutions* relates to transfers to public schools for norms and standards. It must be noted that there is a significant increase in 2011/12 due to more schools being allocated some of the Section 21 schools' functions.

The trend in *Payments for capital assets* reflects good growth over the seven-year period, increasing from R5.500 billion in 2008/09 to R7.786 billion in 2014/15. *Buildings and other fixed structures* reflects steady growth over the period due to government's emphasis on infrastructure development with the aim of boosting the economy and, subsequently, job creation. The bulk of spending on infrastructure is under Education, Health and Transport. These departments receive further funding, in addition to the provincial allocation, through the infrastructure grants from National Treasury. These grants, especially the Education Infrastructure grant, have seen some significant increases in funding over the period under review. A substantial portion of *Buildings and other fixed structures* relates to the Department of Education allocating funds (inclusive of the Education Infrastructure grant) for the upgrading and major repairs to school infrastructure, as well as provision for pressing infrastructural needs, such as the building of special schools and Early Childhood Development (ECD) classrooms. The infrastructure expenditure and budget of the Department of Transport increases substantially over the seven-year period (inclusive of the Provincial Roads Maintenance grant allocation) in respect of the maintenance of the provincial road network. The Department of Health shows steady growth over the seven-year period due to the ongoing focus on improving physical facilities.

The category *Payments for financial assets* shows the write-off of irrecoverable debts and, from 2009/10, this category includes the first charge amounts (in line with Section 34(2) of the PFMA) in respect of unauthorised expenditure for DAEARD, Education, Health, Human Settlements, Transport and the Royal Household. Details of these first charge amounts are included in each vote's chapter.

Table 5.4 below provides an analysis of payments by economic classification, looking at nominal and real average annual growth, and percentage share of various categories when compared to total expenditure.

Table 5.4: Analysis of payments and estimates by economic classification

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15	2008/09-2011/12	2011/12-2014/15
R thousand									
Current	43 134 534	48 496 906	52 348 915	60 838 833	66 043 869	70 522 983	75 782 152		
Transfers	6 878 930	8 729 974	9 228 306	9 772 851	10 118 836	11 403 213	12 129 775		
Capital	5 500 427	5 417 997	5 651 866	7 761 854	7 406 955	7 507 037	7 785 616		
Financial assets	14 801	1 164 407	445 440	13 497	1 800	1 800	3 394		
Compensation	31 111 399	35 675 342	39 374 749	44 713 785	48 105 984	51 086 546	54 797 547		
Non-compensation	24 417 293	28 133 942	28 299 778	33 673 250	35 465 476	38 348 487	40 903 390		
Non-compensation (excl. transfers)	17 538 363	19 403 968	19 071 472	23 900 399	25 346 640	26 945 274	28 773 615		
Non-compensation non-capital (NCNC)	18 916 866	22 715 945	22 647 912	25 911 396	28 058 521	30 841 450	33 117 774		
NCNC (excl. transfers)	12 037 936	13 985 971	13 419 606	16 138 545	17 939 685	19 438 237	20 987 999		
Total expenditure	55 528 692	63 809 284	67 674 527	78 387 035	83 571 460	89 435 033	95 700 937		
% of total expenditure									
Current	77.7	76.0	77.4	77.6	79.0	78.9	79.2		
Transfers	12.4	13.7	13.6	12.5	12.1	12.8	12.7		
Capital	9.9	8.5	8.4	9.9	8.9	8.4	8.1		
Financial assets	0.0	1.8	0.7	0.0	0.0	0.0	0.0		
Compensation	56.0	55.9	58.2	57.0	57.6	57.1	57.3		
Non-compensation	44.0	44.1	41.8	43.0	42.4	42.9	42.7		
Non-compensation (excl. transfers)	31.6	30.4	28.2	30.5	30.3	30.1	30.1		
Non-compensation non-capital (NCNC)	34.1	35.6	33.5	33.1	33.6	34.5	34.6		
NCNC (excl. transfers)	21.7	21.9	19.8	20.6	21.5	21.7	21.9		
Nominal growth (%)									
Current		12.4	7.9	16.2	8.6	6.8	7.5	12.1	7.6
Transfers		26.9	5.7	5.9	3.5	12.7	6.4	12.4	7.5
Capital		(1.5)	4.3	37.3	(4.6)	1.4	3.7	12.2	0.1
Financial assets		7 767.1	(61.7)	(97.0)	(86.7)	-	88.6	(3.0)	(36.9)
Compensation		14.7	10.4	13.6	7.6	6.2	7.3	12.9	7.0
Non-compensation		15.2	0.6	19.0	5.3	8.1	6.7	11.3	6.7
Non-compensation (excl. transfers)		10.6	(1.7)	25.3	6.1	6.3	6.8	10.9	6.4
Non-compensation non-capital (NCNC)		20.1	(0.3)	14.4	8.3	9.9	7.4	11.1	8.5
NCNC (excl. transfers)		16.2	(4.0)	20.3	11.2	8.4	8.0	10.3	9.2
Real growth (%)									
Current		5.7	3.6	10.9	3.1	1.2	2.3	6.7	2.2
Transfers		19.4	1.5	1.0	(1.7)	6.8	1.3	6.9	2.1
Capital		(7.4)	0.1	31.0	(9.4)	(3.9)	(1.2)	6.7	(4.9)
Financial assets		7 299.0	(63.3)	(97.1)	(87.3)	(5.2)	79.6	(7.7)	(40.0)
Compensation		7.8	5.9	8.3	2.2	0.6	2.2	7.4	1.7
Non-compensation		8.4	(3.5)	13.5	0.0	2.5	1.6	5.9	1.4
Non-compensation (excl. transfers)		4.1	(5.7)	19.5	0.7	0.8	1.7	5.5	1.1
Non-compensation non-capital (NCNC)		12.9	(4.3)	9.1	2.8	4.2	2.3	5.7	3.1
NCNC (excl. transfers)		9.3	(7.9)	14.7	5.6	2.7	2.8	4.9	3.7

As a percentage of total expenditure, *Current* expenditure is the largest, but it is declining slightly over time, from 77.7 per cent in 2008/09 to 77.6 per cent in 2011/12, before increasing to 79.2 per cent in 2014/15. This category reflects an average annual nominal growth of 12.1 per cent for the period 2008/09 to 2011/12 and declines to 7.6 per cent for the period 2011/12 to 2014/15.

The share of total expenditure for *Transfers* increases over the period under review, from 12.4 per cent in 2008/09 to 13.6 per cent in 2010/11 before declining to 12.7 per cent in 2014/15. The declining share over the seven-year period is mainly attributed to the reduction in the funding for DTP, relating to the construction of the airport which was completed in 2009/10, and the construction and upgrading of soccer stadia ending in 2009/10. While DTP receives additional funding over the 2012/13 MTEF, it does not increase to the same level it was before the completion of the airport. This decline in share has a positive influence on the *Current* share.

While the expenditure trend for *Capital* reflects growth over the period under review, the share of total expenditure declines, from 9.9 per cent in 2008/09 to 8.1 per cent in 2014/15. This is indicative of the fact that major increases have been in respect of *Compensation of employees* due to the various higher than anticipated wage agreements and the various OSDs affecting mainly Education and Health. This category reflects fluctuations in the nominal average annual growth over the period under review, with a high growth of 37.3 per cent in 2011/12, relating to the increase in infrastructure grants, especially the Provincial Roads Maintenance grant and also equitable share funding allocated mainly in respect of the maintenance of the provincial road network. Increased spending on capital shows government's commitment toward strengthening investment in its capital stock, and hence stimulating economic growth in the province.

Compensation's share of total expenditure shows an increase from 56 per cent in 2008/09 to 57.3 per cent in 2014/15. This category shows an average annual real growth of 7.4 per cent for the period 2008/09 to 2011/12 and 1.7 per cent for the period 2011/12 to 2014/15 (reflecting the continued pressure in Education's personnel expenditure). *Non-compensation* shows a decline in the share of total expenditure, from 44 per cent in 2008/09 to 42.7 per cent in 2014/15. The higher share for *Compensation* compared to *Non-compensation* clearly shows that the annual higher than budgeted wage increases are crowding out the allocation of resources toward service delivery spending. There have been difficulties with the allocation of resources toward service delivery, as the province was often under-funded with regard to annual wage agreements, as well as the various OSDs requiring the reprioritization of funds to cover this shortfall. However, it must be noted that the province was fully funded for the 2011 wage agreement.

The percentage share of *Non-compensation non-capital* increases slightly, from 34.1 per cent to 34.6 per cent over the seven-year period under review. The category *Non-compensation (excluding transfers)* is also expected to increase slightly from 21.7 per cent in 2008/09 to 21.9 per cent in 2014/15. This confirms government's commitment to increasing output of non-personnel service delivery to match the increasing demand for government services.

5.3.2 Analysis of payments and estimates by economic classification – Education

Table 5.5 shows the Department of Education's summary of payments and estimates by economic classification.

Table 5.5: Analysis of payments and estimates summary by economic classification - Education

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14	2014/15	2008/09-2011/12
R thousand									
Current	20 137 451	23 109 269	24 880 844	28 435 879	29 721 748	31 579 941	33 586 732		
Transfers	1 625 964	1 602 910	1 724 719	2 311 572	2 459 420	2 985 645	3 221 974		
Capital	1 228 327	1 407 097	1 920 880	2 479 550	2 583 465	2 594 329	2 714 988		
Financial assets	-	111 470	220 173	-	-	-	-		
Compensation	18 038 091	20 864 307	22 609 337	25 061 155	26 325 100	27 765 323	29 599 262		
Non-compensation	4 953 651	5 366 439	6 137 279	8 165 846	8 439 533	9 394 592	9 924 432		
Non-compensation (excl. transfers)	3 327 687	3 763 529	4 412 560	5 854 274	5 980 113	6 408 947	6 702 458		
Non-compensation non-capital (NCNC)	3 725 324	3 959 342	4 216 399	5 686 296	5 856 068	6 800 263	7 209 444		
NCNC (excl. transfers)	2 099 360	2 356 432	2 491 680	3 374 724	3 396 648	3 814 618	3 987 470		
Total expenditure	22 991 742	26 230 746	28 746 616	33 227 001	34 764 633	37 159 915	39 523 694		
% of total expenditure									
Current	87.6	88.1	86.6	85.6	85.5	85.0	85.0		
Transfers	7.1	6.1	6.0	7.0	7.1	8.0	8.2		
Capital	5.3	5.4	6.7	7.5	7.4	7.0	6.9		
Financial assets	-	0.4	0.8	-	-	-	-		
Compensation	78.5	79.5	78.7	75.4	75.7	74.7	74.9		
Non-compensation	21.5	20.5	21.3	24.6	24.3	25.3	25.1		
Non-compensation (excl. transfers)	14.5	14.3	15.3	17.6	17.2	17.2	17.0		
Non-compensation non-capital (NCNC)	16.2	15.1	14.7	17.1	16.8	18.3	18.2		
NCNC (excl. transfers)	9.1	9.0	8.7	10.2	9.8	10.3	10.1		
Nominal growth (%)									
Current		14.8	7.7	14.3	4.5	6.3	6.4	12.2	5.7
Transfers		(1.4)	7.6	34.0	6.4	21.4	7.9	12.4	11.7
Capital		14.6	36.5	29.1	4.2	0.4	4.7	26.4	3.1
Financial assets		-	97.5	(100.0)	-	-	-	-	-
Compensation		15.7	8.4	10.8	5.0	5.5	6.6	11.6	5.7
Non-compensation		8.3	14.4	33.1	3.4	11.3	5.6	18.1	6.7
Non-compensation (excl. transfers)		13.1	17.2	32.7	2.1	7.2	4.6	20.7	4.6
Non-compensation non-capital (NCNC)		6.3	6.5	34.9	3.0	16.1	6.0	15.1	8.2
NCNC (excl. transfers)		12.2	5.7	35.4	0.6	12.3	4.5	17.1	5.7
Real growth (%)									
Current		7.9	3.3	9.0	(0.7)	0.7	1.3	6.7	0.4
Transfers		(7.3)	3.3	27.8	1.0	15.1	2.8	7.0	6.1
Capital		7.7	31.0	23.1	(1.1)	(4.8)	(0.3)	20.2	(2.1)
Financial assets		(5.9)	89.6	(100.0)	(5.0)	(5.2)	(4.8)	-	-
Compensation		8.8	4.0	5.7	(0.3)	(0.0)	1.5	6.2	0.4
Non-compensation		1.9	9.8	26.9	(1.9)	5.5	0.6	12.4	1.4
Non-compensation (excl. transfers)		6.4	12.5	26.6	(3.0)	1.6	(0.4)	14.8	(0.6)
Non-compensation non-capital (NCNC)		(0.0)	2.2	28.6	(2.2)	10.1	1.0	9.5	2.8
NCNC (excl. transfers)		5.6	1.5	29.2	(4.4)	6.4	(0.4)	11.4	0.4

Current expenditure comprises by far the highest proportion of the department's budget. *Current* expenditure's share of total expenditure decreases from 87.6 per cent in 2008/09 to 85 per cent in 2014/15, mainly as a result of an increase in *Capital* and *Transfers*, which is explained in detail below.

Transfers' share of total expenditure declines from 7.1 per cent to 6.1 per cent between 2008/09 and 2009/10 as a result of once-off funding allocated for the phasing in of the National Certificate (Vocational) [NC(V)] in terms of the FET Act, 2006. The share of total expenditure declines slightly in 2010/11 due to the under-expenditure that occurred in that year, especially with regard to special schools and ECD centres, which resulted in the department procuring some items on their behalf, thus increasing *Current* expenditure. The increase between 2010/11 and 2011/12 is attributable to the conversion of Section 20 schools into Section 21 schools which now attain functions similar to Section 21 schools, such as the purchasing of textbooks, educational material and equipment for the school and paying for municipal services, among others. The share of total expenditure increases in the two outer years of the MTEF and is attributed to the increased transfers to FET colleges, which are funded by the FET College Sector grant, and the anticipation of all schools being allocated some of the Section 21 functions.

Capital, expressed as a share of total expenditure, increases slightly from 5.3 per cent in 2008/09 to 7 per cent in 2013/14, and decreases slightly to 6.9 per cent in 2014/15. The increase over the seven-year period can mainly be ascribed to the increase in the Education Infrastructure grant which has doubled over the period under review. A significant increase in *Capital* is reflected from 2010/11 onward, due to a further increase in the Education Infrastructure grant, specifically for Grade R infrastructure and special schools' infrastructure. However, it is worth noting that the 2010/11 Audited Outcome is significantly lower than the 2011/12 Adjusted Appropriation mainly due to cost-cutting on *Machinery and equipment*, as well as under-expenditure on infrastructure related to special schools and ECD in that year. The increase in *Transfers* reduces *Capital's* share of total expenditure in 2014/15. This, however, does not translate to a decreased budget for *Capital*, which increases by 7.9 per cent year-on-year from 2013/14.

Financial assets fluctuates over the seven-year period, with a share of total expenditure of 0.4 per cent and 0.8 per cent in 2009/10 and 2010/11, respectively. The expenditure reflected in 2009/10 and 2010/11 relates to the first and second instalments of the first charge (in terms of Section 34 (2) of the PFMA) relating to the over-expenditure of 2008/09. Also included in 2010/11 is the amount related to the write-off of staff debts which could not be recovered during the debt recovery drive by the department.

Compensation's share of total expenditure shows a decrease from 78.5 per cent to 74.9 per cent between 2008/09 and 2014/15. While the percentage share of *Compensation* is decreasing, the expenditure is still increasing in real terms, with an annual average nominal growth rate of 11.6 per cent between 2008/09 and 2011/12, and declines to 5.7 per cent annual average over the MTEF. This increase caters for the various wage agreements, including the OSD for educators, which were implemented in 2008/09 and 2009/10, as well as funds for teacher assistants and additional support staff, reduction of the learner: educator ratio and the annual personnel inflationary adjustment over the MTEF. The decrease in the share of total expenditure from 2009/10 onward is an indication that other spending categories continue to increase at a faster rate, thus showing an increased focus on service delivery, especially infrastructure, transfers to schools, Learner Teacher Support Materials (LTSM), National School Nutrition Programme (NSNP), etc.

Current expenditure increases in real terms year-on-year at a rate of 7.9 per cent from 2008/09 to 2009/10, due to increased spending as a result of the implementation of OSD for educators. The increase normalises in 2010/11, and picks-up again in 2011/12 relating to additional funding allocated for the OSD for educators, NSNP, increased spending on LTSM, as well as additional funding allocated in the 2011/12 Adjustments Estimate to address spending pressures in *Compensation of employees*. The growth rate declines massively to a negative 0.7 per cent year-on-year in 2012/13, indicating the spending pressures that are likely to be experienced against this category due to the filling of unfunded posts, as well as the historical under-funding with regard to OSD for educators and various wage agreements. The growth rate in real terms is expected to increase slightly at 1.3 per cent in 2014/15.

Transfers declines by 7.3 per cent in real terms year-on-year from 2008/09 to 2009/10, attributed to the once-off additional allocation of R174 million in 2008/09 for the implementation of the NC(V). The

significant real growth of 27.8 per cent in 2011/12 and 15.1 per cent in 2013/14 relates to the anticipation that more schools will attain some of the Section 21 functions, as well as the significant growth in the FET College Sector grant.

On *Capital*, the significant real growth of 31 per cent in 2010/11 relates to the reduction of the infrastructure budget during 2009/10 to offset spending pressures in *Compensation of employees*, resulting in the low baseline in that year. This was however not sustainable, as it was going to have a negative impact on infrastructure development, hence the high real growth in 2010/11. The substantial real growth of 23.1 per cent in 2011/12 is mainly influenced by the high real growth in *Machinery and equipment*, which was low in 2010/11 due to cost-cutting. Despite the high real growth rate against this category from 2010/11 to the 2011/12 Adjusted Appropriation, the department is projecting to under-spend in 2011/12 by R239.300 million on *Machinery and equipment* due to cost-cutting.

Compensation reflects a fairly high annual real growth rate of 8.8 per cent in 2009/10 and 5.7 per cent in 2011/12 due to the implementation of the OSD for educators and various wage agreements. The annual average real growth reflects a healthy increase of 6.2 per cent between 2008/09 and 2011/12. However, the real growth over the MTEF is minimal at 0.4 per cent between 2011/12 and 2014/15. Based on the 2011/12 Revised Estimate, *Compensation of employees* declines by an annual average of 2.4 per cent (not evident in the table above) in real terms between 2011/12 and 2014/15. The decline indicates that the department has under-budgeted for this category and will continue to experience excessive spending pressures over the MTEF, caused by the filling of unfunded vacant posts and the under-funding with regard to OSD for educators and various wage agreements dating back to 2009. In dealing with the issue, the department has devised a cost containment strategy which includes, among others, a moratorium on the filling of vacant posts, filling of educator posts by redeploying the excess teachers currently on the system, and continuous cost-cutting on non-core items. The plan will, however, only yield results, pending the department's commitment and adherence to it.

The significant real growth of 26.9 per cent in 2011/12 against *Non-compensation* is attributable to the increased allocation for LTSM, NSNP and the expansion of the no-fee policy. The average annual real growth is 12.4 per cent between 2008/09 and 2011/12, and minimal over the MTEF at an annual average rate of 1.4 per cent.

Non-compensation non-capital shows substantial real growth of 28.6 per cent year-on-year in 2011/12 due to the higher growth rates for both *Transfers* and various *Goods and services* items, as explained above. The average annual real growth decreases from 9.5 per cent between 2008/09 and 2010/11 to 2.8 per cent between 2011/12 and 2014/15 due to higher additional funding allocated in the previous MTEF periods for various education initiatives, such as the NSNP, LSTM, expansion of no-fee policy, etc.

5.3.3 Analysis of payments and estimates by economic classification – Health

Table 5.6 below shows the Department of Health's expenditure by economic classification.

As was the case in previous years, the largest share of total expenditure is in respect of *Current* payments, where the percentage drops from 90.4 per cent in 2008/09 to 86.2 per cent in 2009/10, before increasing to 91.6 per cent in 2010/11. The expenditure level drops to 88.6 per cent in 2011/12 and increases to 90.8 per cent in 2012/13, finally climbing to 91.8 per cent in 2014/15. The low of 86.2 per cent in 2009/10 is as a result of the first charge of R758 million (reflected under *Financial assets*) against the department, being the first repayment (in terms of Section 34(2) of the PFMA) of the accumulated over-spending incurred in 2007/08 and 2008/09. The increased share in 2010/11 relates to under-spending in *Capital* payments, particularly in the Hospital Revitalisation grant and the Infrastructure Grant to Provinces (now Health Infrastructure grant). The drop in share in 2011/12 is due to a significant increase in budget of R1.110 billion in 2011/12 with regard to *Capital* payments, largely because of significant increases in the Hospital Revitalisation and Health Infrastructure grants. From 2012/13 onward, the department has reprioritised funding away from *Capital* payments to *Maintenance and repairs*, thus boosting the share of *Current* payments to over 90 per cent. In addition, the carry-through costs of the higher than anticipated 2010 and 2011 wage agreements impact on the share of *Current* payments in the outer years of the

MTEF. The major share of *Current* payments is *Compensation of employees* which, although showing an erratic trend similar to *Current* payments, reflects a steady proportion of total expenditure from 2012/13, at an average of 62.5 per cent.

Table 5.6: Analysis of payments and estimates summary by economic classification - Health

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2008/09-2011/12	2011/12-2014/15
R thousand									
Current	15 466 848	17 547 283	18 985 291	21 847 905	24 121 856	25 934 771	28 031 284		
Transfers	447 706	498 279	562 293	529 433	562 780	610 724	625 395		
Capital	1 188 449	1 545 699	1 181 773	2 291 664	1 870 714	1 963 114	1 888 228		
Financial assets	98	758 015	5 629	94	-	-	-		
Compensation	10 077 044	11 367 849	12 935 381	15 074 380	16 516 085	17 731 710	19 261 214		
Non-compensation	7 026 057	8 981 427	7 799 605	9 594 716	10 039 265	10 776 899	11 283 693		
Non-compensation (excl. transfers)	6 578 351	8 483 148	7 237 312	9 065 283	9 476 485	10 166 175	10 658 298		
Non-compensation non-capital (NCNC)	5 837 608	7 435 728	6 617 832	7 303 052	8 168 551	8 813 785	9 395 465		
NCNC (excl. transfers)	5 389 902	6 937 449	6 055 539	6 773 619	7 605 771	8 203 061	8 770 070		
Total expenditure	17 103 101	20 349 276	20 734 986	24 669 096	26 555 350	28 508 609	30 544 907		
% of total expenditure									
Current	90.4	86.2	91.6	88.6	90.8	91.0	91.8		
Transfers	2.6	2.4	2.7	2.1	2.1	2.1	2.0		
Capital	6.9	7.6	5.7	9.3	7.0	6.9	6.2		
Financial assets	0.0	3.7	0.0	0.0	-	-	-		
Compensation	58.9	55.9	62.4	61.1	62.2	62.2	63.1		
Non-compensation	41.1	44.1	37.6	38.9	37.8	37.8	36.9		
Non-compensation (excl. transfers)	38.5	41.7	34.9	36.7	35.7	35.7	34.9		
Non-compensation non-capital (NCNC)	34.1	36.5	31.9	29.6	30.8	30.9	30.8		
NCNC (excl. transfers)	31.5	34.1	29.2	27.5	28.6	28.8	28.7		
Nominal growth (%)									
Current		13.5	8.2	15.1	10.4	7.5	8.1	12.2	8.7
Transfers		11.3	12.8	(5.8)	6.3	8.5	2.4	5.7	5.7
Capital		30.1	(23.5)	93.9	(18.4)	4.9	(3.8)	24.5	(6.3)
Financial assets		773 384.7	(99.3)	(98.3)	(100.0)	-	-	(1.4)	(100.0)
Compensation		12.8	13.8	16.5	9.6	7.4	8.6	14.4	8.5
Non-compensation		27.8	(13.2)	23.0	4.6	7.3	4.7	10.9	5.6
Non-compensation (excl. transfers)		29.0	(14.7)	25.3	4.5	7.3	4.8	11.3	5.5
Non-compensation non-capital (NCNC)		27.4	(11.0)	10.4	11.9	7.9	6.6	7.8	8.8
NCNC (excl. transfers)		28.7	(12.7)	11.9	12.3	7.9	6.9	7.9	9.0
Real growth (%)									
Current		6.7	3.8	9.8	4.8	1.9	2.9	6.7	3.2
Transfers		4.7	8.3	(10.2)	0.9	2.8	(2.5)	0.6	0.4
Capital		22.3	(26.6)	85.0	(22.5)	(0.5)	(8.4)	18.4	(10.9)
Financial assets		727 362.6	(99.3)	(98.4)	(100.0)	(5.2)	(4.8)	(6.2)	(100.0)
Compensation		6.1	9.2	11.2	4.0	1.7	3.5	8.8	3.1
Non-compensation		20.2	(16.7)	17.3	(0.6)	1.7	(0.3)	5.5	0.3
Non-compensation (excl. transfers)		21.3	(18.1)	19.5	(0.7)	1.7	(0.2)	5.9	0.3
Non-compensation non-capital (NCNC)		19.8	(14.6)	5.3	6.2	2.3	1.5	2.5	3.3
NCNC (excl. transfers)		21.1	(16.2)	6.7	6.6	2.2	1.8	2.7	3.5

Compensation also shows a positive trend from 2011/12 to 2014/15, with an average annual real growth of 3.1 per cent. This will allow the department to continue the implementation of the various OSDs begun in 2007/08. This has been under-funded, particularly with regard to the OSD for nurses and doctors, where additional funding was received in each year from 2008/09 to 2011/12. There was also pressure from 2007/08 to 2009/10 due to the filling of posts for which there was no budget.

The share of *Transfers* reduced from 2.6 per cent in 2008/09 to 2.1 per cent in 2011/12, with a fluctuating trend over the period, largely due to delays with regard to transfers to municipal clinics. These were caused by problems in finalising service level agreements (SLAs) with municipalities, and finalisation of a number of SLAs is linked to the peak of 2.7 per cent in 2010/11. Thereafter, the share reduces to an average of 2.1 per cent over the 2012/13 MTEF, mainly as a result of municipal clinics and other institutions being transferred to the department, resulting in these costs now being catered for under *Current* rather than as a subsidy transfer.

The share of total expenditure on *Capital* increases from 6.9 per cent in 2008/09 to 7.6 per cent in 2009/10, and decreases to 5.7 per cent in 2010/11, before increasing to 9.3 per cent in 2011/12. The reasons for the erratic trend were discussed under *Current* payments above. The declining share thereafter is due to previously mentioned reprioritisation of funding away from *Capital* payments to *Current* payments (*Maintenance and repairs*).

In both nominal and real terms, the department is showing average annual growth from 2011/12 to 2014/15 in all categories except *Capital*. The growth rate is lower than it was from 2008/09 to 2011/12, due to the various spending pressures experienced by the department in 2008/09 and 2009/10. Significant allocations to the department in 2011/12 raised the base-year funding, resulting in lower growth rates, although real growth has been maintained.

The negative real average annual growth in *Capital* from 2011/12 to 2014/15 is attributable to the previously mentioned reprioritisation to *Current* payments (*Maintenance and repairs*).

5.3.4 Analysis of payments and estimates by economic classification – Social Development

Table 5.7 below shows Social Development's expenditure by economic classification.

Table 5.7: Analysis of payments and estimates summary by economic classification - Social Development

	Audited Outcome			Adjusted Appropriation 2011/12	Medium-term Estimates			Average Annual Growth	
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15	2008/09- 2011/12	2011/12- 2014/15
R thousand									
Current	743 966	859 264	846 623	1 126 427	1 214 658	1 260 772	1 306 106		
Transfers	392 608	404 750	476 927	618 183	640 566	800 638	859 943		
Capital	95 834	83 602	83 905	208 346	192 588	232 570	235 324		
Financial assets	-	13 664	8 968	-	-	-	-		
Compensation	413 540	510 860	576 981	739 364	809 852	829 489	875 084		
Non-compensation	818 868	850 420	839 442	1 213 592	1 237 960	1 464 491	1 526 289		
Non-compensation (excl. transfers)	426 260	445 670	362 515	595 409	597 394	663 853	666 346		
Non-compensation non-capital (NCNC)	818 868	836 756	830 474	1 213 592	1 237 960	1 464 491	1 526 289		
NCNC (excl. transfers)	426 260	432 006	353 547	595 409	597 394	663 853	666 346		
Total expenditure	1 232 408	1 361 280	1 416 423	1 952 956	2 047 812	2 293 980	2 401 373		
% of total expenditure									
Current	60.4	63.1	59.8	57.7	59.3	55.0	54.4		
Transfers	31.9	29.7	33.7	31.7	31.3	34.9	35.8		
Capital	7.8	6.1	5.9	10.7	9.4	10.1	9.8		
Financial assets	-	1.0	0.6	-	-	-	-		
Compensation	33.6	37.5	40.7	37.9	39.5	36.2	36.4		
Non-compensation	66.4	62.5	59.3	62.1	60.5	63.8	63.6		
Non-compensation (excl. transfers)	34.6	32.7	25.6	30.5	29.2	28.9	27.7		
Non-compensation non-capital (NCNC)	66.4	61.5	58.6	62.1	60.5	63.8	63.6		
NCNC (excl. transfers)	34.6	31.7	25.0	30.5	29.2	28.9	27.7		
Nominal growth (%)									
Current		15.5	(1.5)	33.0	7.8	3.8	3.6	14.8	5.1
Transfers		3.1	17.8	29.6	3.6	25.0	7.4	16.3	11.6
Capital		(12.8)	0.4	148.3	(7.6)	20.8	1.2	29.5	4.1
Financial assets			(34.4)	(100.0)	-	-	-	-	-
Compensation		23.5	12.9	28.1	9.5	2.4	5.5	21.4	5.8
Non-compensation		3.9	(1.3)	44.6	2.0	18.3	4.2	14.0	7.9
Non-compensation (excl. transfers)		4.6	(18.7)	64.2	0.3	11.1	0.4	11.8	3.8
Non-compensation non-capital (NCNC)		2.2	(0.8)	46.1	2.0	18.3	4.2	14.0	7.9
NCNC (excl. transfers)		1.3	(18.2)	68.4	0.3	11.1	0.4	11.8	3.8
Real growth (%)									
Current		8.6	(5.4)	26.9	2.4	(1.6)	(1.3)	9.2	(0.2)
Transfers		(3.0)	13.1	23.6	(1.6)	18.5	2.3	10.7	6.0
Capital		(18.0)	(3.7)	136.9	(12.2)	14.4	(3.6)	23.2	(1.1)
Financial assets		(5.9)	(37.0)	(100.0)	(5.0)	(5.2)	(4.8)	-	-
Compensation		16.2	8.4	22.2	4.0	(2.9)	0.5	15.5	0.5
Non-compensation		(2.3)	(5.3)	37.9	(3.1)	12.1	(0.7)	8.5	2.5
Non-compensation (excl. transfers)		(1.7)	(21.9)	56.7	(4.7)	5.3	(4.4)	6.3	(1.4)
Non-compensation non-capital (NCNC)		(3.9)	(4.7)	39.4	(3.1)	12.1	(0.7)	8.5	2.5
NCNC (excl. transfers)		(4.7)	(21.5)	60.6	(4.7)	5.3	(4.4)	6.3	(1.4)

As a share of the department's total expenditure, *Current* rises from 60.4 per cent in 2008/09 to 63.1 per cent in 2009/10. The trend then declines in 2010/11 to 59.8 per cent, declining further to 57.7 per cent in 2011/12 and 55 per cent in 2013/14. Despite this sharp decline in the share of total expenditure, this category shows an average annual real growth of 9.2 per cent between 2008/09 and 2011/12. The decrease in the share of *Current* payments to total budget over the 2012/13 MTEF is mainly due to increases in *Transfers* in respect of national priority funding for child and youth care and victim empowerment.

The rising trend in the first two years of the period under review is largely due to growing pressures in *Current* (*Goods and services*), as well as a declining trend in *Payments for capital assets*, the latter being

mainly attributable to the low spending on *Machinery and equipment* due to cost-cutting. Spending pressures in *Current* payments in 2008/09 and 2009/10 required some reprioritisation from other categories for both years, and this caused the share of *Transfers* to drop to a low of 29.7 per cent in 2009/10 from 31.9 per cent in 2008/09. The decrease in 2010/11 against *Current* is due to a decrease in *Goods and services* as a result of the Provincial Treasury SCM intervention. In the 2011/12 Adjusted Appropriation, the department shifted funds from *Transfers* to *Current* in order to correct misallocations with regard to national priority funding for ECD. Furthermore, a forensic investigation into entities receiving transfers added to this decline. The investigation was in terms of Section 38(1)(j) of the PFMA, which requires that, before receiving transferred funds, entities must have effective, efficient and transparent financial and internal control systems. The significant growth in national priority funding in 2010/11 and 2011/12 (in respect of ECD, Home/Community Based Care (HCBC) and children in conflict with the law) sees the share of *Transfers* reaching 33.7 per cent in 2010/11 and 31.7 per cent in 2011/12. The decrease in 2011/12 is due to delays in the signing of SLAs with non-governmental organisation (NGOs), and the fact that the implementation of transfers is from the date of signing, with no arrear payments, as per directive from the Auditor-General (A-G). *Transfers* experience real average growth from 2008/09 to 2011/12 of 10.7 per cent, declining to 6 per cent from 2011/12 to 2014/15. The decline is a result of the shifting of funds in 2011/12, from *Transfers* to *Current* in order to correct misallocations with regard to national priority funding for ECD.

Capital spending as a percentage of total expenditure decreased from 7.8 per cent in 2008/09 to 6.1 per cent in 2009/10, due to cost-cutting. The category shows a marked growth in share, particularly in 2011/12 and over the 2012/13 MTEF, due to additional funding allocated to the department to renovate existing state facilities, such as homes, reform schools, secure-care centres, places of safety, an old age home, protective workshops and substance dependency centres, which have not had adequate attention in the past few years. This additional funding ends in 2013/14, in line with project requirements, hence the decline in 2014/15.

In 2009/10, *Compensation* accounted for 37.5 per cent of the total budget, which was significantly higher than in previous year. The main reason for this was the OSD for social workers, as well as the higher than anticipated wage agreement. Thereafter, *Compensation's* share increases to 40.7 per cent in 2010/11, due to the effects of the 2010 wage agreement, as well as the implementation of the OSD for social workers, which included back-pay to 2008. In 2011/12, *Compensation* decreased to 37.9 per cent due to non-filling of vacant posts. Over the 2012/13 MTEF, the share declines to an average of 37.4 per cent. The average annual real growth from 2011/12 to 2014/15 is at 0.5 per cent. The department budgeted for the filling of vacant posts in 2011/12, which accounts for the average real increase of 15.5 per cent from 2008/09 to 2011/12, and the low growth over the MTEF period.

Transfers account for the second largest share of total expenditure over the entire period, after *Current*. The lower share of total expenditure in 2008/09 and 2009/10 relates to the reprioritisation of funds from sustainable livelihood payments for one-stop development centres, as well as the forensic investigations into entity compliance to the PFMA. Over the 2012/13 MTEF, the *Transfers* share is at a higher level than was the case before 2010/11, indicating the strong role of the private sector in providing social welfare services to the province. The expenditure on *Transfers* is set to increase by an average annual real growth of 6 per cent between 2011/12 and 2014/15. This is due to the effect of the growth in the various national priorities funded in the 2008/09 MTEF, with carry-through costs. As was mentioned earlier, the funding for a number of these priorities grows significantly in 2010/11 and 2011/12, as well as over the 2012/13 MTEF.

The positive real average annual growth of 6.3 per cent in *Non-compensation (excluding transfers)* from 2008/09 to 2011/12 indicates a turnaround from the pressures in *Goods and services* which included costs for SITA data lines, audit fees, lease payments, maintenance and repairs and shared facilities with SASSA. The department shifted funds from *Transfers* to *Current* in 2011/12 in order to correct misallocations with regard to national priority funding for ECD, as well as the removal of funding for existing infrastructure and maintenance in 2014/15, which resulted in a decline from 2011/12 to 2014/15.

5.3.5 Analysis of payments and estimates by economic classification – Other departments

Table 5.8 below shows the remaining departments' payments and estimates by economic classification (i.e. all departments excluding Education, Health and Social Development).

Table 5.8: Analysis of expenditure summary by classification - Other

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15	2008/09-2011/12	2011/12-2014/15
R thousand									
Current	6 786 269	6 981 090	7 636 157	9 428 622	10 985 607	11 747 499	12 858 030		
Transfers	4 412 652	6 224 035	6 464 367	6 313 663	6 456 070	7 006 206	7 422 463		
Capital	2 987 817	2 381 599	2 465 308	2 782 294	2 760 188	2 717 024	2 947 076		
Financial assets	14 703	281 258	210 670	13 403	1 800	1 800	3 394		
Compensation	2 582 724	2 932 326	3 253 050	3 838 886	4 454 947	4 760 024	5 061 987		
Non-compensation	11 618 717	12 935 656	13 523 452	14 699 096	15 748 718	16 712 505	18 168 976		
Non-compensation (excl. transfers)	7 206 065	6 711 621	7 059 085	8 385 433	9 292 648	9 706 299	10 746 513		
Non-compensation non-capital (NCNC)	11 604 014	12 654 398	13 312 782	14 685 693	15 746 918	16 710 705	18 165 582		
NCNC (excl. transfers)	7 191 362	6 430 363	6 848 415	8 372 030	9 290 848	9 704 499	10 743 119		
Total expenditure	14 201 441	15 867 982	16 776 502	18 537 982	20 203 665	21 472 529	23 230 963		
% of total expenditure									
Current	47.8	44.0	45.5	50.9	54.4	54.7	55.3		
Transfers	31.1	39.2	38.5	34.1	32.0	32.6	32.0		
Capital	21.0	15.0	14.7	15.0	13.7	12.7	12.7		
Financial assets	0.1	1.8	1.3	0.1	0.0	0.0	0.0		
Compensation	18.2	18.5	19.4	20.7	22.1	22.2	21.8		
Non-compensation	81.8	81.5	80.6	79.3	77.9	77.8	78.2		
Non-compensation (excl. transfers)	50.7	42.3	42.1	45.2	46.0	45.2	46.3		
Non-compensation non-capital (NCNC)	81.7	79.7	79.4	79.2	77.9	77.8	78.2		
NCNC (excl. transfers)	50.6	40.5	40.8	45.2	46.0	45.2	46.2		
Nominal growth (%)									
Current		2.9	9.4	23.5	16.5	6.9	9.5	11.6	10.9
Transfers		41.0	3.9	(2.3)	2.3	8.5	5.9	12.7	5.5
Capital		(20.3)	3.5	12.9	(0.8)	(1.6)	8.5	(2.3)	1.9
Financial assets		1 812.9	(25.1)	(93.6)	(86.6)	-	88.6	(3.0)	(36.7)
Compensation		13.5	10.9	18.0	16.0	6.8	6.3	14.1	9.7
Non-compensation		11.3	4.5	8.7	7.1	6.1	8.7	8.2	7.3
Non-compensation (excl. transfers)		(6.9)	5.2	18.8	10.8	4.5	10.7	5.2	8.6
Non-compensation non-capital (NCNC)		9.1	5.2	10.3	7.2	6.1	8.7	8.2	7.3
NCNC (excl. transfers)		(10.6)	6.5	22.2	11.0	4.5	10.7	5.2	8.7
Real growth (%)									
Current		(3.2)	5.0	17.8	10.6	1.3	4.2	6.2	5.3
Transfers		32.7	(0.3)	(6.8)	(2.9)	2.8	0.9	7.2	0.3
Capital		(25.0)	(0.7)	7.7	(5.8)	(6.7)	3.3	(7.1)	(3.2)
Financial assets		1 699.1	(28.1)	(93.9)	(87.2)	(5.2)	79.6	(7.8)	(39.9)
Compensation		6.8	6.5	12.6	10.2	1.3	1.3	8.6	4.2
Non-compensation		4.7	0.3	3.7	1.7	0.6	3.5	2.9	1.9
Non-compensation (excl. transfers)		(12.4)	0.9	13.3	5.2	(1.0)	5.4	0.1	3.2
Non-compensation non-capital (NCNC)		2.6	1.0	5.2	1.8	0.6	3.5	2.9	2.0
NCNC (excl. transfers)		(15.9)	2.2	16.6	5.4	(1.0)	5.4	0.1	3.2

Current payments reflect very flat growth from 2008/09 to 2009/10 due to the introduction of cost-cutting which reduced *Goods and services* significantly. The share of *Current* payments to total budget is set to increase from 47.8 per cent in 2008/09, to 55.3 per cent in 2014/15. This is mainly reflected through an increase in the percentage share of total expenditure on *Compensation*, which can be attributed to the impact of the annual wage agreements and the various OSDs, showing that expenditure on service delivery is being crowded out by increased expenditure on *Compensation*.

Compensation reflects an average annual real growth rate of 4.2 per cent for the period 2011/12 to 2014/15. A number of departments are budgeting to fill various vacant posts as the moratorium on the filling of non-critical posts was lifted at the beginning of 2011/12. This category is also impacted on by the various OSDs affecting departments. The share of total expenditure on *Non-compensation* is expected to decrease from 79.3 per cent in 2011/12 to 78.2 per cent in 2014/15, largely due to the reduction in *Transfers* and *Capital*, which is explained in greater detail below.

The category *Transfers* shows minimal average annual real growth of 0.3 per cent from 2011/12 to 2014/15, mainly due to the following:

- *Transfers and subsidies to: Public corporations and private enterprises* against Economic Development and Tourism decreases in the 2011/12 Adjusted Appropriation, mainly due to the

reprioritisation of the transfer for the KZN Liquor Entity to *Goods and services* for the establishment costs of the KZN Liquor Entity, and to strategic events such as the Top Gear and World Golf Championship projects, as well as an increased transfer to the KZN Sharks Board (KZNSB) to fund a biometric access control system.

- Human Settlements showed slow spending on its Human Settlements Development grant (which is mainly allocated against *Transfers and subsidies to: Households and Provinces and municipalities*) in 2009/10 and 2010/11. As a result, a portion of this grant was deducted by National Treasury over the 2011/12 MTEF, and allocated as an USDG to the eThekweni Metro. National Treasury reduced the Human Settlements Development grant allocation by R379.629 million in 2011/12, R435.816 million in 2012/13 and by R277.453 million in 2013/14. These funds have been added to the MIG Cities to form a new USDG i.e. the eThekweni Metro will receive this funding directly in future.
- CoGTA does not transfer funds to municipalities for the delivery of projects until it has established that the municipality in question has the required capacity to roll-out the project. To this end, there is a substantial decrease in its *Transfers and subsidies to: Provinces and municipalities* allocation, as the department budgets for projects against *Goods and services* and shifts funds for transfer directly to the municipality if the municipalities can prove that they can deliver on the projects themselves.

Capital payments show a negative annual average real growth of 3.2 per cent between 2011/12 and 2014/15, with the share of total expenditure decreasing from 15 per cent in 2011/12 to 12.7 per cent in 2014/15 mainly due to the following:

- Public Works shows a decrease against *Machinery and equipment* in 2012/13 due to funds being reprioritised to *Compensation of employees*, in respect of the filling of key vacant posts, such as critical service delivery posts, e.g. architects, surveyors, draughtsmen, etc.
- CoGTA shows a decrease in 2014/15 against *Machinery and equipment*, which is attributable to the decrease in funding in respect of new and replacement vehicles and this will be reviewed in future MTEFs.
- Human Settlements shows a substantial decrease against *Buildings and other fixed structures* in the 2011/12 Adjusted Appropriation, which is ascribed to slow spending due to failure to deliver by the appointed service providers for the Social and Economic Facilities programme, resulting in slow delivery on the ground.

The 2009/10 and 2010/11 payments for *Financial assets* show a significant increase due to the implementation of the first charges against some departments' votes, in line with Section 34(2) of the PFMA. The bulk of the first charge payment was effected against the Department of Transport in line with the unauthorised expenditure incurred by this department. Other departments affected by the first charge are Agriculture, Environmental Affairs and Rural Development, Human Settlements and the Royal Household. This category shows a negative annual average real growth of 36.7 per cent between 2011/12 and 2014/15, with the share of total expenditure decreasing from 0.1 per cent in 2011/12, to 0 per cent in 2014/15. This line item is seldom budgeted for due to its uncertain nature.

5.4 Payments and estimates by district municipal area

Table 5.9 below provides a summary of payments and estimates per district municipal area from 2010/11 to 2014/15. The detail of departmental spending within each district municipal area is provided in the departmental chapters in the *EPRE*.

While most departments exclude administrative costs from this table, the spending per district municipal area by the Departments of Education and Sport and Recreation includes administrative costs, such as compensation and travel and subsistence, as the functions of their personnel impact directly on service delivery in the respective municipal area. Provincial Treasury has also included administrative costs. Provincial Treasury's spending mainly occurs within the uMgungundlovu District Municipality, where the department is based. Although the department provides support services to all provincial departments and municipalities, it is impractical to allocate its budget at this level.

Table 5.9: Summary of payments and estimates by district municipal area

District Municipal Area	Audited Outcome	Revised Estimate	Medium-term Estimates			Percentage share					Ave. annual growth
R thousand	2010/11	2011/12	2012/13	2013/14	2014/15	2010/11	2011/12	2012/13	2013/14	2014/15	2010/11 - 2013/14
eThekweni	17 478 769	20 119 168	20 917 765	22 623 741	24 330 801	27.7	27.3	26.9	27.1	27.2	6.5
Ugu	3 808 651	4 412 330	4 585 702	4 975 005	5 323 708	6.0	6.0	5.9	6.0	6.0	6.5
uMgungundlovu	14 744 679	17 260 296	18 479 812	19 791 173	21 124 012	23.4	23.4	23.8	23.7	23.6	7.0
Uthukela	3 154 260	4 066 639	4 194 130	4 506 497	4 860 406	5.0	5.5	5.4	5.4	5.4	6.1
Umkhanyathi	2 552 280	2 940 532	3 121 443	3 307 755	3 506 119	4.0	4.0	4.0	4.0	3.9	6.0
Amajuba	2 415 085	2 842 463	3 077 961	3 335 714	3 575 602	3.8	3.9	4.0	4.0	4.0	7.9
Zululand	4 535 308	5 336 381	5 643 543	6 029 692	6 446 012	7.2	7.2	7.3	7.2	7.2	6.5
Umkhanyakude	3 703 411	4 188 430	4 419 777	4 650 316	4 944 110	5.9	5.7	5.7	5.6	5.5	5.7
uThungulu	5 184 265	6 262 684	6 667 008	7 172 237	7 735 204	8.2	8.5	8.6	8.6	8.7	7.3
Ilembe	3 015 279	3 512 020	3 642 138	3 883 656	4 103 607	4.8	4.8	4.7	4.7	4.6	5.3
Sisonke	2 547 187	2 860 955	2 986 814	3 203 216	3 420 030	4.0	3.9	3.8	3.8	3.8	6.1
Unallocated	-	-	32 000	32 960	33 949	-	-	0.0	0.0	0.0	-
Total	63 139 174	73 801 898	77 768 093	83 511 963	89 403 560	100.0	100.0	100.0	100.0	100.0	6.6

Despite the inclusion of a regional identifier in the BAS structure, departments still found it difficult to quantify their operations by district municipality in 2011/12. However, this approach is still considered to be of importance and, therefore, continues to receive attention in the 2012/13 MTEF. The 2012/13 budget process placed emphasis on accuracy in breaking down budgets in terms of spending in district municipalities, ensuring alignment with the PSEDs and Integrated Development Plans (IDPs), and reviewing departmental budgets and service delivery in spatial terms. Emphasis was placed on strengthening and evaluating the alignment between the PSEDs and medium and long-term plans, as well as departments' contributions to the objectives of the PGDS and national priorities.

There is a significant increase in provincial spending from 2010/11 to 2014/15. Spending per district municipal area fluctuates, due to varying projects undertaken by departments at different intervals.

Spending in the eThekweni Metro increased significantly from R17.479 billion in 2010/11 to R24.331 billion in 2014/15. This can be ascribed to the allocation of province-wide projects such as:

- Public Service Training Academy (Office of the Premier).
- DTP (Economic Development and Tourism).
- The high number of schools and training institutions in the Metro (Education).
- High level health services, including central hospital services, to the rest of the province. Currently, eThekweni has a third of the population of KZN, many of whom are indigent (Health).
- High demand for housing in this region, as it has the highest population in the province. Some of the major projects which take place in the Metro include Cornubia, *Ethafuleni*, *Ntuzuma*, and *Tambo Plaza*. Most hostels that are being upgraded are also in the Metro. There is also extensive rehabilitation of former R293 townships in the Metro. The slight percentage decrease in the spending in this area in 2012/13 is due to the Department of Human Settlements adjusting the basis of the allocation of its spending across districts on set housing criteria. These factors influence the department's spending patterns in the various districts (Human Settlements).
- Construction of roads providing access to the DTP and the KSIA, the construction of the P577 (Duffs Road to KwaDabeka) and the upgrading of access roads and pedestrian bridges, as well as the Public Transport Operations grant (Transport).
- Spending relating to other organisations, such as major art centres and public entities (DTP, KZN Tourism Authority (TKZN) and the KZNSB, among others) are concentrated mainly in the area (Economic Development and Tourism).
- The provincialisation of public libraries and museums also impacts on the eThekweni Metro, with substantial funding provided for this, especially in the two outer years. The allocation to this district also provides for a new mega-library building project (Arts and Culture).

The increase in spending in uMgungundlovu from R14.745 billion in 2010/11 to R21.124 billion in 2014/15 relates to the fact that the head offices of most departments are based in this area. Also, a number of their activities, events or projects are managed and co-ordinated centrally, and hence the expenditure and budgets are recorded in this region. The spending is also affected by the increase in the allocation to Education over time where the allocation increased from R6.899 billion in 2010/11 to R9.485 billion in 2014/15, the bulk of which is comprised of *Compensation of employees*. Spending in this area is further affected by the allocation of funding to the Pietermaritzburg airport (Provincial Treasury), provincialisation of libraries and museums (Arts and Culture), Learner Transport where the department will shift the funding to the relevant districts, once the amounts have been finalised (Transport), psychiatric, regional and tertiary services (Health), and the demand for housing where projects, such as the *Vulindlela* housing project, are undertaken in this area (Human Settlements).

The Amajuba district shows the fastest growth in the province, with an annual growth rate of 7.9 per cent between 2011/12 and 2014/15. The largest contributors to the spending in this district are the Departments of Education and Health, and the growth in spending over the period is in line with the baseline growth of these departments and the demand for services that exist in this area.

The lowest growth in spending is in the Ilembe district with an average growth of 5.3 per cent between 2011/12 and 2014/15, which is in line with inflationary growth.

The *Unallocated* amounts over the 2012/13 MTEF relate to the Provincial Legislature. These amounts are reflected as unallocated, at this stage, because the public participation programme has not yet been finalised. Although the number and nature of events has been planned, a decision has not yet been made regarding the venues, and this is dependent on political office-bearers and other stake-holders, as well as financial constraints.

5.5 Payments and estimates by functional area

Table 5.10 shows the summary of payments and estimates by policy area, details of which are shown in Table 1.E(b) of the *Annexure to OPRE*. There is noticeable growth in the payments and estimates relating to the policy areas in the province over the seven-year period. The level of the provincial spending and budget reflects healthy growth from 2008/09 to 2014/15.

Table 5.10: Summary of payments and estimates by policy area

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
General Public Services	3 222 729	3 467 704	3 693 472	4 100 602	4 158 989	4 108 282	4 408 815	4 629 441	4 892 625
Public Order and Safety	553 510	604 972	646 884	769 348	759 348	759 348	832 130	893 820	951 267
Economic Affairs	7 490 117	8 158 468	8 052 986	8 836 410	8 996 600	8 990 209	9 951 036	10 509 492	11 644 220
Environmental Protection	510 184	586 370	634 476	704 501	718 010	718 010	750 127	836 266	887 037
Housing and Community Amenities	1 876 146	2 492 647	3 089 237	3 053 315	3 084 991	3 084 991	3 300 935	3 465 289	3 641 059
Health	16 690 644	19 912 324	20 266 012	23 961 172	24 151 499	23 973 641	25 992 324	27 895 866	29 894 009
Recreation, Culture and Religion	527 198	535 250	652 550	755 029	759 925	759 925	899 868	1 064 750	1 138 255
Education	23 436 459	26 702 112	29 235 391	33 181 138	33 819 177	34 864 223	35 402 859	37 861 369	40 267 170
Social Protection	1 221 705	1 349 437	1 403 519	1 938 496	1 938 496	1 815 725	2 033 366	2 278 740	2 385 295
Total	55 528 692	63 809 284	67 674 527	77 300 011	78 387 035	79 074 354	83 571 460	89 435 033	95 700 937

The bulk of the provincial budget is spent on *Education*, and is anticipated to grow from R35.403 billion in 2012/13 to R40.267 billion in 2014/15. The growth is an indication of KZN's commitment to the development of human capability and is ascribed to the increase in various national priorities such as the LTSM, the expansion of no-fee schools and the universalisation of Grade R. A large proportion of the Education budget relates to *Compensation of employees*, which has been affected by the annual higher than anticipated wage agreements, implementation of various OSDs, the filling of posts, among others.

Health has the second largest spending, and is expected to increase from R25.992 billion in 2012/13 to R29.894 billion in 2014/15. This reflects the province's commitment to provide effective and efficient health care services to the people of the province. The growth can also be attributed to the growth in the

Comprehensive HIV and AIDS grant and the inclusion of a few new national conditional grants, such as the National Health Insurance grant to provide financial support for the development of projects directed at improving health delivery in the province in line with the requirements of the introduction of the NHI. The Nursing Colleges and Schools grant was also introduced to supplement provincial funding of health infrastructure, to accelerate the provision of health facilities, including office furniture and related equipment, as well as to ensure proper maintenance of provincial health infrastructure for nursing colleges and schools.

Economic Affairs (comprising the Departments of Transport, DAEARD, DEDT and a portion of Provincial Treasury) also shows significant growth from 2009/10 onward, due to major projects such as the DTP and the King Shaka International Airport (KSIA), maintenance of the provincial road network, agrarian revolution and unlocking of the Makhathini Flats. Other projects contributing to the increase in this area are the Growth and Enterprise Development Funds, the RBIDZ, and other projects relating to the 2010 World Cup. The growth over the MTEF is mainly due to allocations in respect of the road maintenance backlog (Transport), fencing and irrigation scheme programmes (DAEARD), an allocation for the UCI/BMX cycling event and for DTP in respect of strategic projects, such as cargo shed ramp handling facilities, additional agri-zone works and re-capitalisation of the cargo terminal (DEDT), among others.

The growth against *Environmental Protection* can be ascribed to the road maintenance and protected area expansion for EKZNW in 2013/14 and 2014/15, as well as the budget for the Alien Invasive Species programme administered by DAEARD.

The growth in *Recreation, Culture and Religion* is largely in respect of the substantial additional allocation relating from the provincialisation of public libraries and museums in the province (Arts and Culture), and the Mass Participation and Sport Development (MPSD) conditional grant comprising of school sport, community mass participation and club development (Sport and Recreation).

The category *General Public Services* includes administrative departments such as Provincial Treasury, Office of the Premier and Provincial Legislature, as well as CoGTA, Public Works, and portion of Transport and DAEARD. This category shows strong growth over the period under review, partly due to the payment of interest by the province (Provincial Treasury) as a result of the over-expenditure of some provincial departments in prior years which caused the provincial bank account to be in overdraft up to April 2010. In addition, the implementation of GIAMA (Public Works), the Provincial Nerve Centre (Office of the Premier) and major projects such as the construction of the Moses Mabhida Stadium (Provincial Treasury) and roads linking to DTP and KSIA (DEDT and Transport), etc., also account for the strong growth. The increase over the MTEF is due to additional funding allocated for various projects, such as improving Public Works' capacity for infrastructure support, the provision of piped water and proper roads at the Luwamba Clinic in the Ntambanana Municipality (Office of the Premier) and the funding provided for Strategic Cabinet Initiatives (Provincial Treasury).

The growth against *Housing and Community Amenities* (Human Settlements) can mainly be attributed to the increase in the Human Settlements Development grant which is used to promote the provision of low income housing and essential services. This grant caters for projects in respect of the Community Residential Unit (CRU) programme and the implementation of certain priority projects, such as Cornubia, *Vulindlela*, Cato Crest and *Emapheleni*, as well as the Social and Economic Facilities projects such as Stepmore, *Umziki* and Task Valley.

The growth against *Social Protection* (Social Development) can mainly be attributed to funding for the child and youth care and victim empowerment national priority, the OSD for social workers, an increase in the number of personnel, as well as the rehabilitation and repair of various facilities, including secure care centres and old age homes.

5.6 Infrastructure

5.6.1 Infrastructure management

Economic development can be achieved through investment in infrastructure, which creates and preserves jobs. For this reason, among others, there is a substantial increase in the provincial infrastructure budgets over the 2012/13 MTEF, thus boosting the construction industry, as well as assisting local suppliers. These investments will contribute to higher productivity and a better quality of life for communities, by creating jobs across KZN during the construction of a broad range of much needed public infrastructure such as schools, roads, decent housing and health facilities. Infrastructure development will assist in steering KZN toward the 2030 vision of maximising its position as a gateway to South and Southern Africa.

Most of the objectives of the MTSF are reliant on infrastructure development across the country. The formulation and development of the PGDS is underpinned by, and aligned to, the National Development Plan 2030 (NDP). Both the NDP and the PGDS emphasise the need for improved co-ordination, alignment and integration of infrastructure planning. The Provincial Planning Commission, through the Provincial Growth and Development Plan (PGDP), identified the need for the establishment of an Infrastructure Co-ordination Work Group to facilitate all integrated and co-ordinated provincial infrastructure planning. This is especially relevant in KZN as it is one of the most significant provinces in terms of population and geographical location. This Infrastructure Co-ordination Work Group will also provide an effective infrastructure governance structure that has been lacking in KZN.

Infrastructure Delivery Improvement Programme (IDIP)

IDIP is a partnership between National Treasury, the Construction Industry Development Board (CIDB), the Development Bank of Southern Africa, the National Departments of Public Works, Education and Health. A Programme Management Unit (PMU) was established at National Treasury and a programme manager was appointed to manage IDIP.

IDIP is implemented in all nine provincial Departments of Health, Education and Public Works, and is co-ordinated by the Provincial Treasuries. IDIP has been running in these departments since the roll-out of IDIP to provinces, which commenced in 2007/08. The programme was initially set to run from 2007/08 to 2009/10. The initial three-year period has been successful to a certain extent, and resulted in IDIP phase III being given the go-ahead, within the above-mentioned departments. IDIP phase III commenced in December 2010, and is set to run for two and a half years, with a possible extension by another year to March 2014.

Each of these departments hosts a built environment Technical Assistant (TA), who assists the departmental officials in utilising best practices for construction planning, procurement and implementation, in the successful delivery of departmental infrastructure.

The Infrastructure Delivery Management System (IDMS), is part and parcel of IDIP together with the supportive amended Infrastructure Delivery Management (IDM) Toolkit, which was finalised in 2010. Training and the roll out of the IDMS was conducted in KZN in 2011. Implementation of the IDMS will further enhance mandates, roles and responsibilities between government departments, implementing agents (IAs) and Provincial Treasury in an effort to streamline and clarify functions, planning and delivery of infrastructure in the province. A HR Capacitation Strategy has been developed with the Department of Public Service Administration (DPSA) for a sustainable IDMS in departments.

IDIP assists departments by identifying areas for improving their capacity to deliver infrastructure, and thus spend their allocations in accordance with their plans and on time, and this translates to effective project, programme and portfolio management. IDIP's success is based on the premise of effective, co-ordinated and proper planning by both the department as a client and the chosen IA. The client departments have improved their infrastructure planning capabilities considerably. The programme management of the departments' respective projects has also improved, as implemented by their various IAs. Though IDIP has been successful, the initial period was too ambitious in estimating the time required to turn around the delivery system for infrastructure across the varying stakeholders within KZN.

Education and Health are recipients of the Education and Health Infrastructure grants, and their infrastructure budgets are highest after those of Transport and Human Settlements. The success of IDIP, in its current form, is still dependent on the participant departments fully utilising the TAs in preparing the processes that enhance infrastructure delivery, and in pairing the TAs with the relevant personnel, to ensure skills transfer and knowledge management.

The focus of IDIP is on the whole infrastructure delivery value chain, and not only on the implementation part, including planning and SCM processes. It is only when all participants focus their input into the final results, that infrastructure delivery will take place correctly and on time. In other words, integrated planning is essential to successfully implement projects and to realise value for money.

IDIP therefore not only focuses on responding to infrastructure challenges, but also on helping to shape an improved infrastructure delivery management system with the formulation and Cabinet approval of a provincial Infrastructure Service Delivery Model (ISDM). The ISDM looks at the optimisation of built environment skills in departments and avoidance of duplication, wherein the intended outcome is a department that is capacitated to deliver on its mandate. The process has already been started by Provincial Treasury, through the development of an ISDM discussion document that looks at all the factors that impact negatively on infrastructure service delivery and provides options for service delivery models, based on the departments' mandates.

The ideal ISDM is a national conundrum. Several approaches have been looked at, sometimes with assured success, but without a clear implementation plan that identifies key targets to measure its sustainability. The formulation of the KZN Infrastructure Co-ordination Work Group will assist in the development and approval of the KZN ISDM that will be based on the IDMS and the IDM toolkit 2010. The process will commence initially with an infrastructure framework agreement between the four IDIP departments, which will define the roles and responsibilities between these departments for the institutionalisation of the IDMS. This will set the base for the implementation of the capacitation strategy.

Infrastructure Crack Team

Another initiative to improve the return on infrastructure investment and to realise value for the money spent in KZN, was the formation of the Infrastructure Crack Team, which was launched in 2011/12. Provincial Treasury appointed a panel of 18 consultants to form the Infrastructure Crack Team, and the aim is to assist in increasing the delivery capacity at project implementation level and to identify bottlenecks that prohibit successful implementation of infrastructure projects in both provincial and local government.

Provincial Treasury plays a monitoring and evaluation role for certain infrastructure related projects in the province in respect of spending, output performance, effectiveness and efficiency of methods utilised. The deployment of the members of the panel is intended to provide necessary expertise and hands on management of projects that are in various stages of the project cycle.

Training

Part of the problems facing the construction industry country-wide is the massive shortage of suitable qualified professional project managers within public sector infrastructure.

As part of government's response to skills shortages, both in terms of current and future demand, the training of relevant technical personnel should be expedited as a matter of urgency, through collaboration between government and the construction industry. This industry is relied upon as one of the means of saving and creating jobs that are being lost by other sectors of the economy, e.g. manufacturing. It has become evident in numerous countries, through various studies, that the success of countries and their economies is heavily reliant on the skills level operational within that economy, and the state of infrastructure within that country. The higher the skills level in a country, the higher the ease at which the country can attract foreign direct investments and the accompanying higher skilled labour. At this stage, departments and KZN as a whole, must intensify training to be prepared for future sustainability of the construction sector, or at least to sustain the current labour market.

Rigorous strategies on staff recruitment, retention, talent management and employee health and well-being are therefore imperative. This will ensure continued and sustainable investment in strategic human

resources, in return realising quality in spending of funds and the promotion of an environment that facilitates effective and seamless service delivery.

Delivery by Public Works

Public Works is the custodian of public infrastructure and is also an IA in most provincial departments, in particular in Education and Health. The infrastructure budget for Health and Education has grown considerably in the last five years, and this growth is expected to continue over the 2012/13 MTEF. It is noted that, of the departments' total infrastructure budget, the allocation of infrastructure projects implemented by Public Works was only R1.700 billion (or 15 per cent) of the 2011/12 total infrastructure budget of R11.700 billion. While Health and Education remain Public Works' main client departments, from their Infrastructure Programme Management Plan (IPMPs) for 2012/13, the budget allocation to Public Works is 57 per cent of Health's infrastructure budget, while Education is allocating a reduced 34 per cent of their infrastructure budget to Public Works.

Due to various reasons, client departments often bypass Public Works when implementing infrastructure. Although this is the clients' prerogative, this creates competition, expands the span of control without expanding the chain of command for the already "limited in capacity" construction industry. For Public Works to recapture the market it has lost to other agents, it has to be sufficiently capacitated and be able to convincingly render services to itself and its clients. This then will enable the province to implement a coherent response to the construction industry challenges and streamline a solid provincial service delivery model. To achieve this, Public Works:

- Needs personnel capacity to enable it to plan for its work and that of its clients, within agreed-to timeframes.
- Must implement projects from the start of each financial year in order to complete them on time.
- Must closely and strictly monitor performance of consultants and contractors regarding progress, especially at implementation stage, thus curbing any problems on time.

Failure to achieve any of these, including poor, inconsistent and unreliable reporting to clients and poor statutory reporting (including the Infrastructure Reporting Model), signals skill levels that are deficient in the department, thus perpetuating the reluctance of departments to utilise Public Works as an implementing agent.

Expanded Public Works Programme (EPWP)

The country has a huge unemployment problem, coupled with a low skills base of the potential workforce. Infrastructure delivery can contribute toward remedying the situation, by employing some of the unemployed workforce in construction projects, in an effort to realise the millennium targets set for 2014. Under the EPWP, the said workforce will be given formal training, thus reducing poverty and increasing the skills base of the country. Part of the job creation agenda is to ensure that public infrastructure and maintenance thereof is implemented through the use of labour-intensive methods, where possible. To this end, the EPWP Phase 2 (EPWP2), which is an incentive grant, was developed. More can be done by departments in terms of reporting adequately on the work done through EPWP2, as failure to do so will lead to KZN passing up the opportunity of creating more work opportunities and receiving additional funding through this grant.

Establishing dedicated, long-term, labour intensive maintenance programmes will assist in creating sustainable employment opportunities, enabling departments to access the EPWP wage incentive. The bulk of the EPWP work done by KZN is reported under the *Zibambele* road maintenance programme which falls under Transport.

Maintenance

KZN has embarked on the eradication of infrastructure backlogs. This reduction of backlogs was done to promote equity for the citizens and to improve access throughout the province. This has been characterised by the construction of social infrastructure such as schools, clinics and roads. Most of the structures first built since 1994, have now reached the time where major maintenance and rehabilitation

needs to be undertaken. For the desired life of facilities to be reached, structures must continually be maintained from when they are commissioned, thus realising maximum value for money.

Maintenance is included in the cost-benefit analysis and is part of planning. Sufficient resources should be allowed for, in terms of timing and budget allocation, from the conceptual phase of the infrastructure facility. This planning should be accompanied by choice of material, allowable down-time of the facility and the consequences of that down-time to the customers. It is only when maintenance is adequately catered for, that the real cost of the facility (life-cycle-cost) will be known and improved decisions on affordability can be taken. With the shortage of skilled personnel, it is highly improbable that these levels can be reached, but the province must remain focused on training the relevant personnel, to ensure that adequate maintenance planning is achieved. GIAMA seeks to address precisely the issue of effective asset management when it comes to maintenance, rehabilitation, upgrading and additions to infrastructure, in order to prolong the life of any given infrastructure.

5.6.2 Trends in infrastructure payments and estimates

Table 5.11 below shows the summary of infrastructure payments and estimates from 2008/09 to 2014/15.

Table 5.11: Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
New and replacement assets	1 318 680	1 579 153	1 222 640	2 394 177	2 078 872	1 987 345	1 645 022	2 486 864	2 521 576
Existing infrastructure assets	5 332 348	4 925 072	6 232 027	6 563 512	7 092 835	7 122 531	8 546 753	8 270 203	9 251 670
Upgrades and additions	3 028 420	2 592 036	2 461 898	2 487 662	2 805 216	2 790 125	3 053 458	2 775 827	3 067 937
Rehabilitation, renovations and refurbishments	444 026	541 732	1 351 323	1 059 441	1 232 411	1 300 636	1 514 916	1 333 603	1 413 970
Maintenance and repairs	1 859 902	1 791 304	2 418 806	3 016 409	3 055 208	3 031 770	3 978 379	4 160 773	4 769 763
Infrastructure transfers	3 046 113	4 024 929	3 429 316	2 796 452	3 257 686	3 263 683	3 259 335	3 646 960	3 783 151
Current	139 500	174 876	91 953	39 091	109 000	109 000	101 713	44 007	46 648
Capital	2 906 613	3 850 053	3 337 363	2 757 361	3 148 686	3 154 683	3 157 622	3 602 953	3 736 503
<i>Capital infrastructure</i>	<i>7 697 739</i>	<i>8 562 974</i>	<i>8 373 224</i>	<i>8 698 641</i>	<i>9 265 185</i>	<i>9 232 789</i>	<i>9 371 018</i>	<i>10 199 247</i>	<i>10 739 986</i>
<i>Current infrastructure</i>	<i>1 999 402</i>	<i>1 966 180</i>	<i>2 510 759</i>	<i>3 055 500</i>	<i>3 164 208</i>	<i>3 140 770</i>	<i>4 080 092</i>	<i>4 204 780</i>	<i>4 816 411</i>
Total	9 697 141	10 529 154	10 883 983	11 754 141	12 429 393	12 373 559	13 451 110	14 404 027	15 556 397

The payments and estimates are categorised into *New and replacement assets*, *Existing infrastructure assets* and *Infrastructure transfers*. The category *Existing infrastructure assets* is divided into three sub-categories, namely *Upgrades and additions*, *Rehabilitation, renovations and refurbishments* and *Maintenance and repairs*.

The *Infrastructure transfers* category refers to the transfer of funding to municipalities and other entities for infrastructure projects, and is largely made up of the Human Settlements Development grant under Human Settlements. The provincial contribution to the construction of the Moses Mabhida Stadium in preparation for the 2010 World Cup was also catered for under this category, under Provincial Treasury. Economic Development and Tourism includes the provision for DTP and the RBIDZ.

As the figures in the table indicate, there has been a consistent increase in the infrastructure allocations for the period under review, with the budget growing from R12.429 billion in the 2011/12 Adjusted Appropriation to R15.556 billion in 2014/15. This increase indicates a concerted commitment to infrastructure development by the province. The development of infrastructure has been informed by the reduction of infrastructure backlogs across the province, thus positively contributing to economic growth.

The bulk of the infrastructure funding is included against *Existing infrastructure assets*, aimed at conserving the inherent value of the facilities through *Upgrades and additions*, *Rehabilitations, renovations and refurbishments* and *Maintenance and repairs*. The focus on existing infrastructure will result in greater efficiency, effective economic development and, as a result, improve the quality of life in KZN. In fact, the proportion of funding allocated to *Maintenance and repairs* has increased from 34.9 per cent of *Existing infrastructure assets* in 2008/09 to 51.6 per cent in 2014/15. This indicates a shift in focus to maintaining fixed assets before deterioration that requires a more expensive intervention.

Table 5.12 shows the split of infrastructure payments and estimates by vote. The growth in the infrastructure allocations mentioned above is reflected against most departments, and especially the major infrastructure departments such as Transport, Human Settlements, Health and Education.

Table 5.12: Summary of infrastructure payments and estimates by vote

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Social Sector Infrastructure									
5. Education	1 237 408	1 392 251	1 920 280	2 197 741	2 216 097	2 216 097	2 404 154	2 506 238	2 649 479
7. Health	1 097 722	1 374 801	1 082 210	1 681 207	1 831 516	1 775 749	1 885 949	2 088 098	2 142 136
13. Social Development	70 597	85 035	79 647	166 479	204 479	204 479	190 378	211 782	193 391
Economic Infrastructure									
3. Agriculture, Environmental Affairs and Rural Developm	92 429	99 559	64 365	119 390	119 390	119 390	138 624	147 697	156 386
4. Economic Development and Tourism	1 299 313	1 705 265	684 621	423 739	507 970	507 970	494 926	649 397	717 562
8. Human Settlements	1 520 730	2 104 315	2 792 860	2 390 520	2 702 375	2 705 800	2 874 075	3 059 710	3 164 426
12. Transport	3 931 911	3 310 471	4 063 294	4 536 965	4 570 280	4 570 280	5 172 918	5 492 365	6 294 119
Other Infrastructure									
1. Office of the Premier	4 876	6 698	2 403	1 905	2 441	2 441	11 000	13 100	13 886
2. Provincial Legislature	1 504	3 735	2 652	4 454	13 554	13 554	6 917	4 419	4 685
6. Provincial Treasury	150 000	150 000	5 435	-	39 038	39 038	39 315	4 000	4 300
9. Community Safety and Liaison	-	-	-	-	-	-	-	-	-
10. The Royal Household	3 000	1 339	997	11 528	11 528	7 413	14 349	16 588	5 008
11. Co-operative Governance and Traditional Affairs	162 642	158 256	24 180	45 000	34 177	34 150	26 948	20 250	20 750
14. Public Works	65 693	80 616	73 978	86 423	83 275	83 925	90 744	95 735	101 000
15. Arts and Culture	22 598	29 624	68 908	49 773	51 752	51 752	50 025	43 616	42 655
16. Sport and Recreation	36 718	27 189	18 153	39 017	41 521	41 521	50 788	51 032	46 614
Total	9 697 141	10 529 154	10 883 983	11 754 141	12 429 393	12 373 559	13 451 110	14 404 027	15 556 397

The Department of Transport's infrastructure expenditure and budget increase substantially over the seven-year period under review. This is due to the increase in construction activities in respect of infrastructure investment in the province, as well as construction projects relating to the 2010 World Cup (such as the DTP and KSIA), and additional funding in respect of the maintenance of the provincial road network with regard to the provincial maintenance backlog. The high 2008/09 amount is inflated by the over-expenditure incurred in that year. The construction of the P700 (Ulundi to Hluhluwe/Mfolozi Game Reserve), the construction of the P577 (Duffs Road to KwaDabeka) and the upgrading of access roads (to clinics and schools) and pedestrian bridges is also provided for by this department. The department also provides for the upgrade and additions to roads, which include several large road construction projects, including the P318 Sani Pass, the roads to support DTP and KSIA, the P496 (the John Ross Highway linking Empangeni and Richards Bay), ARRUP road projects and access roads. The department also undertakes repairs to roads damaged by floods as and when such disasters occur. Finally, the amounts shown in the table cater for routine, preventative, mechanical and other maintenance. The increase over the MTEF includes additional funding in respect of the maintenance of the provincial road network.

Health's infrastructure shows low growth, mainly due to similar trends in the Health Infrastructure and Hospital Revitalisation grants. Over the seven year period under review, the department provided for the building of additional community health centres and community health clinics, in line with its service delivery plan, as well as the upgrading or replacement of hospitals and unsuitable clinics. The decrease in 2010/11 is caused by under-spending on the two above-mentioned conditional grants, as well as the late provision of the budget to institutions as a result of intensive restructuring of the department's budget by the joint Treasury/Health task team. The decrease in the 2011/12 Revised Estimate relates to major medical equipment ordered, but delivery only expected in 2012/13.

The Human Settlements infrastructure allocation takes into account the SCOA definitions where expenditure on transfers relating to housing projects must be classified as *Transfers and subsidies to: Households*, as these assets are transferred to the beneficiaries upon completion. These projects are however, still capital by their nature and therefore continue to be classified as *Infrastructure transfer: Capital*. The bulk of the allocation is funded by the Human Settlements Development grant, and includes major developments such as the *Vulindlela* rural housing project and Cornubia projects in uMgungundlovu and eThekweni, respectively. Over the seven-year period, spending on infrastructure grows year-on-year, with the exception of 2011/12, where there is a substantial drop from 2010/11 to the 2011/12 Main Appropriation. This is the result of the Human Settlements Development grant being reduced and allocated directly to the eThekweni Metro as an USDG.

The Education infrastructure budget shows significant growth over the seven year period. The strong growth over the 2012/13 MTEF, which corresponds to the increase in the Education Infrastructure grant, should enable the department to make provision for pressing infrastructural needs, particularly in respect of the roll-out of Grade R, building of special schools, and non-school buildings.

Despite the economic climate, the infrastructure budget has grown strongly with an approximate growth of 60 per cent between 2008/09 and 2014/15.

5.6.3 Public Private Partnerships (PPP)

There are currently eight active PPP projects in the province, and three projects which have been stopped.

Active projects

King Edward VIII Hospital

The Department of Health has identified the need for the upgrading and refurbishment of King Edward VIII Hospital and this need has been confirmed by the departmental PPP business case. This is one of five hospitals identified as possible PPP projects by the National Department of Health.

The Department of Health has entered into a Joint Implementation Agreement with the relevant parties to this project. The transaction advisors for this project have been appointed through the Development Bank of South Africa and the feasibility study is currently being undertaken.

Education's Schools and Office project

The Department of Education has registered the Schools and Office project with National Treasury and has issued a request for proposals from interested parties to act as transaction advisors for the project. The project is intended as a pilot to address the issues of design, delivery, rehabilitation, maintenance and funding over the life span of the assets. Based on the outcomes, the department intends to replicate and adapt the model in order to extend it to the rest of the province over the medium to long term. The terms of reference for the appointment of the transaction advisors has been finalised and the evaluation of bids will be undertaken during February 2012.

Hibiscus Coast Municipality – Beachfront development

The Hibiscus Coast Municipality appointed a transaction advisor to undertake a feasibility study to determine the possibility for the development of a prime section of beachfront land situated in the town of Umtentweni. The feasibility study has been finalised and Treasury View and Recommendations (Provincial Treasury provides views and recommendations to the municipality based on the transaction advisor's feasibility study) have been obtained from Provincial Treasury. The municipality has started negotiations to enter into a concession contract with the preferred bidder, but this process has not yet been concluded. If the preferred bidder fails to satisfy the municipality, a request for proposals will be issued to the open market.

Greater Kokstad Municipality - New civic centre

The Greater Kokstad Municipality appointed a transaction advisor to undertake a feasibility study for the provision of a new civic centre for the municipality through a PPP procurement process. The feasibility study was concluded and presented to the council, and public view and comments were solicited. A draft Request for Proposals has been submitted for views and recommendations.

KwaDukuza Municipality - Solid waste

The KwaDukuza Municipality has identified the need to procure the most cost effective service delivery mechanism in respect of the removal of refuse in the KwaDukuza area. The municipality appointed a transaction advisor to undertake a feasibility study, and the assessment report was finalised and approved by the council. Council resolved that the transaction advisors should go ahead with the assessment. It was anticipated that this process would be finalised early in 2011, but the new council raised concerns and requested that more information be submitted by the transaction advisors for consideration. Progress is slow and is still in the feasibility study stage.

KwaDukuza Municipality - New civic centre

The project entails the redevelopment of the KwaDukuza golf course as an extension of the business precinct and the provision of a civic centre. The project forms part of the strategic Urban Renewal Programme for the business precinct in the town of KwaDukuza, and the redevelopment of the historic King Shaka Precinct within the business precinct area. The purpose of the project is to develop a suitable and sustainable social and environmentally acceptable municipal civic centre that can cohesively support and sustain the growth needs of the KwaDukuza Municipality. The municipality has not yet appointed a transaction advisor to undertake the feasibility study and the project may be de-registered.

Newcastle Municipality - Alternative technology to waste reduction

The Newcastle Municipality has identified a need to conduct a feasibility study in terms of Section 120 of the Municipal Finance Management Act (MFMA) into alternative technology for waste reduction on the existing landfill site. This includes a holistic waste reduction solution and the exploration of waste to energy options through a PPP. Consultants were appointed to conduct the feasibility study on the viability of the project but the council was not satisfied with the work done and has terminated the appointment. The way forward will be discussed with the municipality early in 2012.

Ilembe District Municipality - Water and sanitation

In January 1999, the Borough of Dolphin Coast (now Ilembe District Municipality) and Siza Water Company (with a controlling interest by SAUR France S.A.) entered into a concession whereby Siza Water Company would oversee, manage and implement the provision of water and sanitation services within the municipal boundary on a concession basis. This is a closed project, being a concession agreement between the Ilembe District Municipality and Siza Water Company in a PPP format, with a lifespan of a 30 year contract, entered into in 1999, with a 5-year review plan.

A contract review, as required by the contract, was undertaken which identified challenges in the project. This included alignment of the original contract with National Treasury's standardised PPP provisions. Negotiations to amend the contract and 5-year plan have failed and further discussion will take place during 2012/13.

Abandoned projects***Provincial Government Precinct***

It was decided not to proceed with the project as a PPP as the province's financial position at the time deemed this project to be unaffordable. It has been suggested though, that the Department of Public Works uses the feasibility study as a basis to provide office accommodation for government departments in Pietermaritzburg.

Eco-tourism in Nature Conservation Service areas

The Board of EKZNW has decided not to proceed with the outsourcing of the eco-tourism and commercial functions at the Royal Natal National Park and certain surrounding parks in the Ukhahlamba area under its control. This project will be de-registered.

uMhlathuze Municipality – Water services

In 2008, the City of uMhlathuze entered into a five-year concession contract for the establishment and maintenance of water services infrastructure for the delivery of basic services. The municipality has decided not to proceed.

5.7 Transfers**5.7.1 Transfers to public entities listed in terms of Schedule 3 of the PFMA**

Table 5.13 shows the summary of provincial transfers to public entities by department. Transfers to public entities reflect a fluctuating trend from 2008/09 to 2011/12, largely attributable to various once-off allocations to public entities. These are discussed in greater detail below.

Table 5.13: Summary of provincial transfers to public entities by transferring department

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Vote 1: Office of the Premier	75 594	46 989	36 688	41 394	41 394	41 394	62 235	65 682	69 623
KwaZulu-Natal Gaming and Betting Board	40 293	14 148	16 356	17 337	17 337	17 337	35 775	37 809	40 077
Amafa aKwaZulu-Natali	35 301	32 841	20 332	24 057	24 057	24 057	26 460	27 873	29 546
Vote 3: Agric., Enviro. Affairs and Rural Dev.	360 401	407 744	561 924	587 239	625 259	625 259	616 942	705 375	747 742
Ezemvelo KZN Wildlife	340 829	397 598	431 382	486 917	491 317	491 317	511 942	595 125	631 428
Mjindi Farming (Pty) Ltd	9 572	10 146	26 470	24 922	33 181	33 181	45 000	47 250	49 849
Ithala Development Finance Corporation	10 000	-	-	-	-	-	-	-	-
Agri-business Development Agency	-	-	104 072	75 400	100 761	100 761	60 000	63 000	66 465
Vote 4: Economic Development and Tourism	1 426 166	1 856 609	984 459	838 134	914 365	914 367	941 726	1 120 251	1 212 400
Ithala Development Finance Corporation	-	100 000	280 000	284 300	246 810	246 810	289 500	305 423	320 694
of which									
Co-operatives	-	-	-	84 300	-	-	-	-	-
SMMEs	-	100 000	180 000	100 000	-	-	-	-	-
Enterprise Development Fund	-	-	-	-	174 300	174 300	189 500	199 923	209 919
Ithala Share Capital	-	-	40 000	-	-	-	-	-	-
Growth Fund	-	-	60 000	100 000	72 510	72 510	100 000	105 500	110 775
Ezemvelo KZN Wildlife	-	-	-	-	970	970	-	-	-
KZN Sharks Board	23 297	25 337	25 551	29 084	41 334	41 334	30 938	32 485	34 109
KZN Tourism Authority	61 556	78 602	71 444	79 111	89 381	89 381	87 776	92 165	96 773
Agri-business Development Agency	-	-	24 051	20 000	26 000	26 000	36 591	38 676	41 032
Dube TradePort Corporation	1 299 313	1 598 254	526 905	364 103	448 334	448 335	432 308	583 335	647 535
Trade and Investment KZN	42 000	54 416	56 508	61 536	61 536	61 537	64 613	68 167	72 257
Vote 11: COGTA	2 700	2 800	-	-	-	-	-	-	-
Provincial Planning and Development Commission	2 700	2 800	-	-	-	-	-	-	-
Vote 15: Arts and Culture	5 350	5 751	6 096	6 401	6 401	6 401	6 721	7 057	7 445
The Playhouse Company	5 350	5 751	6 096	6 401	6 401	6 401	6 721	7 057	7 445
Total	1 870 211	2 319 893	1 589 167	1 473 168	1 587 419	1 587 421	1 627 624	1 898 365	2 037 210

From the 2011/12 Adjusted Appropriation and over the 2012/13 MTEF, transfers reflect an increasing trend.

Vote 1: Office of the Premier

- The KZNGBB was established in 2011/12, to ensure that all gambling authorised in terms of the KZN Gaming and Betting Act, 2010 is conducted in a manner that promotes the integrity of the horse racing, betting and gaming industry. This entity embodies the merger of the KZN Gambling Board and the KZN Bookmaker's Control Committee. Prior to 2011/12, a transfer was made to the KZN Gambling Board to fund operations, and the Bookmaker's Control Committee operations were funded by a portion of revenue that it was permitted to retain in terms of the previous gambling and betting legislation. With the advent of the new KZN Gaming and Betting Act, no legislative provision was made for the retention of revenue to fund the operational overheads of the horse racing regulator, and provision is thus made for this in the allocation to the KZNGBB from 2012/13 onward. This is being financed through additional revenue collected by the newly amalgamated entity.

The high amount in 2008/09 includes a once-off allocation to the KZNGBB in respect of an out-of-court settlement reached, following a legal dispute over the awarding of a tender for the route and site inspection surveillance contract.

- Amafa aKwaZulu-Natali (Amafa) is responsible for administering heritage conservation and supporting cultural tourism in the province. The high amount in 2008/09 includes a roll-over to fund the completion of the Emakhosini Multi-Media Centre. In addition, funding of R18.885 million was received in 2009/10 in respect of the completion of the Emakhosini Multi-Media Centre.

Additional funding was received over the 2011/12 MTEF for various heritage projects, including the operational costs of the Emakhosini Multi-Media Centre.

Vote 3: Agriculture, Environmental Affairs and Rural Development

- EKZNW is a public entity that undertakes nature conservation on behalf of the province. The transfers to this entity show an increasing trend over the seven-year period. The noticeable increase in 2009/10 relates to additional funding of R40 million allocated for infrastructure improvements, particularly the road network in the reserves, with carry-through costs.

In 2010/11, the entity received additional funding for the improved terms and conditions of employment negotiated with organised labour, as well as a once-off allocation of R17.850 million to reduce the entity's high leave liability. The increase in the 2011/12 Adjusted Appropriation caters for the higher than anticipated 2011 wage agreement. The increase over the 2012/13 MTEF relates to additional funding for protected area expansion and for road maintenance in the protected areas, particularly from 2013/14 onward.

- Mjindi Farming (Pty) Ltd (Mjindi), which is listed as a provincial government business enterprise, was to have closed down at the end of 2007/08 in line with a Finance Portfolio Committee resolution. However, following a review of its future existence in 2008/09, Cabinet approved the continuation of the entity to form an integral part of the development of the Makhathini Flats area. The entity was reconstituted with a new board and a new mandate and accordingly, the allocation increases from 2010/11 to provide for operational costs to assist the entity to become fully functional. The 2011/12 Adjusted Appropriation includes funds for specific projects that the entity will be implementing. Significant increases from 2012/13 onward make provision for the carry-through costs of the 2011 wage agreement, the shortfall in respect of electricity costs, as well as for the implementation of projects.
- In 2008/09, the DAEARD made use of Ithala, which falls under the auspices of DEDT, for the facilitation of assistance to farmers affected by the 2007 and 2008 veld fires.
- With effect from 2010/11, the department commenced transferring funds to the Agri-business Development Agency (ADA), a public entity which was established under the control of DEDT, in line with a Cabinet decision to implement land reform projects and provide post settlement support to land reform beneficiaries in the province. The increase in the 2011/12 Adjusted Appropriation relates to additional funds given to ADA for the implementation of specific projects. The allocation decreases from 2012/13 onward in line with project requirements.

Vote 4: Economic Development and Tourism

- Ithala was established with the aim of providing financing for historically marginalised communities. The department transfers funds on a project-specific funding basis to Ithala, who then oversees the financing and control of the projects.

In 2009/10, the allocation consisted of allocations to Small Medium Micro Enterprises (SMMEs) only, whereas the funding was spread across the SMMEs and Growth Funds in 2010/11. In 2010/11 a once-off amount was transferred to the Ithala Share Capital account, to ensure that the bank remained within the capital adequacy ratios prescribed by the South African Reserve Bank. The 2011/12 Main Appropriation makes provision for allocations to the Co-operatives, SMMEs and Growth Funds. However, as a result of slow uptake of loans to co-operatives, and subsequent underperformance of the fund, it was decided to combine the Co-operatives and the SMME Funds into the Enterprise Development Fund during the 2011/12 Adjustments Estimate process. Similarly, as a result of the slow spending by the Growth Fund, savings were reprioritised towards other areas of spending pressure during the 2011/12 Adjustments Estimate. Planned improvements in respect of the funds from 2012/13 onward are expected to yield positive results, and the allocations to the Enterprise Development and Growth Funds increase accordingly over the 2012/13 MTEF.

- In the 2011/12 Adjusted Appropriation, DEDT allocated funds to EKZNW toward social investment projects that build dams for communities in drought-stricken areas of the province.
- The allocation to the KZNSB rises steadily over the seven-year period, except in the 2011/12 Adjusted Appropriation, when the entity was allocated additional funding toward the once-off implementation of a biometric access control system to improve security measures at the KZNSB head quarters and base stations, as well as to undertake critical roof repairs. This explains the apparent reduction in the allocation in 2012/13, after which the allocation increases at an inflationary rate over the remainder of the 2012/13 MTEF.
- The allocation to the TKZN in 2009/10 increases substantially due to additional funding allocated for the costs of the 2010 Tourism *Indaba*. The province has recently been awarded the right to hold the

Tourism *Indaba* for five years, commencing in 2011/12. In addition, the entity was allocated funding for the Tour of SA cycling, which includes the UCI/BMX championships.

In the 2011/12 Adjusted Appropriation, additional funding was allocated to the entity for the promotion of the East 3 Route, which links northern KZN, Mozambique and Swaziland, as well as for the UCI/BMX event. The allocation rises steadily over the 2012/13 MTEF.

- In 2010/11, ADA received funding from DEDT for establishment and operational costs. In the 2011/12 Adjusted Appropriation, additional funding was provided to cover the shortfall in its baseline for operational costs, as well as toward the expansion of technical staff capacity. The entity receives a further increase in funding over the 2012/13 MTEF, in order for it to fund business growth and expansion, specifically focusing on farmer support, capacity building and on-and-off farm infrastructure interventions.
- The significant transfer allocated to the DTP over the seven-year period covers the operational costs of the entity, capital costs for the acquisition of land at the new airport site, as well as the roll-out of capital projects. The allocation to this project decreased significantly from 2010/11, due to the completion of the airport portion of the project. In the 2011/12 Adjusted Appropriation, DTP was allocated an additional R84.231 million once-off for various strategic projects, such as cargo shed ramp handling facilities, additional agri-zone works and recapitalisation of the cargo terminal, to name a few. The significant growth over the 2012/13 MTEF relates to major capital projects as set out in DTP's sixty-year Master Plan, for which it received additional funds over the MTEF.
- The allocation to Trade and Investment KZN (TIK), whose main objective is to attract foreign and domestic investment and to generate exports and export capacity in KZN, grows steadily over the seven-year period.

Vote 11: Co-operative Governance and Traditional Affairs

- The department funded the Provincial Planning and Development Commission (PPDC) up to 2009/10, after which the allocation ceased, following the implementation of the KZN Provincial Planning and Development Act, 2008, which dissolved the entity at the end of 2010/11.

Vote 15: Arts and Culture

The Playhouse Company is a national public entity, charged with the development and promotion of artistic works that are representative of the diverse South African artistic and cultural heritage. The allocation increases steadily over the seven-year period.

5.7.2 Transfers to other entities

Table 5.14 summarises departmental transfers to other entities, other than public entities, by vote.

Table 5.14: Summary of departmental transfers to other entities by Vote

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
1. Office of the Premier	284	30	-	2 000	12 000	12 000	8 000	-	-
2. Provincial Legislature	-	-	-	-	-	-	-	-	-
3. Agriculture, Environmental Affairs and Rural Dev.	34 925	27 925	62 986	19 445	16 484	16 484	19 239	9 812	10 376
4. Economic Development and Tourism	14 085	114 662	207 942	139 516	112 848	112 848	151 352	154 532	163 329
5. Education	1 581 608	1 560 426	1 673 156	1 919 661	1 925 476	1 906 681	2 054 974	2 282 498	2 431 493
6. Provincial Treasury	3	-	-	-	-	-	-	-	-
7. Health	243 734	278 846	289 009	266 787	283 265	271 404	296 679	310 403	304 718
8. Human Settlements	-	-	-	-	-	-	-	-	-
9. Community Safety and Liaison	-	-	-	-	289	289	-	-	-
10. The Royal Household	-	-	5 857	22 000	12 000	7 700	12 000	21 000	23 560
11. Co-operative Governance and Traditional Affairs	21 000	-	-	-	-	-	-	-	-
12. Transport	-	593 250	715 294	773 473	810 473	810 473	900 360	852 325	895 350
13. Social Development	390 393	398 352	472 605	706 064	609 075	563 842	631 789	791 553	850 388
14. Public Works	-	-	-	-	-	-	-	-	-
15. Arts and Culture	17 857	18 420	19 349	22 447	22 725	22 725	22 949	24 281	25 393
16. Sport and Recreation	8 392	5 200	6 000	8 600	8 600	8 600	11 000	11 883	12 600
Total	2 312 281	2 997 111	3 452 198	3 879 993	3 813 235	3 733 046	4 108 342	4 458 287	4 717 207

Ten departments will make transfer payments to these entities over the 2012/13 MTEF period, with thirteen departments having made transfers sometime over the period 2008/09 to 2011/12. Details of these are provided in each department's chapter in the *EPRE. Transfers to other entities* increases from R2.312 billion in 2008/09 to R4.717 billion in 2014/15

Vote 1: Office of the Premier

The department made donations and sponsorships to various organisations from 2008/09 to 2012/13. The amount in 2008/09 relates to once-off transfers made to HIV and AIDS non-profit institutions. In 2009/10, a donation of R30 000 was made to *Nyonini Emnyama* Catholic Church in Zion for the purchase of chairs, as pledged by the Premier.

The amount of R2 million reflected in the 2011/12 Main Appropriation relates to the implementation of the provincial Bursary Programme. However, this was a misclassification, as the bursaries provided to students is an all encompassing benefit to the students and does not only include payments to institutions. Accordingly, this amount was shifted to *Transfers and subsidies to: Households* in the 2011/12 Adjusted Appropriation to correct the classification of the Bursary Programme.

The amounts reflected under the 2011/12 Adjusted Appropriation and Revised Estimate, as well as in 2012/13, pertain to the LIV Orphanage. The funds are to assist the orphanage with building a holistic village, both to house vulnerable and orphaned children, as well as to empower them to be self employed and to sustain a reasonable livelihood by learning basic skills. These funds are once-off in line with the Premier's undertaking to provide R20 million to this project, over two years.

Vote 3: Agriculture, Environmental Affairs and Rural Development

The transfers in 2008/09, continuing into 2009/10, are largely due to partnerships entered into by the department with various sugar mills, including Tongaat-Hulett and Illovo, to provide essential support and assistance to land reform beneficiaries in respect of sugarcane farming. These partnerships were discontinued in 2010/11, as the recently established ADA was to implement land reform projects. Also in 2008/09, the department transferred funds to the KwaZulu-Natal Agricultural Union (KWANALU) for the hosting of the KWANALU Black Economically Empowered and Emerging Farmers' Information Day. The high spending in 2010/11 is due to a once-off transfer to the SA Sugar Association for the provision of specialist extension services to assist small scale extension farmers. The partnership with the SA Sugarcane Research Institute, which was formed in 2010/11, continues over the MTEF.

In the 2011/12 Main Appropriation, a new transfer of R400 000 per annum was introduced to the Wildlife and Environmental Society of South Africa (WESSA), relating to environmental education programmes. The two-year partnership with the Pietermaritzburg SPCA, in terms of which the entity will provide assistance in implementing the rabies control programme in KZN, commenced in 2011/12. The fact that this transfer ends in 2013/14 accounts for the decrease in that year.

Vote 4: Economic Development and Tourism

Over the 2012/13 MTEF, the department transfers funds to various entities, including the RBIDZ, the KZN Liquor Entity, the Moses Kotane Institute, the KZN Film Commission (2012/13 only), the Durban Film Festival, the Okhahlamba Development Agency, the old Durban International Airport (2012/13 only), and the KZN Music Studio.

The increase in 2010/11 is due to RBIDZ's allocation being increased by R100 million, which relates to funding allocated to Ithala in previous years for land purchased for the project, and which was returned to the Provincial Revenue Fund and re-allocated for direct transfer to RBIDZ. In addition, the allocation to the Moses Kotane Institute increased substantially in respect of the operational costs of the entity. In 2010/11 and 2011/12, once-off additional funding was reprioritised for transfer to the entity in order to finalise the establishment of offices in four additional districts. Also, in prior years, the funding for the KZN Music Studio was allocated to *Goods and services*. However, due to control and management issues, as well as the difficulty in finding a service provider, the department intends to utilise a private entity for the operation of the studio. The 2010/11 allocation, therefore, includes the once-off establishment costs of this entity which explains the lower allocation in the 2011/12 Main Appropriation.

The decrease of R26.668 million from the 2011/12 Main to the Adjusted Appropriation is mainly due to delays in the establishment of the KZN Liquor Entity because of registration and establishment processes. This led to a portion of the allocation to the entity being moved to fund increased transfers to ADA to provide for various operational costs not covered by its existing budget, the Moses Kotane Institute, to cater for additional funds in respect of the already established FET college laboratories' fixed costs, and to the KZNSB for critical repairs to the roofing of the entity's headquarters in Umhlanga. In addition, funds were shifted to *Goods and services* for the set-up costs of the KZN Liquor Entity.

Vote 5: Education

The largest portion of transfers that the Department of Education makes is in respect of Section 21 schools, relating to the transfers of norms and standards funding. Special schools has an increased budget from 2008/09 onward, which reflects the extent to which the department is focussing on learners with special needs, by making sure that schools are allocated funding that will enable them to assist the learners and to ensure that the Inclusive Education programme is granted the attention it deserves. It is anticipated that all schools will attain Section 21 functions from 2012/13 onward, thus obviating the need to provide petty cash payments.

Additional allocations for the expansion of Grade R in public schools and community centres, coupled with transfers to Section 21 schools and FET colleges, mainly account for the increase over the 2012/13 MTEF.

Vote 6: Provincial Treasury

The amount of R3 000 in 2008/09 relates to a donation made to the Imbali Psycho-Social Community Youth Resource Centre toward its launch and open day event.

Vote 7: Health

The transfers under this vote relate mainly to entities that receive funding from the department for the provision of general clinic services, HIV and AIDS services, district hospital services, general hospital services and TB services. The varying trend across the seven-year period relates mainly to the inclusion/exclusion of entities, as well as doctors who qualify for OSD in certain institutions. The effect of the wage agreements and the OSD for doctors is transferred to those institutions which qualify for the state salary increases.

The increase in 2009/10 relates to the ceasing of donations from the Global Fund. This fund supported activities at the Dream Centre, Genesis Care Centre and Ethembeni *via* donor funding, and these are now funded through transfers by the department.

The decrease from 2010/11 to the 2011/12 Main Appropriation is caused by the closure of the HIV and AIDS National Integrated Plan (NIP) sites and the incorporation of these services into the department's operations, whereby these amounts are now included under *Current payments*. The increase from the 2011/12 Main to the Adjusted Appropriation includes the additional funding for the higher than anticipated 2011 wage agreement for medical staff employed by NGOs. In the 2011/12 Revised Estimate and the subsequent two years, the department will transfer funds to the KZN Children's Hospital Trust for the development and refurbishment of the Children's Hospital in eThekweni.

Vote 9: Community Safety and Liaison

In the 2011/12 Adjusted Appropriation, the department transferred R289 000 for the procurement and transfer of a park-home in Umlazi to a community policing Non-Government Organisation (NGO).

Vote 10: The Royal Household

The amounts from 2010/11 onward relate to transfers to the Royal Trust, which was established as an entity in terms of the KZN Royal Household Trust Act. In 2010/11 and 2011/12, funds were transferred to the Royal Trust to cater for its set-up costs, the remuneration of the Board, as well as various costs of the Royal Household which were administered by the Royal Trust. This included municipal costs, fuel, food and food supplies etc, relating to His Majesty's Queens and other members of the Royal Family.

In the 2011/12 Adjusted Appropriation, according to a Cabinet resolution, the Royal Trust received an additional R5 million for the establishment (i.e. set-up and operational costs) of the Royal Trust. The department also shifted R15 million from the Royal Trust to *Compensation of employees* and *Goods and services*. An amount of R12 million was moved to the former category, as the transfer of staff to the Royal Trust did not materialise, as a result of the department having to first engage with organised labour. These funds were shifted back to *Compensation of employees*, where the salaries of the staff continue to be paid from. It is anticipated that negotiations with organised labour will have been concluded toward the end of 2012/13. The department moved the remaining R3 million to *Goods and services*, as it continues to perform many of the functions that the Royal Trust was anticipated to perform, such as purchasing groceries for His Majesty's Queens, etc.

The substantial increase from 2013/14 is due to the fact that it is anticipated that the transfer of staff will have commenced, and the Royal Trust will be fully functional in conducting all of its operations.

Vote 11: Co-operative Governance and Traditional Affairs

The amount in 2008/09 relates to a once-off transfer to the Department of Human Settlements for the building of 17 *Amakhosi* houses.

Vote 12: Transport

Transfers from 2009/10 relate mainly to the Public Transport Operations grant received from the National Department of Transport, in respect of subsidies to bus operators. The increase in the 2011/12 Adjusted Appropriation and in 2012/13 relates to funds suspended from Vote 5: Education for the department to undertake part of the provincial learner transport functions, such as the planning of routes and procurement of operators. These funds will be transferred to various learner transport service providers. The department is still finalising details of the funding for the last two years of the MTEF with the Department of Education.

Vote 13: Social Development

The transfers under this vote relate mainly to funding given to various NPOs, NGOs and faith-based organisations (FBOs). The drop in the 2011/12 Adjusted Appropriation as well as the Revised Estimate from the Main Appropriation is due to delays in the signing of SLAs with NPOs. Also affecting the decrease in the 2011/12 Adjusted Appropriation and Revised Estimate is a correction relating to the funding received for various national priorities (mainly ECD and HCBC), where a large portion was originally allocated to *Transfers and subsidies*, while a portion should have been allocated to *Compensation of employees* and *Goods and services*. The department intends increasing tariffs to NPOs by 6 per cent in 2012/13 and increasing the stipends for HCBC caregivers serving people infected and affected by HIV and AIDS from R1 000 to R1 500 per month.

Vote 15: Arts and Culture

The transfers under this vote relate mainly to:

- *KZN Philharmonic Orchestra*: Funding is provided to the KZN Philharmonic Orchestra, which is a non-profit institution committed to ensuring the development of artists through nurturing local talent and skills and providing cultural entertainment.
- *Community art centres*: The department funds community art centres, which contribute to the development and training of artists. Art centres which are funded by the department include, among others, the Jambo Art Centre, Ladysmith, Mbazwana and the Ekhaya Art Centre. Two new transfer payments to the Catalina and Ewushini Art Centres were introduced in 2012/13.
- *Arts and culture support*: Arts and culture support funding is provided to various organisations to assist with providing a platform for emerging artists. The department enters into MOUs with these institutions and detailed business plans are provided for the funds that are allocated. In 2008/09, a number of new transfers were made to various organisations such as the KZN African Film Festival, the MTN Jazz Festival and the South African Traditional Music Awards (SATMA). In 2011/12, three new transfer payments were introduced, thus increasing transfers from 2010/11 to the 2011/12 Main Appropriation. These were the Sakhisizwe Organisation, Maskandi Festival and a Jazz

Festival. In the 2011/12 Adjusted Appropriation, a new transfer to the Twist Theatre Development and a once-off transfer to NB Productions for a television documentary on KZN artists, were introduced. Arts and culture support continues to receive funding over the 2012/13 MTEF.

- *Arts councils:* Funds in respect of arts councils are transferred to properly constituted arts, culture and craft organisations that develop and preserve arts and culture in the province. These arts councils will continue to receive funding over the 2012/13 MTEF.
- *Museum subsidies:* Funding is provided to non-profit institutions to cover operational and staffing costs. Museums are managed by a Board of Trustees and a large portion of the funding transferred to them is utilised to cover the salaries paid to curators. In the 2011/12 Adjusted Appropriation, transfers to various museums were reduced and funding reprioritised to *Goods and services* to provide support services for the provincialisation of museums process.

Vote 16: Sport and Recreation

Transfers made by the department are largely in respect of sporting organisations from different sporting codes, for the promotion and development of sport and recreation in KZN. Funding is only allocated once the organisation has met all the requirements. The department receives business plans from these organisations and, based on these plans, funds are allocated for transfer. The decrease from 2008/09 to 2009/10 relates to enforced savings in respect of the Provincial Recovery Plan. The increase from 2011/12 to 2012/13 and onward is to cater for the increase in the number of requests from sport federations for financial assistance.

5.7.3 Transfers to local government

Provincial government, as part of its Constitutional obligation, supports and strengthens the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions. As a result, departments transfer funds to municipalities for various purposes.

This section provides details of departmental transfers to local government, indicating transfers per department and per grant type to each municipality. A summary of this information is given in Table 5.15 below. Details are given in the *Annexure to OPRE* (Tables 1.G (i) (ii) and (iii)), and in the detailed departmental information provided in the *EPRE*.

Table 5.15 provides a summary of provincial transfers to local government by category, as defined in the Constitution. It should be noted that the amounts reflected in these tables are in terms of the provincial financial year running from 1 April to 31 March.

The total provincial transfers to local government reflect good growth over the period. There are three categories of municipalities in terms of the Constitution. Below the table is a brief description of each of the categories, and a summary of the provincial transfers to local government by municipal category is contained in Table 5.15.

Table 5.15: Summary of provincial transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2011/12	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Category A	711 659	614 414	734 085	949 546	582 518	499 419	864 025	946 634	966 062
Category B	153 959	260 448	436 498	334 903	556 221	562 365	358 632	469 276	481 425
Category C	248 379	302 869	270 479	11 649	87 913	95 395	32 050	9 595	17 600
Unallocated	24	-	-	-	212	442	1 200	20 570	21 532
Total	1 114 021	1 177 731	1 441 062	1 296 098	1 226 864	1 157 621	1 255 907	1 446 075	1 486 619

Category A (metropolitan council) refers to municipalities that have exclusive municipal executive and legislative authority within their areas. KZN has only one metropolitan council, namely the eThekweni Metro. As indicated in the table above, the Metro spending and budget shows a fluctuating trend, which can be attributed to various projects such as the construction of the Moses Mabhida Stadium, transfers to municipal clinics, payment of property rates and the maintenance of R293 hostels which are undertaken over varying timeframes. The slight decrease in 2009/10 is mainly due to delays in the approval of CRUs.

The decrease in the 2011/12 Adjusted Appropriation is largely attributed to delays in the maintenance of R293 hostels and the CRU projects, hence the significantly high 2011/12 Main Appropriation. The increase over the MTEF is mainly ascribed to the inclusion of the provincialisation of public libraries and museums, funding for the construction of a mega-library, funding requirements of clinics, as well as inflationary increments.

Category B (local municipality) refers to a municipality that shares municipal executive and legislative authority with a category C (defined below) municipality within whose area it falls. The allocations to category B municipalities increased in 2010/11, mainly due to additional funding in respect of arrear rates payments relating to the Devolution of Property Rate Funds grant (Public Works). Also, CoGTA originally budgeted for the majority of municipal projects such as Corridor Development, the Massification Programme and the Small Town Rehabilitation Programme against *Goods and services*. The department then reclassifies the funds in the Adjustments Estimate, if it becomes evident that the municipalities have the required capacity to implement the projects themselves. This accounts for the decrease in the 2011/12 Main Appropriation and over the MTEF and the increase in the 2011/12 Adjusted Appropriation. This category also includes funding over the period in respect of various projects and activities such as the development of airports (Provincial Treasury), the Greenest Municipality Competition (DAEARD), the provincialisation of clinics (Health), as well as the provision for transfers for museums and building of libraries and the provincialisation of museums and libraries (Arts and Culture), etc.

Category C (district municipality) refers to municipalities that have municipal executive and legislative authority in an area that includes more than one municipality. Human Settlements paid arrear rates and taxes in 2009/10, accounting for the decrease in 2010/11. As explained above, CoGTA budgets for some municipal projects against *Goods and services*, pending evidence that the municipalities have the required capacity to implement the projects themselves. This partly explains the decrease in the 2011/12 Main Appropriation and over the MTEF, and the increase in the 2011/12 Adjusted Appropriation. In addition, various other transfers to municipalities are catered for, such as the establishment of trading centres (DEDT), the development of Integrated Waste Management Plans (IWMPs), Environmental Management Frameworks (EMFs), and Strategic Environmental Assessments (SEAs) (under DAEARD). The prescribed local government levy (Provincial Treasury), which has since been discontinued due to a change in legislation, among others, is also catered for under this category.

The amounts against *Unallocated* are usually allocated to specific recipients during the course of the year, and are formalised during the Adjustments Estimate annually. The amount in the 2011/12 Adjusted Appropriation relates to property rates for properties owned by the province, but located in other provinces (Public Works). These property rates are also provided for under this category in 2012/13 and 2013/14 only (Public Works). The amounts over the MTEF are also in respect of the construction of sport facilities by the Department of Sport and Recreation. These amounts are allocated against this category as it is not possible to identify the recipient municipalities at this stage. The department undertakes a comprehensive facilities audit, which is used to allocate funding to individual municipalities, based on the needs established through the audit. This category also includes minimal funding in respect of the Greenest Municipality Competition over the MTEF (DAEARD).

A summary of the transfers to individual local and district municipalities is contained in the *Annexure to OPRE*, while Table 5.16 presents a summary of provincial transfers to local government by vote and grant type over the seven-year period from 2008/09 to 2014/15.

It should be noted that detailed analysis of these transfers to local government is provided in the individual votes in the *EPRE*. The main ones are summarised below the table:

Table 5.16: Summary of departmental transfers to local government by department and grant type

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Vote 1: Office of the Premier	4 538	4 823	-	-	-	-	-	-	-
Transfer to Zululand DM iro airport	4 538	4 823	-	-	-	-	-	-	-
Vote 3: Agriculture, Enviro. Affairs and Rural Dev	2 415	5 700	6 960	1 030	1 030	1 030	1 000	1 000	1 000
Upgrading of Khanya Village	-	2 000	-	-	-	-	-	-	-
Dev. of EMFs, SEAs and IWMPs	1 310	2 000	6 000	-	-	-	-	-	-
Waste Management for 2010	-	800	-	-	-	-	-	-	-
Greenest Municipality Competition	1 105	900	960	1 030	1 030	1 030	1 000	1 000	1 000
Vote 4: Economic Development and Tourism	1 626	-	100	-	-	-	3 516	3 692	3 877
International Newcastle Alliance Summit	-	-	100	-	-	-	-	-	-
Joint Project Funding	1 626	-	-	-	-	-	3 516	3 692	3 877
Vote 6: Provincial Treasury	158 963	159 646	15 664	-	39 038	39 038	39 315	4 000	4 300
Casino Levies Pay-Over	8 963	9 646	10 229	-	-	-	-	-	-
Moses Mabhida Stadium	150 000	150 000	-	-	-	-	-	-	-
Pietermaritzburg Airport	-	-	5 435	-	18 538	18 538	16 027	-	-
Ulundi Airport	-	-	-	-	10 000	10 000	20 000	-	-
Richards Bay Airport	-	-	-	-	10 500	10 500	-	-	-
Development of Other Airports	-	-	-	-	-	-	3 288	4 000	4 300
Vote 7: Health	50 493	81 058	123 888	94 173	94 185	95 206	84 293	82 828	86 969
Subsidy: Municipal Clinics	50 493	81 058	123 888	94 173	94 185	95 206	84 293	82 828	86 969
Vote 8: Human Settlements	257 730	209 973	353 525	587 658	213 593	212 110	393 591	462 510	438 834
Capacity building	-	-	-	4 505	-	-	-	-	-
Trans of R293 staff	-	-	-	-	1 455	1 455	3 111	3 326	-
CRU programme	125 000	43 000	128 000	375 553	65 098	65 098	203 240	344 606	316 104
Municipal rates and taxes	20 700	44 303	15 525	34 000	17 000	15 517	20 000	21 381	21 381
Maintenance of R293 hostels & EEDBS	112 030	122 670	210 000	173 600	130 040	130 040	167 240	93 197	101 349
Vote 11: CoGTA	369 946	438 803	394 813	16 961	240 528	240 528	14 900	12 595	23 500
Government Experts	-	-	5 800	-	-	-	-	-	-
Implementation of Pound Act	-	-	12 000	-	-	-	-	-	-
Inter-governmental Relations	1 000	1 000	4 170	-	-	-	-	-	-
Municipal Governance	3 500	3 000	-	-	-	-	-	-	-
Provincial Interventions	700	-	1 300	-	-	-	-	-	-
Umzimkulu Support	43 326	56 008	36 873	-	25 320	25 320	-	-	-
Uthukela Water	-	2 000	-	-	-	-	-	-	-
Prov. Management Assistance Prog.	13 200	6 400	-	-	-	-	-	-	-
Spatial Development	4 250	-	-	-	-	-	-	-	-
Municipal Development Info. Services	6 750	-	-	-	-	-	-	-	-
Schemes Support Programme	-	-	-	-	2 250	2 250	-	-	-
Town Settlement Formalisation Support	-	-	800	-	1 000	1 000	-	-	-
Development Administration	3 250	-	-	-	-	-	-	-	-
IDP Support	-	-	-	-	-	-	-	-	900
District Growth Development Summit	-	-	-	-	-	-	4 000	-	-
Corridor Development	121 950	118 132	114 068	-	96 447	96 447	-	-	-
Municipal LED	-	-	6 400	-	12 080	12 080	-	-	-
Small Town Rehabilitation Programme	-	55 000	92 769	-	74 220	74 220	-	-	-
Massification Programme	-	30 500	101 000	-	-	-	-	-	-
Infra provision for soccer stadia	139 500	149 963	-	-	-	-	-	-	-
Infrastructure support	20 000	-	-	-	-	-	-	-	-
Disaster Management Centres	2 500	6 000	11 500	-	3 000	3 000	-	-	-
Community participation in IDPs	-	-	-	-	-	-	2 000	2 000	3 000
Development Planning Shared Services	-	10 800	4 227	5 461	5 461	5 461	2 000	2 000	2 100
Strategic Support	10 020	-	-	-	-	-	-	-	-
Community Development Projects	-	-	-	-	5 250	5 250	4 900	6 595	15 500
Urban Development Framework	-	-	3 758	-	-	-	-	-	-
Construction of TSCs	-	-	-	3 500	6 000	6 000	-	-	-
Operational support for TSCs	-	-	148	4 000	5 000	5 000	2 000	2 000	2 000
Provincial Security (MPCCs)	-	-	-	4 000	4 500	4 500	-	-	-
Vote 12: Transport	6 000	-	-	-	-	-	-	-	-
Municipal Transport Planning & Infra.	6 000	-	-	-	-	-	-	-	-
Vote 14: Public Works	216 688	240 566	515 348	521 699	563 994	495 213	554 280	591 462	625 106
Property Rates	216 688	240 566	515 348	521 699	563 994	495 213	554 280	591 462	625 106
Vote 15: Arts and Culture	22 627	16 805	22 567	57 807	55 222	55 222	146 652	268 618	282 501
Museum subsidies	1 090	1 078	1 170	10 055	7 068	7 068	7 065	7 553	7 971
Library building projects	15 286	9 336	421	-	-	-	-	-	-
Provincialisation of libraries	-	-	11 136	29 393	30 822	30 822	116 555	240 841	254 063
Community Library Services grant	6 251	6 391	9 840	18 359	17 332	17 332	23 032	20 224	20 467
Vote 16: Sport and Recreation	22 995	20 357	8 197	16 770	19 274	19 274	18 360	19 370	20 532
Infrastructure	22 995	20 357	8 197	15 120	15 974	15 974	15 960	16 838	17 848
Maintenance grant	-	-	-	1 650	3 300	3 300	2 400	2 532	2 684
Total	1 114 021	1 177 731	1 441 062	1 296 098	1 226 864	1 157 621	1 255 907	1 446 075	1 486 619

- The amounts under Vote 1: Office of the Premier in 2009/10 relate to the transfer of the Ulundi airport (Prince Mangosuthu Buthelezi) operations to the Zululand District Municipality. This subsidy

relates to operational costs of the airport, which was transferred to the municipality in 2007. The agreement with the municipality was that government will provide funding for the operational costs of the airport up to 2009/10, and hence no allocation from 2010/11 onward.

- Amounts against Vote 3: Agriculture, Environmental Affairs and Rural Development over the MTEF relate to the Greenest Municipality Competition.
- The transfers under Vote 4: Economic Development and Tourism over the MTEF relate to joint project funding in the Mthonjaneni and the Mandeni municipalities for establishing trading centres.
- The transfers under Vote 6: Provincial Treasury show a decrease in 2010/11 due to the discontinuation of funding for the construction of the Moses Mabhida Stadium which was completed in 2009/10. The amounts in 2010/11 are in respect of the transfer to the Msunduzi Municipality for the upgrade of the infrastructure of the Pietermaritzburg airport, as well as the casino levies pay-over, which relates to a prescribed local government levy. This levy is inclusive of casino taxes collected by the Gambling Board and paid over to the Provincial Revenue Fund. This levy has since been discontinued, following a change in legislation. The amounts in the 2011/12 Adjusted Appropriation are in respect of the infrastructure development of the Pietermaritzburg, Richards Bay and Ulundi (Prince Mangosuthu Buthelezi) airports. Allocations over the MTEF are in respect of various airport projects, as well as the continuation of the infrastructure development of the Pietermaritzburg and Ulundi (Prince Mangosuthu Buthelezi) airports in 2012/13 only.
- The transfers under Vote 7: Health show a varying trend, due to the anticipated provincialisation of the municipal clinics. It is anticipated that the majority of the municipal clinics will be taken over by the department by the end of 2011/12, and funding for the 2012/13 MTEF has only been provided for the eThekweni Metro and uMhlathuze Municipality. In addition, funding has been provided in 2012/13 in the first quarter to enable the finalisation of the provincialisation of clinics in the Umlalazi Municipality (uThungulu District), as well as municipalities in the uMgungundlovu and Ilembe Districts.
- The transfers under Vote 8: Human Settlements relate mainly to the maintenance of R293 hostels in eThekweni, CRUs and the payment of arrear rates and taxes. The decrease in the 2011/12 Adjusted Appropriation is mainly due to delays in the maintenance of R293 houses and the CRU programme.
- Some of the transfer payments under Vote 11: CoGTA are budgeted for under *Goods and services* but are reclassified as *Transfers and subsidies to: Provinces and municipalities* annually during the Adjustments Estimate. CoGTA budgets for some municipal projects against *Goods and services*, pending evidence that the municipalities have the required capacity to implement the projects themselves. The 2011/12 Revised Estimate decreases compared to the Audited Outcome in previous years, largely due to the discontinuation of soccer stadia funding in 2009/10. The high 2010/11 amount in comparison to 2011/12 can be ascribed to the number of projects approved in 2010/11 as submitted by municipalities. Hence, the fluctuation in expenditure and allocations over the seven-year period reflects funding made to different departmental projects. The 2012/13 MTEF allocations are in respect of the District Growth Development summit, community participation in IDPs, IDP Support, Development Planning Shared Services, Community Development Project and Operational Support for TSCs.
- The transfer under Vote 12: Transport relates to the Municipal Transport Planning and Infrastructure project in respect of the construction and upgrading of public transport infrastructure in support of the Taxi Recapitalisation Programme. There are no amounts from 2009/10, as the department has taken over these functions.
- The transfers under Vote 14: Public Works relate to the Devolution of Property Rate Funds grant in respect of property rates. The transfers increase significantly in 2010/11 due to additional funding allocated in respect of arrear rates from previous financial years. These transfers continue to grow steadily over the MTEF. The decrease in the 2011/12 Revised Estimate is due to disputed invoices with the eThekweni Metro which were resolved, as the properties concerned were identified as belonging to the Metro and national departments and not to the province.

- The transfers under Vote 15: Arts and Culture reflect provision made to municipalities for library building projects, museum subsidies, and for the provincialisation of libraries and museums. Spending in 2008/09 included transfers for library building projects, as well as operational costs of the libraries. The reduction in 2009/10 reflects the department's decision to build libraries itself rather than use municipalities as implementing agents. Spending in 2010/11 includes provincialisation transfers for public libraries and museums. The significant increase in the 2011/12 Main Appropriation relates to a transfer to the eThekweni Metro, for portion of the costs of building a mega-library, funding for the purchase of library materials, as well as for the provincialisation of libraries and museums. The decrease in the 2011/12 Adjusted Appropriation resulted from a reduction in the transfer to the eThekweni Metro for the mega-library due to a lower final cost for 2011 in terms of the business plan. The substantial increase over the 2012/13 MTEF relates to further funding for the provincialisation of public libraries, which includes funding for eThekweni and Msunduzi, as well as transfers in 2012/13 and 2013/14 to the eThekweni Metro for the completion of the mega-library.
- The transfers under Vote 16: Sport and Recreation, in respect of the construction of sport facilities, reflect a varying trend over the seven-year period, with an increase in 2008/09 due to a roll-over from 2007/08. The substantial decrease in 2010/11 is due to delays in respect of transfer payments to municipalities for the construction of sport facilities. According to the department, the municipalities experienced challenges such as adverse weather which hampered the completion of sport fields by constructors. The increase in the 2011/12 Adjusted Appropriation is due to spending pressures relating to commitments which remained incomplete as at 31 March 2011 in respect of the *Ingangane*, *Mpofana* and *Nkosi Bhambatha* projects. The increase over the 2012/13 MTEF is due to inflationary increments.

5.8 Personnel numbers and costs

Table 5.17 below provides a summary of personnel numbers, by vote, as well as the total personnel costs for the province.

Table 5.17: Summary of personnel numbers and costs by vote¹

Personnel numbers	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
1. Office of the Premier	322	328	329	1 957	2 343	2 342	2 347
2. Provincial Legislature	146	144	155	216	244	244	244
3. Agriculture, Environmental Affairs and Rural Development	3 358	3 302	3 365	3 867	4 056	4 056	4 056
4. Economic Development and Tourism	237	301	303	362	409	409	409
5. Education	100 082	103 119	105 742	101 723	101 723	101 723	101 723
6. Provincial Treasury	306	365	310	428	469	469	469
7. Health	66 069	64 849	68 889	76 931	80 037	80 037	80 037
8. Human Settlements	858	857	796	879	917	917	917
9. Community Safety and Liaison	108	108	108	109	126	126	126
10. The Royal Household	150	150	143	143	145	145	145
11. Co-operative Governance and Traditional Affairs	1 198	1 169	1 203	1 522	1 561	1 597	1 629
12. Transport	4 175	4 296	3 995	4 218	4 533	4 623	4 700
13. Social Development	2 825	2 678	2 855	3 143	3 429	3 543	3 564
14. Public Works	2 264	2 167	2 096	2 118	2 269	2 269	2 269
15. Arts and Culture	436	432	423	507	523	523	523
16. Sport and Recreation	1 600	1 888	2 353	1 308	2 329	2 309	2 292
Total	184 134	186 153	193 065	199 431	205 113	205 332	205 450
Total personnel cost (R thousand)	31 062 640	35 608 907	39 312 068	44 039 402	44 645 148	46 432 895	48 035 685
Unit cost (R thousand)	169	191	204	221	218	226	234

¹ Full-time equivalent

As can be seen from the table, the personnel numbers increase steadily over the seven-year period, although the increase over the last three years is at lower levels. The increase can be attributed to most departments anticipating to fill vacant posts over the MTEF, according to their organisational structures.

The Office of the Premier has included the youth ambassadors in their personnel numbers and costs from 2011/12 and over the 2012/13 MTEF. The youth ambassadors are contract workers but are paid via PERSAL. Other contract workers in the Office of the Premier are the Premier's special advisors, as well as personnel required for special programmes.

The substantial increase in both personnel numbers and costs against Agriculture, Environmental Affairs and Rural Development from 2011/12 onward relates to the new organisational structure (which is currently on hold, pending negotiations with labour). Vacant posts have been budgeted for over the MTEF, on the assumption that the structure will be implemented in 2012/13.

With regard to Education, the personnel numbers indicated from 2011/12 onward are not the actual headcount that currently exists within the department. The 101 723 personnel indicated in the table above are the number of personnel that can be accommodated within the budget. The department's numbers on PERSAL as at the end of December 2011 indicate almost 8 411 filled posts that are unfunded. This is mainly due to the continuous filling of unfunded posts by the department, which aggravated the spending pressures that existed due to the historic shortfall in funding for various wage agreements and OSDs for educators. The department has put in place a cost-containment plan from 2011/12 onward which includes control measures, such as a moratorium on the filling of vacant post, and the filling of educator posts by redeploying excess educators, among others. As can be seen in the table, the personnel numbers reflect no growth over the 2012/13 MTEF, as the department cannot afford to appoint new employees with the current budget provision.

The decrease in headcount in 2009/10 against Health relates to cost-cutting, which included a moratorium on new appointments. The increase from 2011/12 is due to the restructuring of the department, with the focus being placed on the less expensive and more efficient primary health care services. This has required the employment of additional professional staff, as well as community health workers. In an attempt to control the spending pressures experienced under *Compensation of employees*, the department is keeping its personnel numbers constant from 2012/13 onward.

The Department of Community Safety and Liaison kept its staff numbers at 109 in 2011/12, due to vacant posts not being filled, pending the finalisation of the departmental restructuring, as well as staff leaving the department due to retirement or natural attrition. It is anticipated that the department's revised structure will be implemented from 2012/13, explaining the increase in staff numbers from that year.

The Department of Transport sees a reduction in personnel in 2010/11, resulting from the high staff turnover in respect of engineers, land surveyors, etc., as well as the non-filling of vacant posts. The department could not fill the vacant posts due to a review of the department's organisational structure. The department uses contract workers for support functions. The department is anticipating the review to be completed by the end of 2011/12, and will start filling posts from 2012/13 onward.

The gradual increase over the seven-year period against Social Development is attributable to the revision of the departmental structure, to accommodate various policy changes, such as the implementation of SCM and the district municipality model to improve service delivery. This will be phased-in over the 2012/13 MTEF. Also contributing to the escalating personnel costs are the increased number of social work staff, the social worker retention strategy (salary upgrades) and the annual salary improvements.

The Department of Public Works shows a slight increase in personnel numbers and costs from 2011/12 in line with the department's structure. Staff numbers are anticipated to increase in 2012/13 in line with reprioritisation and the additional funding received for improving infrastructure support.

The increase in the staffing number of the Department of Sport and Recreation from 2012/13 reflects the growth of the department's personnel in respect of permanent staff as per the organisational structure, and volunteers employed under the conditional grant. The department anticipated implementing the new structure during 2011/12 but, due to union resistance, this did not occur.

5.9 Information on training

Table 5.18 below provides a summary of the amounts spent by department on training. Payments and estimates on training have increased substantially, from R839.895 million in 2008/09 to R1.595 billion in 2014/15, reflecting healthy growth.

The main contributors are Health, Education and Transport, as discussed in more detail below. The Revised Estimate in 2011/12 is lower than the Adjusted Appropriation for a number of departments, due to the effects of the cost-cutting measures implemented to curtail over-expenditure. Departments are required by the Skills Development Act to budget at least 1 per cent of their salary payments for staff training. This requirement gives credence to government's policy on human resource development.

The detail of spending within each vote is provided in the departmental chapters in the *EPRE*.

Table 5.18 Summary of provincial payments and estimates on training by vote

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
1. Office of the Premier	2 390	1 268	1 187	3 764	3 882	3 882	22 482	2 777	2 945
2. Provincial Legislature	788	1 270	929	3 239	3 600	3 600	1 844	2 538	2 792
3. Agriculture, Enviro Affairs and Rural Development	5 618	8 600	7 829	16 685	14 031	14 031	18 134	19 254	20 024
4. Economic Development and Tourism	1 006	1 458	866	1 318	859	1 534	1 540	1 617	1 706
5. Education	97 968	62 785	63 037	212 419	212 419	65 325	204 595	215 598	229 847
6. Provincial Treasury	1 566	1 538	485	1 693	1 938	1 789	1 321	1 430	1 625
7. Health	676 601	793 186	851 143	933 442	944 587	896 799	998 051	1 079 590	1 149 358
8. Human Settlements	1 656	2 963	462	2 830	1 471	1 471	2 710	2 827	3 056
9. Community Safety and Liaison	336	755	504	2 006	3 638	3 638	7 022	7 815	8 688
10. The Royal Household	5	-	-	-	-	-	-	-	-
11. Co-operative Governance and Traditional Affairs	1 887	2 055	2 249	2 500	1 115	714	600	750	750
12. Transport	32 808	22 853	14 148	112 406	112 406	112 406	123 644	130 446	137 620
13. Social Development	2 748	4 906	1 928	7 812	7 812	8 269	8 240	8 692	9 169
14. Public Works	12 264	4 652	3 526	6 499	4 874	3 870	5 376	5 663	5 974
15. Arts and Culture	640	551	1 265	850	864	864	1 322	1 461	1 563
16. Sport and Recreation	1 614	2 455	4 419	14 919	13 675	13 675	17 025	18 366	19 999
Total	839 895	911 295	953 977	1 322 382	1 327 171	1 131 867	1 413 906	1 498 824	1 595 116

Health's payments on training relate to the training provided for medical interns, nurses, emergency medical rescue and ambulance personnel and skills development for all occupational categories in the department. The department has several training programmes aimed at developing and retaining skills. These include training at nursing colleges, the Cuban doctors' training programme, as well as registrar training programmes in respect of specialist medical training.

The Department of Education's payments on training increase over the period under review. The training budget is set to increase over the 2012/13 MTEF, in order to address the educators' skills gaps and improve the quality of education provided to learners.

Transport's payments on training relate mainly to training for the *Zibambele* contractors for road maintenance, the Traffic Training College in respect of the training of traffic officers, and the learnership and mentorship training for the *Vukuzakhe* projects. The number of personnel trained decreased in 2009/10 and 2010/11 due to a reduction in the number of internships offered, as well as a reduction in training opportunities in respect of Tertiary and Seminars conducted due to cost-cutting.

Table 5.19 below then provides the number of staff affected by the various training programmes and initiatives, at a provincially aggregated level. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

Table 5.19 Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Number of staff	184 134	186 153	193 065	189 982	197 342	199 431	205 113	205 332	205 450
Number of personnel trained	69 501	67 991	67 524	58 759	59 016	30 031	39 764	39 689	37 221
of which									
Male	26 692	30 375	26 634	19 846	19 909	11 358	13 678	13 933	13 742
Female	42 809	37 616	40 890	38 913	39 107	18 673	26 086	25 756	23 479
Number of training opportunities	43 382	63 655	16 805	17 064	17 505	20 828	20 823	22 419	91 503
of which									
Tertiary	10 920	13 236	2 057	2 087	2 091	4 734	5 134	5 838	6 594
Workshops	28 671	39 564	3 330	3 354	3 375	4 035	4 221	4 441	4 634
Seminars	2 340	2 497	223	277	308	298	323	352	67 795
Other	1 451	8 358	11 195	11 346	11 731	11 761	11 145	11 788	12 481
Number of bursaries offered	4 146	4 558	4 973	5 179	5 392	1 990	2 048	2 134	2 222
External	847	1 163	1 150	1 082	1 122	1 175	1 101	1 114	1 149
Internal	3 299	3 395	3 823	4 097	4 220	815	947	1 020	1 073
Number of interns appointed	1 493	1 397	1 140	1 215	1 238	1 261	1 351	1 417	1 489
Number of learnerships appointed	278	447	427	822	777	1 080	1 104	1 128	1 138
Number of days spent on training	8 214	7 458	8 097	7 995	8 051	8 067	7 999	8 122	8 159

6. MEASURING PERFORMANCE IN GOVERNMENT

Both the national and provincial government have placed emphasis on the need to understand what the financial resources allocated in a financial year actually end up buying. As a result, measuring performance in government, as well as the costs associated with service delivery, has become a focal point to ensure that value for money is pursued.

6.1 Provincial budget and programme structures and provincial strategic and performance plan formats

The uniform budget and programme structures are gazetted each year, as National Treasury fulfils its Constitutional obligation and that of the PFMA to propose uniform budget and programme structures across all nine provinces for approval by the Heads of Departments and subsequent political endorsement. The collectively agreed uniform budget and programme structures are a joint project, involving the relevant provincial and national line function departments, and national and provincial treasuries.

The agreed uniform budget and programme structures and the development of customised quarterly and annual performance measures, for a number of sectors, are significant steps toward improving the alignment of planning and budgeting on the one hand, and ensuring uniform reporting and greater comparability of efficiency, effectiveness and value for money between provinces on the other hand.

The availability of budget information according to uniform budget structures also enables national and provincial portfolio committees to improve the quality of their oversight role in provincial legislatures, and hold departments more accountable for performance.

The budget and programme structures for the provincial Departments of Education, Health, Social Development, Provincial Treasury, Sport and Recreation, Arts and Culture, Office of the Premier, Human Settlements, Economic Development and Tourism, Community Safety and Liaison, Transport and Public Works remain unchanged from what was agreed to and implemented as part of the 2010/11 budget.

Some changes and improvements have been made to the uniform programme and budget structures of DAEARD, CoGTA and the Provincial Legislature.

It was agreed not to exclude any future amendments to the budget structure, as these are evolutionary and subject to policy developments within a sector. However, it was emphasised that any future amendments to the budget and programme structure would only be considered on recommendation of a forum of Heads of Departments, representing all line departments and their national counterparts.

The provincial budget reform programme outlines the guidelines for the format of provincial budget documents, and Strategic Plans (SPs) and Annual Performance Plans (APPs) are issued annually and prescribed by National Treasury. The collectively agreed uniform budget and programme structures form the basis for inputs into departmental strategic and performance plans, as they relate to programme performance. The Framework on Strategic Plans and Annual Performance Plans was issued during 2009/10 and outlined key concepts to be included by departments and public entities with the preparation of SPs and APPs.

The framework provides a guide on how SPs and APPs should be developed, taking into consideration existing medium to long term policies, plans and the budget. The SP is a tool intended to assist departments and public entities to prioritise and plan the progressive implementation of other plans. Departments' SPs and APPs should be developed in line with the framework and it is important for departments and public entities to ensure that their budget plans are linked to different types of medium and long term plans, and this should specifically be reflected in the APPs. The focus has shifted to activity-based costing, as a link is provided between budget and performance targets.

The Departments of Education, Health, Social Development, Human Settlements, Agriculture, Environmental Affairs and Rural Development, Economic Development and Tourism, Transport, Public Works, Arts and Culture, Community Safety and Liaison, CoGTA and Sport and Recreation will report

on standardised sector-specific performance measures for 2012/13. These measures have to be included, as a minimum, in the departments' APPs. The service delivery measures, as prescribed by the sector, are included in the *EPRE*, under the sections in the departmental chapters dealing with service delivery measures per programme. The intention of including such information in the budget is to improve transparency, and provide a basis for holding the provincial government accountable for its use of public resources. Note that there have been some changes made to the sector-specific performance measures in the Departments of Social Development, Agriculture, Environmental Affairs and Rural Development, Human Settlements, Arts and Culture, CoGTA and Sport and Recreation.

The Provincial Legislature, Provincial Treasury, Office of the Premier and the Royal Household will not report on customised performance measures in 2012/13, but the measures contained in the APP must be reported on.

6.2 Quarterly performance reporting (QPR)

The Framework for Managing Programme Performance Information outlines the links between the different accountability documents that departments are required to produce at each stage of the planning, budgeting, execution, reporting and evaluation cycle. It aims to help accounting officers and managers of departments to produce quality accountability documents that use performance information appropriately.

National Treasury is the lead institution responsible for managing programme performance information. SPs and APPs provide a basis for evaluating the organisational performance of public institutions. The QPR provides for monitoring the overall progress made with the implementation of the departments' performance plan, both on a quarterly and an annual basis, with particular reference to monitoring delivery against quarterly performance targets. The report provides the Executive Authority, National Treasury and Provincial Treasuries with information on performance against plans, and acts as an enabling mechanism that allows the accounting officer to track progress against what has been planned and what is actually achieved in the form of service delivery outputs. The information contained in the QPR is ultimately consolidated into the performance section of the departments' annual reports. The quarterly performance reports for the second and third quarters provide information on the present year's performance to be taken into consideration in the development of the APP and annual budget for the following year.

6.3 Performance audit of non-financial measures

During 2011/12, the A-G conducted a performance audit of a number of departments' non-financial measures in order to determine the state of readiness of the province to comply with audit standards. It is intended that the A-G will provide an opinion on non-financial, as well as financial records for each department as part of the 2011/12 audit process.

Part of the findings was that many of the measures did not meet the SMART principles, namely being specific, measurable, attainable, realistic and timely. Departments were encouraged to revisit all their measures (even sectoral measures) to ensure that they comply, in order to avoid negative audit opinions going forward.

Another area that was found to be weak was the amount of technical support provided by oversight departments such as Provincial Treasury and the Office of the Premier. This will be addressed in 2012/13 with additional workshops and inter-active sessions, as well as *ad hoc* support when requested by departments. National Treasury will also be requested to assist in adding their support to this activity.

7. REVIEW OF MUNICIPAL FINANCIAL MANAGEMENT

7.1 Introduction

On 18 May 2011, South Africans voted in the country's fourth local government election. Service delivery formed the basis of most political parties' manifestos for the 2011 local government election. It is against this backdrop that the financial sustainability of municipalities and the challenges that hamper the meaningful delivery of municipal services need to be closely examined.

Due to the slow recovery of the economy, which has had an impact on municipal revenues, the importance of prioritising spending is paramount. Good governance is critical in this regard. While there are many examples of councils, mayors and municipal managers striving to provide effective leadership and making progress with strengthening governance, there are still instances where poor governance remains. The processes that are under the greatest pressures are procurement, billing and revenue collection, staff appointments and the planning and zoning functions.

Since 2008, National Treasury has taken further steps to improve the transparency, credibility, timeliness and usefulness of municipal financial information. Key initiatives include the introduction of the Municipal Budget and Reporting Regulations, improvement of the Section 71 quarterly financial reporting processes, improved monitoring and enforcement of DORA and the publication of a wider range of municipal financial information on National Treasury's website. Collectively, these initiatives aim to help municipalities realise better value for money in the use of public resources. They also provide councils and communities with key information for holding their municipalities accountable.

In keeping with the constitutional mandate to monitor the state of local government financial management and finances, and concurrently promoting good budget and fiscal management by municipalities, the Provincial Treasury monitors the preparation and performance of municipal budgets in order to establish whether municipalities implement sound fiscal management, as well as provide technical support to municipalities that are in financial distress. Provincial Treasury endeavors to improve financial governance, budgeting, accountability and performance oriented financial management at all municipalities. To this end, Provincial Treasury constructively engages with all delegated municipalities to ensure that the standards of performance that are required in terms of the MFMA are achieved.

7.2 Municipal budget – 2011/12 budget assessment process

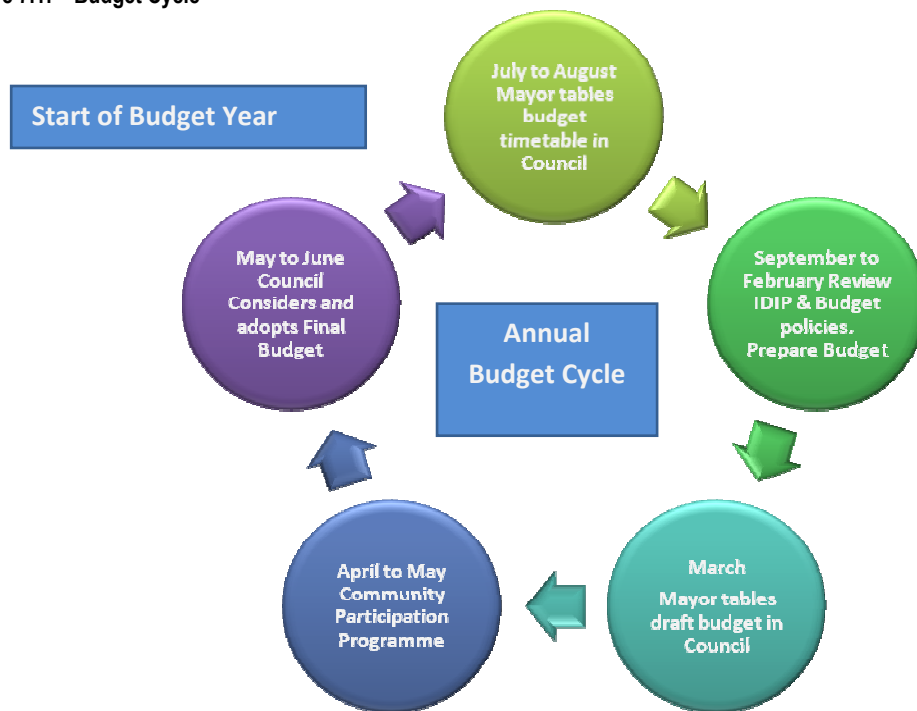
As part of the reform process, National Treasury developed a new budget reporting format comprising of ten main tables (A tables), in terms of the Municipal Budget and Reporting Regulations (Gazette No. 32141 dated 17 April 2009). Since the introduction of the budget reforms, municipalities have been required to prepare their annual budgets in accordance with these regulations.

To ensure compliance with the new budget format, National and Provincial Treasury conducted workshops, issued guidance through circulars and provided technical support to municipalities on the implementation of these regulations.

Figure 7.1 illustrates the municipal budget process that commences in July each year and ends in June the following year.

A timetable must be tabled in council by 31 August each year, which sets out the key actions and timeframes required to ensure that the annual budget process and the review of the IDPs are completed before the start of the next financial year.

Figure 7.1: Budget Cycle



Municipalities are required to submit their draft budget to Provincial Treasury after it has been tabled in council as per Section 22(b)(i) of the MFMA. Furthermore; Section 23(1) of the MFMA requires the municipal council to consider the views of National Treasury and Provincial Treasury on the budget.

Provincial Treasury conducted an assessment during 2011/12 to determine which municipalities required technical support in the preparation of the budget. Of the 58 delegated municipalities, 10 municipalities were supported through on-site technical support during March and April 2011.

In total, 54 of the 58 delegated municipalities tabled their budgets in council by 31 March 2011 as required by Section 16(2) of the MFMA. Four municipalities did not comply with the above-mentioned section and the MEC for Finance sent non-compliance letters to these municipalities. Subsequently, all municipalities tabled their draft budgets in council.

All 58 delegated municipalities submitted their 2011/12 draft budgets to Provincial Treasury. It was identified that 17 municipalities did not table their draft budget in council in the format required in terms of the Budget and Reporting Regulations. A total of 54 of the 58 draft budgets received were assessed by Provincial Treasury. The remaining 4 draft budgets could not be assessed due to late submissions, as well as failure to provide the majority of the required information. Provincial Treasury conducted compliance checks on the 54 draft budgets. Based on the outcome of the verifications, all 54 draft budgets did not provide all the required information and the respective municipalities were requested *via* written correspondence to submit the outstanding information. Provincial Treasury was also invited by four municipalities to discuss the comments on the draft budget. All KZN municipalities approved their final budgets by 30 June 2011.

The final approved budgets for the 2011/12 municipal financial year, as well as the two outer years, are reflected in Table 7.1.

Table 7.1: Consolidated municipal expenditure budgets for MTREF 2011/12 - 2013/14

R thousand	2011/12			2012/13			2013/14		
	Capital	Operating	Total	Capital	Operating	Total	Capital	Operating	Total
A KZN2000 eThekweni	5 097 529	21 466 600	26 564 129	5 213 560	24 075 368	29 288 928	6 475 822	27 538 910	34 014 732
B KZN211 Vulamehlo	18 729	48 020	66 749	17 947	37 170	55 117	18 851	37 170	56 021
B KZN212 Umdoni	13 614	122 598	136 212	-	134 858	134 858	-	141 601	141 601
B KZN213 Umzumbe	38 962	69 449	108 411	42 079	74 943	117 022	45 445	80 939	126 384
B KZN214 uMuziwabantu	32 098	78 248	110 346	17 766	81 895	99 661	8 912	89 418	98 330
B KZN215 Ezinqoleni	18 182	24 895	43 077	17 025	26 467	43 492	17 922	28 748	46 670
B KZN216 Hibiscus Coast	204 953	526 878	731 831	-	564 170	564 170	-	598 067	598 067
C DC21 Ugu DM	366 519	680 918	1 047 437	384 845	712 034	1 096 879	404 087	751 322	1 155 409
Total: Ugu Municipalities	693 057	1 551 006	2 244 063	479 662	1 631 537	2 111 199	495 217	1 727 265	2 222 482
B KZN221 uMshwathi	33 485	72 415	105 900	-	74 611	74 611	-	80 217	80 217
B KZN222 uMngeni	18 506	225 863	244 369	16 228	245 124	261 352	17 120	262 288	279 408
B KZN223 Mpofana	14 514	126 232	140 746	12 833	101 002	113 835	13 587	106 971	120 558
B KZN224 Impendle	15 293	28 751	44 044	14 561	30 478	45 039	13 548	32 304	45 852
B KZN225 Msunduzi	411 313	3 339 106	3 750 419	310 819	3 551 108	3 861 927	214 215	3 711 581	3 925 796
B KZN226 Mkhambathini	13 038	49 142	62 180	15 542	45 660	61 202	14 077	49 056	63 133
B KZN227 Richmond	21 592	49 146	70 738	20 430	47 506	67 936	21 575	51 533	73 108
C DC22 uMgungundlovu DM	101 772	419 318	521 090	106 291	316 115	422 406	110 127	335 027	445 154
Total: uMgungundlovu Municipalities	629 513	4 309 973	4 939 486	496 704	4 411 604	4 908 308	404 249	4 628 977	5 033 226
B KZN232 Emnambithi/Ladysmith	74 119	564 917	639 036	115 571	594 276	709 847	96 149	650 210	746 359
B KZN233 Indaka	16 770	79 665	96 435	20 391	-	20 391	21 513	-	21 513
B KZN234 Umtshezi	47 352	253 354	300 706	65 046	287 885	352 931	51 460	329 361	380 821
B KZN235 Okhahlamba	24 893	127 367	152 260	33 076	118 787	151 863	35 550	115 980	151 530
B KZN236 Imbabazane	45 531	59 597	105 128	28 990	62 430	91 420	29 169	70 030	99 199
C DC23 Uthukela DM	171 697	579 920	751 617	229 956	642 481	872 437	262 088	699 434	961 522
Total: Uthukela Municipalities	380 362	1 664 820	2 045 182	493 030	1 705 859	2 198 889	495 929	1 865 015	2 360 944
B KZN241 Endumeni	34 858	172 001	206 859	4 411	193 234	197 645	3 767	219 922	223 689
B KZN242 Nquthu	25 699	111 626	137 325	25 558	118 208	143 766	26 963	133 208	160 171
B KZN244 Msinga	26 581	72 201	98 782	26 000	76 588	102 588	29 500	81 803	111 303
B KZN245 Umvoti	45 367	137 979	183 346	43 766	572 846	616 612	28 490	607 217	635 707
C DC24 Umzinyathi DM	168 886	174 854	343 740	207 694	187 423	395 117	225 545	202 296	427 841
Total: Umzinyathi Municipalities	301 391	668 661	970 052	307 429	1 148 299	1 455 728	314 265	1 244 446	1 558 711
B KZN252 Newcastle	312 846	1 478 551	1 791 397	228 366	1 579 183	1 807 549	183 194	1 763 359	1 946 553
B KZN253 eMadlangeni	9 913	43 927	53 840	10 558	47 512	58 070	11 139	50 888	62 027
B KZN254 Dannhauser	36 352	24 283	60 635	38 878	11 885	50 763	41 155	12 529	53 684
C DC25 Amajuba DM	85 346	106 968	192 314	51 889	112 261	164 150	54 734	120 402	175 136
Total: Amajuba Municipalities	444 457	1 653 729	2 098 186	329 691	1 750 841	2 080 532	290 222	1 947 178	2 237 400
B KZN261 eDumbe	16 146	57 671	73 817	5 498	62 843	68 341	18 351	64 676	83 027
B KZN262 uPhongolo	31 693	96 037	127 730	39 451	100 489	139 940	37 622	106 016	143 638
B KZN263 Abaqulusi	48 248	363 002	411 250	55 504	386 930	442 434	44 906	424 310	469 216
B KZN265 Nongoma	51 834	77 239	129 073	72 352	82 446	154 798	40 987	86 878	127 865
B KZN266 Ulundi	64 485	117 764	182 249	66 759	124 936	191 695	64 002	133 405	197 407
C DC26 Zululand DM	248 052	318 834	566 886	293 240	298 300	591 540	309 359	316 716	626 075
Total: Zululand Municipalities	460 458	1 030 547	1 491 005	532 804	1 055 944	1 588 748	515 227	1 132 001	1 647 228
B KZN271 Umhlabyalingana	73 127	40 827	113 954	39 205	41 764	80 969	39 537	44 817	84 354
B KZN272 Jozini*	490	59 888	60 378	209	66 811	67 020	218	24 421	24 639
B KZN273 The Big 5 False Bay	-	23 511	23 511	-	24 755	24 755	-	26 686	26 686
B KZN274 Hlabisa*	24 412	50 278	74 690	42 513	40 010	82 523	27 750	43 249	70 999
B KZN275 Mtubatuba	-	69 687	69 687	-	74 653	74 653	-	79 132	79 132
C DC27 Umkhanyakude DM	222 741	206 615	429 356	227 304	209 246	436 550	239 806	222 374	462 180
Total: Umkhanyakude Municipalities	320 770	450 806	771 576	309 231	457 239	766 470	307 311	440 679	747 990
B KZN281 Mfolozi	17 624	43 875	61 499	21 650	48 350	70 000	22 368	52 632	75 000
B KZN282 uMhlathuze	220 734	2 046 274	2 267 008	254 320	2 617 643	2 871 963	302 345	3 101 086	3 403 431
B KZN283 Ntambanana	11 718	18 623	30 341	13 823	23 189	37 012	14 562	24 561	39 123
B KZN284 uMlalazi	33 318	178 565	211 883	34 432	196 522	230 954	40 006	218 474	258 480
B KZN285 Mthonjaneni	31 998	44 358	76 356	20 473	48 189	68 662	20 703	51 400	72 103
B KZN286 Nkandla	18 697	47 857	66 554	28 248	51 140	79 388	43 192	55 356	98 548
C DC28 uThungulu DM	196 755	441 811	638 566	243 251	451 151	694 402	273 512	460 918	734 430
Total: uThungulu Municipalities	530 844	2 821 363	3 352 207	616 197	3 436 184	4 052 381	716 688	3 964 427	4 681 115
B KZN291 Mandeni	70 198	105 991	176 189	105 044	110 476	215 520	100 957	118 289	219 246
B KZN292 KwaDukuza	390 853	813 164	1 204 017	358 880	856 362	1 215 242	363 688	914 887	1 278 575
B KZN293 Ndwedwe	47 524	60 229	107 753	53 383	63 854	117 237	57 744	71 615	129 359
B KZN294 Maphumulo	39 127	55 172	94 299	40 252	58 670	98 922	34 322	62 908	97 230
C DC29 Ilembe DM	254 825	364 029	618 854	218 756	391 743	610 499	227 669	422 607	650 276
Total: Ilembe Municipalities	802 527	1 398 585	2 201 112	776 315	1 481 105	2 257 420	784 380	1 590 306	2 374 686
B KZN431 Ingwe	41 604	47 520	89 124	57 491	48 786	106 277	44 553	51 839	96 392
B KZN432 Kwa Sani	8 374	26 163	34 537	7 261	27 528	34 789	10 757	29 107	39 864
B KZN433 Greater Kokstad	90 441	303 040	393 481	111 812	343 727	455 539	74 003	319 107	393 110
B KZN434 Ubuhlebezwe	27 222	61 794	89 016	26 336	65 459	91 795	30 202	68 123	98 325
B KZN435 Umzimkulu	52 704	101 316	154 020	-	106 686	106 686	-	112 554	112 554
C DC43 Sisonke DM	294 808	304 550	599 358	185 230	330 948	516 178	181 515	355 330	536 845
Total: Sisonke Municipalities	515 153	844 383	1 359 536	388 130	923 134	1 311 264	341 030	936 060	1 277 090
Total	10 176 061	37 860 473	48 036 534	9 942 753	42 077 114	52 019 867	11 140 340	47 015 264	58 155 604

Source: NT LG database

7.3 Capital expenditure

Central to the priorities of National Government is the provision of basic services to all South Africans within the constraints of available resources. The provision of infrastructure is integral in the realisation of this goal. The Minister of Finance, Pravin Gordhan, in his 2011 Budget Speech, stated that “The challenge of intensifying infrastructure spending over the period ahead will require attention to planning, budgeting and contract management by the national and provincial departments and municipalities.” It is within this context that there is an increased focus on municipalities’ capital spending to encourage them to prioritise and increase capital spending in order to address the needs of their communities and improve service delivery.

Table 7.2 shows actual capital expenditure against the adjusted budget for 2008/09, 2009/10 and 2010/11.

Table 7.2: Actual capital expenditure against the adjusted budget

R thousand	2008/09	2009/10	2010/11
Budget	10 280 521	10 280 635	9 837 579
Actual	8 441 006	9 604 729	7 518 004
% Spent	82.11%	93.43%	76.42%

Source: National Treasury

The 2008/09 and 2009/10 actual capital expenditure is based on the audited AFS and the 2010/11 actual capital expenditure is based on the unaudited 2010/11 AFS.

Actual capital expenditure increased significantly from 2008/09 to 2009/10. The increase was primarily driven by projects related to the 2010 World Cup, and hence the budget and expenditure for these two years was slightly higher than the 2010/11 budget and expenditure.

Actual capital expenditure for KZN municipalities decreased significantly by 17 per cent from 2009/10 to 2010/11. Only the eThekweni Metro spent 95 per cent of its capital budget, while all the other municipalities spent an average of 55 per cent of their capital budgets in 2010/11. Previously, all municipalities, excluding eThekweni, spent an average of 71 per cent and 60 per cent of their capital budget in 2008/09 and 2009/10, respectively.

The low capital expenditure by municipalities could be attributed to the following factors, among others:

- Municipalities do not budget for multi-years.
- Municipalities only start to compile their plans for capital projects at the beginning of the financial year and, as a result, capital spending is delayed and a large portion of capital grant funding remains unspent at the end of the financial year.
- Poorly managed procurement processes (resulting in further delays and outcomes that get contested).
- Possible political interference in both the capital planning and procurement processes.
- The appointment of unsuitably qualified contractors and project managers resulting in delays in the completion of capital projects within the required timelines.

The low capital expenditure will delay the delivery of infrastructure for basic services and exacerbate the current backlogs. This may impact negatively on the reliability and quality of municipal services, as well as the municipalities’ ability to contribute to supporting economic growth in their region.

To assist municipalities in resolving the above problems, a provincial Infrastructure Crack Team has been established. The team is made up of engineers, town planners, lawyers, project managers and quantity surveyors. It will assist municipalities with on site monitoring and unblocking blocked projects (whether as a result of SCM issues and/or poor workmanship, etc.). It is expected that the services of this team will improve internal capacity at municipalities by augmenting the required skills, and thereby improving spending on capital projects/infrastructure.

7.4 Municipal Support Programme (MSP)

Provincial Treasury commenced the Municipal Support Programme (MSP) in November 2007 to support municipalities in improving their financial position, thus mitigating any discretionary (Section 137) or mandatory (Section 139) interventions in terms of the MFMA. It is based on the principle that it is better to prevent the illness rather than trying to resuscitate a dying patient.

To date, 30 municipalities have been assisted in various work streams through the MSP since its inception in November 2007. Consequent to the success achieved by its implementation, it has been decided to extend the support to more municipalities over the next three years.

A large number of the 61 municipalities in KZN are in need of varying degrees of assistance or support. Due to the fact that resources to provide the required assistance are limited, Provincial Treasury has developed a framework to prioritise municipalities to receive this support. To this end, an assessment tool that analyses their financial performance, based on the latest financial statements, was developed.

In this exercise, Provincial Treasury assesses the status of municipalities' cashflows, debtors, actual capital expenditure and the overall viability of the municipality. In addition, the audit opinions of the previous three financial years are considered to determine any improvements that may have been made by the municipalities. Appropriate scores are attributed to these criteria to assist in prioritising those in most need of assistance.

Some of the common problem areas of financial management identified by MSP are:

- Significant lack of financial controls.
- Poor record-keeping (partly due to inadequate systems and training).
- Lack of adequate policies, procedures and appropriate delegations of authority.
- Lack of good governance in SCM practices.
- Inappropriate use of conditional grants.
- Inadequate billing systems.
- No process of in-year-reporting.
- Inadequately skilled and qualified financial staff.

The methodology adopted by Provincial Treasury in implementing the MSP encompasses the following:

- Conducting assessments to determine the state of the financial affairs of the municipality.
- Preparing project plans to address areas for improvement as identified in the assessment.
- Implementing the plans together with the staff at the municipality.
- Monitoring the improvement processes that have been implemented.

The support has had a significant impact on the 2008/09 and 2009/10 audit opinions of those municipalities supported by the programme.

7.5 Future plans

National and provincial government is directing its focus toward obtaining clean audit reports in municipalities. This is a clear indication that government is concerned about the poor financial records and management in municipalities and the need to address the shortcomings. It is also recognised that municipalities are the direct service delivery arm of government and are best placed to improve the living conditions of the community. In this regard, sustainability of municipalities is imperative to ensure the continued delivery of services.

Municipal Finance will continue to focus on improving the technical support it provides to delegated municipalities in the province. This technical support includes the preparation of multi-year budgets, the monthly outcomes of those budgets, in-year monitoring including statutory returns, the preparation of monthly, quarterly and annual consolidated reports on the state of delegated municipalities' financial performance in terms of the MFMA and the facilitation of financial management capacity building training programmes.

A monthly reporting tool is in the process of being developed which will assist the municipal budget analysts in rigorously interrogating and analysing the expenditure reports of municipalities. This will further enable analysts to identify challenges in the implementation of the municipal budget and improve reporting by municipalities.

The MSP has had a positive impact on the financial management of municipalities. While it is essential to ensure that the fundamentals of a municipality are in place, it is not sufficient to only address the basic issues confronting municipalities.

With the above in mind, Phase 4 of the MSP will see the following work streams being implemented in addition to the basic level of support offered to municipalities, over the next 3 to 5 years:

- Cashflow management.
- Clearing of Audit findings by the A-G.
- Ongoing audit support/co-ordination.
- Budget reviews to improve credibility.
- Internal Audit function.
- SCM.
- Improving the control environment.
- Improving Information Technology general controls.
- Focus on sustainability.
- Performance information measurement, collection and reporting.
- Governance review and improvement.

7.6 Conclusion

A firm foundation of financial management systems and capacity is key to the successful implementation of infrastructure programmes, service delivery expansion efforts and the reliability and frequency of services provided by municipalities. It is therefore absolutely critical that correct skills, mindset and expertise are located at the right places in the municipality. It is within this reality that the services of the provincial Infrastructure Crack Team is expected to improve the internal capacity at municipalities by augmenting the required skills, thereby improving spending on capital projects/infrastructure.

ANNEXURE – OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE

Table 1.A: Details of provincial own receipts

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
				2011/12	2011/12				
Tax receipts	1 207 899	1 327 599	1 439 970	1 492 700	1 492 700	1 567 703	1 702 324	1 827 020	1 953 088
Casino taxes	267 943	283 970	305 583	320 788	320 788	320 788	336 827	355 352	374 896
Horse racing taxes	65 070	41 571	45 857	45 817	45 817	59 300	67 097	70 606	74 322
Liquor licences	4 282	4 831	5 023	46 095	46 095	5 784	48 400	51 062	53 870
Motor vehicle licences	870 604	997 227	1 083 507	1 080 000	1 080 000	1 181 831	1 250 000	1 350 000	1 450 000
Sale of goods and services other than capital asset	302 546	345 775	326 565	353 354	353 354	363 962	359 551	377 949	402 608
Sale of goods and services produced by dept. (excl. capital assets)	301 218	343 208	324 861	342 250	342 250	360 034	358 998	377 343	401 942
Sales by market establishments	13 092	13 896	26 481	15 232	15 232	18 586	24 868	26 127	27 452
Administrative fees	126 662	100 797	142 349	125 505	125 505	147 464	138 264	145 368	158 160
Other sales	161 464	228 515	156 031	201 513	201 513	193 984	195 866	205 848	216 330
Of which									
Health patient fees	93 931	133 750	84 885	132 170	132 170	110 364	109 134	114 590	120 319
Other	67 533	94 765	71 146	69 343	69 343	83 620	86 732	91 258	96 011
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	1 328	2 567	1 704	11 104	11 104	3 928	553	606	666
Transfers received from:	921	-	1 255	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	350	-	1 255	-	-	-	-	-	-
Households and non-profit institutions	571	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	40 574	43 259	50 989	38 210	38 210	38 149	40 298	40 309	40 320
Interest, dividends and rent on land	43 444	32 384	34 598	8 398	8 398	283 884	186 161	201 239	216 348
Interest	42 517	32 282	34 419	8 280	8 280	283 708	186 014	201 079	216 175
Dividends	4	7	2	7	7	7	3	4	4
Rent on land	923	95	177	111	111	169	144	156	169
Sale of capital assets	7 857	32 462	18 296	7 211	7 211	11 004	8 208	8 399	8 606
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Other capital assets	7 857	32 462	18 296	7 211	7 211	11 004	8 208	8 399	8 606
Transactions in financial assets and liabilities	95 112	75 716	169 691	43 092	43 092	318 659	42 411	44 712	50 426
Total	1 698 353	1 857 195	2 041 364	1 942 965	1 942 965	2 583 361	2 338 953	2 499 628	2 671 396

Overview of Provincial Revenue and Expenditure

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	43 085 775	48 430 471	52 286 234	60 737 820	60 770 196	62 303 934	65 973 570	70 446 933	75 701 539
Compensation of employees	31 062 640	35 608 907	39 312 068	44 039 402	44 645 148	46 432 895	48 035 685	51 010 496	54 716 934
Salaries and wages	25 791 901	29 333 238	32 571 973	36 076 029	36 578 587	37 912 882	39 429 635	41 867 702	44 949 696
Social contributions	5 270 739	6 275 669	6 740 095	7 963 373	8 066 561	8 520 013	8 606 050	9 142 794	9 767 238
Goods and services	11 884 124	12 716 062	12 958 017	16 598 418	16 096 048	15 869 691	17 887 885	19 386 437	20 934 605
of which									
Administrative fees	24 840	52 158	29 041	15 592	17 203	34 566	15 828	16 771	17 843
Advertising	253 104	168 577	88 763	116 178	144 839	154 622	114 649	118 228	123 790
Assets <R5000	219 928	175 419	117 922	332 722	355 393	219 998	249 589	268 252	300 967
Audit cost: External	51 685	74 680	85 830	94 170	97 858	89 102	86 309	90 459	95 786
Bursaries (employees)	31 936	28 863	33 175	43 657	45 336	32 259	47 351	50 127	52 376
Catering: Departmental activities	205 970	149 474	102 355	149 289	136 796	155 625	135 825	146 037	152 436
Communication	269 102	302 464	275 747	263 251	257 039	273 834	257 510	272 900	288 279
Computer services	334 869	347 720	371 246	433 277	454 475	433 573	540 766	578 348	606 002
Cons/prof: Business & advisory services	752 565	758 545	663 800	1 353 875	1 012 250	924 730	1 417 278	1 452 455	1 554 346
Cons/prof: Infrastructure & planning	145 477	190 636	143 514	336 686	310 436	279 332	307 707	411 538	434 256
Cons/prof: Laboratory services	495 744	665 195	408 384	544 598	521 751	563 436	718 172	756 821	837 234
Cons/prof: Legal cost	36 404	36 195	36 446	25 713	33 957	50 840	28 876	30 340	31 760
Contractors	1 250 190	1 172 188	1 808 536	2 251 161	2 113 510	2 079 217	2 689 402	2 908 509	3 468 254
Agency & support/outsourced services	906 347	971 971	919 248	1 044 002	1 037 076	973 120	1 162 723	1 219 086	1 265 675
Entertainment	11 425	2 395	1 442	5 027	4 717	5 124	5 600	5 950	6 158
Fleet services (incl. GMT)	40 660	36 067	41 423	59 552	69 585	69 871	71 200	70 750	74 628
Housing	162	185	-	29	73	44	31	33	35
Inventory: Food and food supplies	665 032	803 756	889 258	1 248 383	1 320 754	1 247 905	1 286 357	1 357 470	1 431 465
Inventory: Fuel, oil and gas	253 117	279 680	317 496	320 724	340 116	359 185	384 786	420 032	435 528
Inventory: Learner and teacher supp material	382 238	319 150	454 053	704 514	685 975	615 662	659 067	804 936	792 716
Inventory: Materials and supplies	122 799	106 952	86 085	99 638	56 271	45 225	55 713	59 982	62 883
Inventory: Medical supplies	828 144	982 447	921 511	1 123 461	1 070 454	1 203 606	1 231 197	1 301 087	1 424 080
Inventory: Medicine	1 273 491	1 742 051	1 873 001	2 146 971	1 966 615	1 802 504	2 146 092	2 321 440	2 531 606
Medsas inventory interface	332	-	-	-	-	-	-	-	-
Inventory: Military stores	988	-	-	-	1	1	-	-	-
Inventory: Other consumables	415 104	445 870	509 446	607 186	495 828	459 028	554 963	648 379	671 646
Inventory: Stationery and printing	207 257	358 182	192 424	240 877	238 030	269 489	265 232	286 788	298 355
Lease payments	309 055	376 500	388 661	424 906	412 083	462 415	376 871	395 420	415 291
Rental and hiring	41 764	59 048	57 727	57 797	69 471	68 847	71 269	75 230	77 818
Property payments	733 658	1 008 632	1 084 150	1 104 331	1 295 413	1 475 257	1 499 115	1 634 114	1 707 339
Transport provided: Departmental activity	148 869	127 116	93 056	203 454	168 404	155 051	160 028	273 706	285 290
Travel and subsistence	686 438	588 818	537 695	556 887	586 013	724 393	612 730	657 676	696 237
Training and development	159 465	115 308	101 398	268 608	282 774	134 503	295 166	294 005	314 386
Operating expenditure	261 333	115 392	196 783	215 085	246 764	273 263	235 167	236 693	249 840
Venues and facilities	364 632	154 428	128 401	206 817	248 788	234 064	205 316	222 875	230 300
Interest and rent on land	139 011	105 502	16 149	100 000	29 000	1 348	50 000	50 000	50 000
Interest	138 919	105 502	16 149	100 000	29 000	1 348	50 000	50 000	50 000
Rent on land	92	-	-	-	-	-	-	-	-
Transfers and subsidies to	6 878 930	8 729 974	9 228 306	9 262 713	9 772 851	9 405 631	10 118 836	11 403 213	12 129 775
Provinces and municipalities	1 117 042	1 183 299	1 447 500	1 296 108	1 233 871	1 164 800	1 264 715	1 455 428	1 496 424
Provinces	3 021	5 568	6 438	10	7 007	7 179	8 808	9 353	9 805
Provincial Revenue Funds	7	8	10	-	12	12	12	12	12
Provincial agencies and funds	3 014	5 560	6 428	10	6 995	7 167	8 796	9 341	9 793
Municipalities	1 114 021	1 177 731	1 441 062	1 296 098	1 226 864	1 157 621	1 255 907	1 446 075	1 486 619
Municipalities	1 114 021	1 177 731	1 441 062	1 296 098	1 226 864	1 157 621	1 255 907	1 446 075	1 486 619
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	628 164	666 078	773 626	845 039	888 734	884 896	882 502	993 363	1 054 388
Social security funds	65	-	-	215	215	166	225	237	247
Entities receiving funds	628 099	666 078	773 626	844 824	888 519	884 730	882 277	993 126	1 054 141
Universities and technikons	831	-	-	2 000	-	-	-	-	-
Foreign governments and international organisations	1 081	226	410	591	176	176	180	189	198
Public corporations and private enterprises	52 751	729 317	1 081 682	1 132 033	1 092 769	1 092 769	1 281 238	1 253 733	1 317 107
Public corporations	19 763	729 317	1 081 682	1 132 012	1 092 748	1 092 748	1 281 215	1 253 709	1 317 082
Subsidies on production	-	593 250	715 294	813 555	773 473	773 473	850 685	896 851	942 103
Other transfers	19 763	136 067	366 370	318 457	319 275	319 275	430 530	356 858	374 979
Private enterprises	32 988	-	18	21	21	21	23	24	25
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	32 988	-	18	21	21	21	23	24	25
Non-profit institutions	3 588 630	4 003 614	3 253 010	3 795 814	3 840 320	3 505 860	4 013 480	4 860 672	5 226 173
Households	1 490 431	2 147 440	2 672 078	2 191 128	2 716 981	2 757 130	2 676 721	2 839 828	3 035 485
Social benefits	126 055	142 277	153 641	141 996	136 265	166 736	152 261	157 761	168 525
Other transfers to households	1 364 376	2 005 163	2 518 437	2 049 132	2 580 716	2 590 394	2 524 460	2 682 067	2 866 960
Payments for capital assets	5 500 427	5 417 997	5 651 866	7 210 771	7 761 854	7 282 530	7 406 955	7 507 037	7 785 616
Buildings and other fixed structures	4 661 497	4 604 839	4 985 532	5 832 022	5 765 659	5 783 022	5 853 391	6 302 753	6 741 851
Buildings	1 938 465	2 495 989	2 863 064	3 709 838	3 499 979	3 514 708	3 603 198	3 956 394	4 179 159
Other fixed structures	2 723 032	2 108 850	2 122 468	2 122 184	2 265 680	2 268 314	2 250 193	2 346 359	2 562 692
Machinery and equipment	831 911	797 665	650 510	1 368 530	1 956 794	1 460 151	1 542 296	1 193 759	1 032 644
Transport equipment	152 580	101 315	136 748	313 132	404 685	312 761	271 313	155 774	151 228
Other machinery and equipment	679 331	696 350	513 762	1 055 398	1 552 109	1 147 390	1 270 983	1 037 985	881 416
Heritage assets	262	-	323	-	5 275	5 275	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	360	222	354	15 354	15 354	523	553	586
Land and sub-soil assets	900	450	798	-	-	11	-	-	-
Software and other intangible assets	5 857	14 683	14 481	9 865	18 772	18 717	10 745	9 972	10 535
Payments for financial assets	14 801	1 164 407	445 440	13 070	13 497	13 622	1 800	1 800	3 394
Total	55 479 933	63 742 849	67 611 846	77 224 374	78 318 398	79 005 717	83 501 161	89 358 983	95 620 324
Statutory payments	48 759	66 435	62 681	75 637	68 637	68 637	70 299	76 050	80 613
Total (including statutory payments)	55 528 692	63 809 284	67 674 527	77 300 011	78 387 035	79 074 354	83 571 460	89 435 033	95 700 937

Table 1.C: Detail payments and estimates of infrastructure by category

Project name	Municipality/Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	MTEF forward Estimates			
		Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish						2012/13	2013/14	2014/15	
R thousand														
New and replacement assets														
Agriculture, Environmental Affairs and Rural Development									-	50 440	-	45 740	48 096	50 981
1. Dukuduku mushroom base	Mtubatuba	Mushroom satellite	1 project	01 Apr 2011	31 Mar 2012	ES	Programme 2	-	8 500	-	-	-	-	-
2. Mehlomyama mushroom base	Hibiscus Coast	Mushroom satellite	1 project	01 Apr 2011	31 Mar 2012	ES	Programme 2	-	7 500	-	-	-	-	-
3. Mushroom bases	Various	Mushroom satellite	2 per annum	Ongoing	Ongoing	ES	Programme 2	-	34 440	-	-	16 800	17 640	18 698
4. Farm structures	Various	Fencing, irrigation, poultry, piggery, etc	Various	01 Apr 2011	31 Mar 2012	ES	Programme 2	-	-	-	-	1 789	1 021	1 082
5. Makhathini	Jozini	Irrigation, fencing, drainage canals, etc	Various	01 Apr 2011	31 Mar 2012	ES & Ilima/Letsema	Programme 2	-	-	-	-	23 151	25 235	26 749
6. Office accommodation (HO & districts)	Various	Office accommodation	Various	01 Apr 2011	31 Mar 2012	ES	Programme 1	-	-	-	-	4 000	4 200	4 452
Education									-	1 644 600	383 285	615 601	865 960	856 789
1. Nkombose High School	The Big 5 False Bay	School - Secondary	15	27 Aug 2009	31 Mar 2014	ES	Programme 2	-	31 628	24 111	582	582	-	-
2. Amandlakazulu (Bilanyoni)	Abaqulusi	School - Primary	21	04 Sep 2009	31 Mar 2014	ES	Programme 2	-	30 276	6 466	7 406	3 000	7 406	-
3. Intuthuko Lsen	Umkhanyakude	School - Specialised	8	02 Feb 2011	31 Mar 2014	Educ. Infr. grant	Programme 4	-	70 000	7 314	8 895	13 320	8 895	-
4. New Ulundi Sect D Area	Ulundi	School - Primary	1	01 Apr 2012	31 Mar 2014	ES	Programme 2	-	30 000	-	10 000	5 000	10 000	-
5. New Makhana	Jozini	School - Primary	1	01 Apr 2012	31 Mar 2014	ES	Programme 2	-	30 000	-	5 000	5 000	5 000	-
6. Gannahok	Umtshezi	School - Primary	10	01 Apr 2012	31 Mar 2014	ES	Programme 2	-	14 000	1 308	1 125	1 000	1 125	-
7. Khethokuhle	Newcastle	School - Primary	21	09 Mar 2011	31 Mar 2014	Educ. Infr. grant	Programme 2	-	32 000	1 520	3 000	6 000	3 000	-
8. Kwazamokuhle School For Handicapped	Imbabazane	School - Specialised	1	16 Apr 2009	31 Mar 2014	Educ. Infr. grant	Programme 4	-	7 000	5 257	272	-	272	-
9. Mabhumane	Emnambithi/Ladysmil	School - Primary	1	15 Feb 2007	31 Mar 2014	Educ. Infr. grant	Programme 2	-	8 250	8 032	-	-	-	-
10. Mkhamba Gardens	Emnambithi/Ladysmil	School - Primary	1	01 Apr 2012	31 Mar 2014	Educ. Infr. grant	Programme 2	-	30 000	-	4 000	12 000	4 000	-
Other Various	All	Various	Several	01 Apr 2010	31 Mar 2014	ES/Educ. Infr. grant	All	-	1 361 446	329 277	575 323	820 640	816 511	-
Health									-	16 668 968	487 593	441 220	1 019 273	1 030 393
1. Design & constr. new distr. hospital- Level 1	eThekwini	Hospital - District	450	01 Apr 2015	01 Apr 2018	Hosp Revite	Programme 8	-	1 152 937	410	-	10 000	300 000	-
2. Design & constr. new distr. hospital- Level 1	eThekwini	Hospital - Regional	1	01 Jun 2012	01 Nov 2014	Hosp Revite	Programme 8	-	1 031 639	18 603	20 000	320 242	320 000	-
3. Re-build greater Edendale Complex	Msunduzi	Regional Hospital	930	01 Mar 2013	01 Mar 2017	Hosp Revite	Programme 8	-	2 755 085	-	30 000	30 000	17 542	-
4. Alterations & additions to existing hospital	Umlathuze	Hospital - Regional	183	01 Sep 2010	01 Apr 2014	Hosp Revite	Programme 8	-	303 605	22 341	120 873	30 361	-	-
5. New staff res. & upgr. of existing staff residence	Umlathuze	Hospital - Regional	183	01 Jan 2014	01 Jul 2017	Hosp Revite	Programme 8	-	225 000	-	-	50 000	50 000	-
6. Ph 2A & B: Outpatients, pharmacy, theatres, etc	Hlabisa	District Hospital	308	01 Sep 2016	01 Sep 2018	Hosp Revite	Programme 8	-	528 123	43 725	-	-	-	-
7. New regional & tertiary hospital	eThekwini	Regional- Hospital	850	01 Oct 2010	01 Mar 2011	Hosp Revite	Programme 8	-	1 416 000	-	-	-	-	-
8. Construction of new Level 1 hospital	eThekwini	District Hospital	900	01 Mar 2006	01 Mar 2008	Hosp Revite	Programme 8	-	445 565	400 856	-	-	-	-
9. Psychiatric hospital	Newcastle	Hospital - Specialised	1 615	01 Jan 2015	01 Jan 2017	Hosp Revite	Programme 8	-	925 000	1 658	9 487	35 000	-	-
10. New district, regional & TB hospitals	Newcastle	Hospital - Regional	1 615	01 Jan 2017	01 Jun 2020	Hosp Revite	Programme 8	-	1 251 558	-	-	-	-	-
Other Various	Various	Various	Several	01 Apr 2011	31 Mar 2014	Various	Programme 8	-	6 634 456	-	260 860	543 670	342 851	-
Human Settlements									-	-	-	10 000	-	-
1. Social and Economic Facilities	Various	Parks, creche facilities, taxi ranks, etc.	Several	01 Apr 2011	01 Mar 2012	Human Sett. Dev. gra	Programme 3	-	-	-	-	10 000	-	-
Co-operative Governance and Traditional Affairs									-	19 250	34 305	12 250	13 250	14 250
1. Imizi Yesizwe	Various	Houses for Amakhosi	Several	01 Apr 2007	31 Mar 2014	ES	Programme 4	-	-	33 643	7 000	8 000	9 000	-
2. Empangisweni TAC	Abaqulusi	New centre	1	01 Jun 2011	29 Feb 2012	ES	Programme 4	-	3 500	662	-	-	-	-
3. Umzimkulu TAC	Umzimkulu	New centre	1	01 Jun 2012	01 Mar 2013	ES	Programme 4	-	5 250	-	-	5 250	-	-
4. Mbomvu TAC	Misinga	New centre	1	01 Jun 2013	01 Mar 2014	ES	Programme 4	-	5 250	-	5 250	-	-	-
5. eThekwini TAC	Utrecht	New centre	1	01 Jun 2014	01 Mar 2015	ES	Programme 4	-	5 250	-	-	-	-	5 250
Transport									4 500	739 900	660 900	355 289	334 573	354 343
1. P577 (ARRUP)	Durban	Surface	14 km	01 Apr 2003	31 Mar 2015	ES	Programme 2	4 500	739 900	660 900	98 880	10 424	-	-
2. Access roads	Whole KZN	Gravel	Several	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	-	-	101 769	161 604	182 858	-
3. Pedestrian bridges	Whole KZN	Bridges	Several	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	-	-	120 140	126 147	133 085	-
4. Integrated Public Transport facilities	Ulundi	Structures	1	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	-	-	34 500	36 398	38 400	-

Overview of Provincial Revenue and Expenditure

Table 1.C: Detail payments and estimates of infrastructure by category (cont.)

Project name	Municipality/Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available	MTEF forward Estimates	
		Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish						2012/13	2013/14	2014/15
R thousand													
Social Development													
1. KwaShukela Service Centre	Jozini	Service Centre	7	23 May 2011	23 Feb 2013	ES	Programme 3	-	442 959	-	95 352	141 021	148 777
2. Hlabisa Service Office	Hlabisa	Service Office	7	02 Apr 2011	21 Mar 2013	ES	Programme 2	-	16 917	-	8 517	-	-
3. Emanyiseni Service Centre	Umlabuyalingana	Service Centre	7	07 Apr 2011	25 Feb 2013	ES	Programme 3	-	16 685	-	7 485	-	-
4. Obuka Service Office	Umlalazi	Service office	6	08 May 2011	31 Mar 2013	ES	Programme 2	-	17 035	-	7 635	-	-
5. KwaNgwanase Service Office	Umlabuyalingana	Service office	8	19 Apr 2011	31 Mar 2013	ES	Programme 2	-	12 633	-	7 403	-	-
6. Nkunzana Service Centre	Nongoma	Service Centre	7	01 Apr 2011	30 Mar 2013	ES	Programme 3	-	19 964	-	11 964	-	-
7. Godlwayo Service Centre	uPhongolo	Service Centre	7	05 May 2011	31 Mar 2013	ES	Programme 3	-	15 058	-	11 058	-	-
8. Osuthu Youth Development Centre	Nongoma	Youth Dev. Centre	7	12 Apr 2011	31 Mar 2013	ES	Programme 3	-	15 110	-	9 310	-	-
9. Inkosi Simakade Mchunu Service Centre	Msinga	Service Centre	7	01 Apr 2011	31 Mar 2013	ES	Programme 3	-	16 109	-	7 249	-	-
10. Emaswazini Service Centre	Umsunduzi	Service Centre	7	01 Apr 2011	31 Mar 2013	ES	Programme 3	-	12 139	-	4 139	-	-
Other Various	Various	Various	Various	Various	Various	ES	Various	-	11 755	-	1 351	-	-
								-	289 554	-	19 241	141 021	148 777
Public Works													
1. Mtubatuba district office (d/o)	Umkhanyakude	Construct new office	1	01 Apr 2009	15 Oct 2010	ES	Programmmme 3	-	99 717	17 523	7 880	1 695	-
2. Umkhanyakude d/o - con. of Mkhuze d/o	Umkhanyakude	Construct new office	1	04 Nov 2009	04 Dec 2010	ES	Programmmme 3	-	27 028	11 104	580	-	-
3. Ixopo: d/o - new d/o	Sisonke	Construct new office	1	01 Nov 2010	01 Nov 2012	ES	Programmmme 3	-	23 729	3 713	520	-	-
4. Richmond NIP site - con. of Richmnd NIP site	Sisonke	Construct new office	1	01 Apr 2010	30 Jul 2010	ES	Programmmme 3	-	21 310	1 305	6 780	1 695	-
5. Ilembe d/o: Con. of new sub-office	Ilembe	Construct new office	1	01 Apr 2010	01 Oct 2013	ES	Programmmme 3	-	650	96	-	-	-
								-	27 000	1 305	-	-	-
Arts and Culture													
1. Construction of libraries	Various	Library building	2	01 Apr 2012	31 Mar 2015	Comm. Libr. Serv	Programme 3	-	101 853	-	31 425	33 616	42 380
2. Construction of libraries	Various	Library building	2	01 Apr 2012	31 Mar 2015	ES	Programme 3	-	25 342	-	8 045	9 297	17 000
3. Constnction of museums	Various	Museum	4	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	27 738	-	8 312	9 319	10 107
4. Construction of art centres	Various	Art centre	3	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	18 773	-	8 500	5 000	5 273
								-	30 000	-	6 568	10 000	10 000
Sport and Recreation													
1. Combination courts	Various	Sporting courts	11	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	19 997	45 826	30 265	29 380	23 663
2. Sports fields	Various	Sport fields	4	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	4 612	29 265	5 000	5 275	5 592
3. Futsal courts	Various	Soccer courts	20	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	7 980	-	7 560	7 976	8 454
4. Office building	Ugu/Sisonke	Building	1	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	7 405	16 561	7 705	8 129	8 617
								-	-	-	10 000	8 000	1 000
Total new and replacement assets								4 500	19 787 684	1 629 432	1 645 022	2 486 864	2 521 576
Upgrades and additions													
Provincial Legislature													
1. Installation of generator Legislature building	Msunduzi	Legislature building	1	01 Apr 2012	01 Mar 2013	ES	Programme 1	-	1 975	1 259	3 300	767	813
2. Installation of generator administrative building	Msunduzi	Administrative building	1	01 Apr 2012	01 Mar 2013	ES	Programme 1	-	682	528	154	-	-
3. Capital revamping of Legislature building	Msunduzi	Legislature building	1	01 Apr 2012	01 Mar 2013	ES	Programme 1	-	1 293	731	562	-	-
Other Fire alarm, PA system, facade & airconditioners	Msunduzi	Legislature & admin	2	01 Apr 2012	Ongoing	ES	Programme 1	-	-	-	2 584	767	813
								-	-	-	-	-	-
Education													
1. Makhedama	Umvoti	School - Secondary	1	01 Apr 2012	31 Mar 2014	ES	Programme 2	-	6 536 525	1 510 858	1 067 878	990 959	1 124 757
2. A M Moolia Spes Nova For C P Children	eThekwini	School - Specialised	1	01 Apr 2012	31 Mar 2014	ES	Programme 4	-	500	-	-	-	-
3. Abaqulusi	Zululand	Sanitation/toilet buildings	-	01 Apr 2012	31 Mar 2014	Educ. Infra. grant	Programme 2	-	900	-	900	-	-
4. Abaqulusi	Zululand	Mobile school	1	01 Feb 2011	31 Mar 2014	Educ. Infra. grant	Programme 2	-	1 306	-	474	-	-
5. Albert Falls	uMshwathi	School - Primary	7	01 Apr 2012	31 Mar 2014	Educ. Infra. grant	Programme 2	-	479	307	172	-	-
6. Aldinville	Ilembe	School - Primary	1	19 Mar 2010	31 Mar 2014	ES	Programme 2	-	18 303	812	16 000	-	-
7. Alexandra	Msunduzi	School - Secondary	1	01 Apr 2012	31 Mar 2014	Educ. Infra. grant	Programme 2	-	1 518	842	-	-	-
8. Alpha	Zululand	Mobile school	2	01 Apr 2012	31 Mar 2014	Educ. Infra. grant	Programme 2	-	768	-	384	-	384
9. Altona	Zululand	Fencing	500	02 Jul 2008	31 Mar 2014	Educ. Infra. grant	Programme 2	-	137	-	137	-	-
10. Altona	Zululand	School - Primary	1	01 Apr 2012	31 Mar 2014	Educ. Infra. grant	Programme 2	-	78	78	-	-	-
Other Various	All	Various	38095	01 Apr 2010	31 Mar 2014	ES/Educ. Infra. grant	All	-	10 000	-	4 400	1 000	4 400
								-	6 502 536	1 508 819	1 045 411	989 959	1 119 973

Table 1.C: Detail payments and estimates of infrastructure by category (cont.)

Project name	Municipality/Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available	MTEF forward Estimates	
		Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish						2012/13	2013/14	2014/15
R thousand													
Health													
1. Convert clinic to community health centre	Hibiscus Coast	Clinic	1	01 Sep 2008	01 Apr 2010	Health Infra. grant	Programme 8	-	3 831 487	198 844	708 018	465 107	490 688
2. New OPD, casualty/trauma unit, X-ray, etc.	Okhahlamba	Hospital - District	173	01 Jan 2011	01 Jan 2014	ES	Programme 8	-	51 737	31 879	-	-	-
3. New OPD/casualty/CSSD/dispensary/X-ray, etc.	uPhongolo	Hospital - District	150	01 Feb 2009	01 Feb 2011	Health Infra. grant	Programme 8	-	96 650	6 970	30 000	30 000	20 340
4. General & TB wards	Hibiscus Coast	Hospital - District	300	01 Jul 2012	01 Jul 2015	Health Infra. grant	Programme 8	-	73 263	37 264	3 023	-	-
5. Constr. of OPD with X-ray, pharmacy, etc	Maphumulo	Hospital - District	158	01 Oct 2010	01 Oct 2014	ES	Programme 8	-	85 000	5 348	1 000	12 000	65 039
6. New multi-departmental core block	Hibiscus Coast	Hospital - Regional	334	01 Apr 2007	01 Apr 2010	Health Infra. grant	Programme 8	-	40 000	-	6 000	20 000	-
7. Ph 3B: Admin, kitchen, audio, ARV, staff acc.	Umzimkulu	District Hospital	208	01 Sep 2010	01 Mar 2015	Hosp Revite	Programme 8	-	153 097	97 195	-	-	-
8. Upgrade MV/LV electr. Reticu. incl. gen., etc.	Umhlathuze	Hospital - District	506	01 Jan 2011	01 Nov 2012	Hosp Revite	Programme 8	-	110 000	555	45 000	40 865	-
9. New theatre complex, CSSD, & staff/doc facility	Umhlathuze	Hospital - District	506	01 Oct 2012	01 Oct 2015	Hosp Revite	Programme 8	-	76 854	3 421	35 000	15 000	8 837
10. Phase 3A: New pharmacy, stores, maint., lab., etc	Umzimkulu	District Hospital	208	01 Dec 2008	01 Sep 2012	Hosp Revite	Programme 8	-	173 752	3 435	40 428	60 000	63 000
Other Various	Various	Various	Several	01 Apr 2011	31 Mar 2014	Various	Programme 8	-	51 330	12 777	9 786	5 257	2 315
								-	2 919 804	-	537 781	281 985	331 157
Transport													
1. P496 (RNI)	Empangeni	Surface	13 km	01 Oct 2005	31 Mar 2015	ES	Programme 2	6 750	900 000	501 400	100 917	106 631	112 725
2. P318 (RNI)	PMB	Surface	14 km	01 Nov 2006	31 Mar 2015	ES	Programme 2	1 090	262 490	148 542	73 670	77 354	81 608
3. DubeTradePort roads	eThekweni	Construction	Several	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	-	-	171 951	180 548	190 235
4. ARRUP roads	uThungulu	Construction	Several	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	-	-	275 263	305 817	428 699
5. Access roads	Whole KZN	Construction	Several	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	-	-	420 952	424 823	414 769
6. Computerised learner licence testing	Whole KZN	System	Several	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	-	-	34 800	34 800	34 800
7. Road safety improvements	Whole KZN	Maintenance	Several	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	-	-	2 800	-	-
8. P700 (ARRUP)	Empangeni	Surface	95 km	01 May 2004	31 Mar 2015	ES	Programme 2	2 900	475 188	401 188	67 069	74 034	75 261
Social Development													
1. KwaBadala Old Age	Nkandla	Old Age Home	7	01 Apr 2011	31 Mar 2014	ES	Programme 2	-	135 600	-	50 476	36 347	28 307
2. Newcastle School of Industries	Newcastle	School of Industry	1	01 Apr 2011	30 Jun 2015	ES	Programme 2	-	20 000	-	9 000	7 000	-
3. Madadeni Rehab	Newcastle	Rehab centre	4	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	50 000	-	15 000	10 751	10 279
4. Princess Mkabazi Children's Home	Nquthu	Children's Home	4	01 Apr 2011	30 Aug 2013	ES	Programme 2	-	24 000	-	8 000	8 500	6 500
5. Excelsior POS	Durban Metro	Place of Safety	7	01 Apr 2011	30 Sep 2013	ES	Programme 2	-	6 400	-	3 400	-	-
6. Ocean View POS	Durban Metro	Place of Safety	4	01 Apr 2011	31 Mar 2013	ES	Programme 2	-	8 400	-	3 400	-	-
7. Truro House Offices	Durban Metro	Offices	3	01 Apr 2011	31 Mar 2013	ES	Programme 2	-	1 700	-	700	-	-
8. Enduduzweni Centre for the Blind	Durban Metro	Protective Workshop	3	01 Apr 2011	31 Mar 2013	ES	Programme 2	-	2 400	-	900	-	-
9. Greenfields POS	Msunduzi	Place of Safety	7	01 Apr 2011	31 Mar 2014	ES	Programme 2	-	1 200	-	700	-	-
10. PMB Regional Office (Karl Eggers)	Msunduzi	Regional Office	5	01 Apr 2012	30 Mar 2014	ES	Programme 2	-	18 000	-	8 876	7 096	-
Other Various	Various	Various	Various	Various	Various	ES	Programme 2	-	3 500	-	500	3 000	-
								-	-	-	-	-	11 528
Public Works													
1. Nongoma d/o - Nongoma/Vryheid	Zululand	Additions & Alterations	1	26 Aug 2008	03 Dec 2009	ES	Programme 3	yes	468 936	103 253	71 364	78 640	85 000
2. Umkhanyakude d/o - Jozini Depo	Umkhanyakude	Rehab. - Compl. of contract (Jozini Depo)	1	01 Aug 2010	01 Nov 2010	ES	Programme 3	-	15 600	9 532	1 800	3 200	411
3. eThekweni d/o - Conf. centre	eThekweni	Upgrades & Additions	1	01 Apr 2012	30 Mar 2013	ES	Programme 3	yes	500	63	-	-	-
4. CIBD satellite office & uMgungun. d/o	uMgungundlovu	Upgrades & Additions	1	01 Apr 2010	30 Mar 2011	ES	Programme 3	-	23 050	114	11 530	10 463	1 000
5. Southern regional office (r/o)	uMgungundlovu	Upgrades to existing office	1	01 Jul 2009	30 Aug 2010	ES	Programme 3	-	14 760	2 362	244	-	-
6. 191 Prince Alfred Street - Phase 1/2/3	uMgungundlovu	Upgrades to existing office	1	01 Apr 2010	01 Apr 2013	ES	Programme 3	yes	15 003	5 069	3 928	5 861	145
7. Greytown sub. office - Uthukela	Uthukela	Upgrades to existing office	1	01 Apr 2010	01 Apr 2013	ES	Programme 3	yes	335 611	57 857	35 802	49 695	82 464
8. Dundee d/o	Uthukela	Extensions to Uthukela Depot	1	15 Jan 2011	15 Jan 2013	ES	Programme 3	-	20 000	908	7 000	4 000	480
9. Midlands r/o - Emer. Water Supply/Security/Car	Uthukela	Upgrades to existing office	1	06 Sep 2010	01 Apr 2012	ES	Programme 3	yes	5 400	2 588	1 630	-	-
10. Newcastle/ Ladysmith d/o	Amajuba	Upgrades to existing office	1	02 Feb 2009	15 Jan 2011	ES	Programme 3	yes	34 432	19 930	9 250	5 421	500
								-	4 580	4 830	180	-	-
Arts and Culture													
1. Upgrade of art centres	Various	Art centre	3	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	5 275	-	5 000	-	275
								-	5 275	-	5 000	-	275
Total upgrades and additions								10 740	12 617 476	2 865 344	3 053 458	2 775 827	3 067 937

Overview of Provincial Revenue and Expenditure

Table 1.C: Detail payments and estimates of infrastructure by category (cont.)

Project name	Municipality/Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available	MTEF forward Estimates		
		Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish							2012/13	2013/14 2014/15	
R thousand														
Rehabilitation, renovations and refurbishments														
Office of the Premier									-	8 955	-	1 000	2 000	2 120
1. Provincial Public Service Training Academy	eThekwini	Project/admin block	1	01 Apr 2011	01 Mar 2014	ES	Programme 2	-	8 955	-	1 000	2 000	2 120	
Agriculture, Environmental Affairs and Rural Development									-	-	-	71 245	76 772	81 206
1. Office accommodation (HO & districts)	Various	Office accommodation	Various	01 Apr 2011	31 Mar 2012	ES	Programme 1	-	-	-	7 719	2 407	2 551	
2. Makhathini	Jozini	Irrigation, fencing/drainage canals, etc	Various	01 Apr 2011	31 Mar 2012	ES & Ilima/ Letsema	Programme 2	-	-	-	38 164	40 072	42 476	
3. Irrigation schemes	Various	Irrigation schemes	Various	01 Apr 2011	31 Mar 2012	ES & Ilima/Letsema	Programme 2	-	-	-	11 388	12 520	13 671	
4. Farm structures	Various	Handling facilities, poultry, piggyery, etc	Various	01 Apr 2011	31 Mar 2012	ES	Programme 2	-	-	-	9 850	17 443	17 918	
5. Cedara facilities	uMngeni	Access roads, dairy parlour, etc	Various	01 Apr 2011	31 Mar 2012	ES	Programme 1	-	-	-	4 124	4 330	4 590	
Education									-	4 130 057	887 127	509 375	431 897	445 764
1. Bheki Secondary(Ph 4)	Uthukela	School - Secondary	1	19 Mar 2010	31 Mar 2014	ES	Programme 2	-	649	404	-	-	-	
2. Ingqolaylwazi	uMgungundlovu	School - Primary	1	25 Nov 2009	31 Mar 2014	ES	Programme 2	-	122	42	-	-	-	
3. Alstone	uMgungundlovu	School - Primary	1	01 Apr 2012	31 Mar 2014	Educ. Infra. grant	Programme 2	-	13 500	251	4 100	3 900	4 100	
4. Altona	UPhongo	Office accommodation	1	18 Jan 2011	31 Mar 2014	Educ. Infra. grant	Programme 2	-	1 409	718	691	-	-	
5. Amajuba - Kalabas School	Amajuba	School - Combined	1	02 Feb 2009	31 Mar 2014	ES	Programme 2	-	715	715	-	-	-	
6. Amajuba - Mfundweni School	Amajuba	School - Combined	1	17 Mar 2008	31 Mar 2014	ES	Programme 2	-	1 071	824	-	-	-	
7. Amajuba - Qophumlando School	Amajuba	School - Combined	1	02 Feb 2009	31 Mar 2014	ES	Programme 2	-	654	654	-	-	-	
8. Amajuba - Rooival School	Amajuba	School - Combined	1	17 Mar 2008	31 Mar 2014	ES	Programme 2	-	168	153	-	-	-	
9. Amajuba - Sekusile School	Amajuba	School - Combined	1	17 Mar 2008	31 Mar 2014	ES	Programme 2	-	1 195	932	-	-	-	
10. Amajuba District Offices	Amajuba	Office accommodation	1	01 Apr 2012	31 Mar 2014	Educ. Infra. grant	Programme 2	-	4 000	-	900	2 200	900	
Other Various	All	Various	3 047	01 Apr 2010	31 Mar 2014	ES/Educ. Infra. grant	All	-	4 106 574	882 434	503 684	425 797	440 764	
Health									-	746 832	41 961	296 238	127 023	134 009
1. Upgrade Accidents & Emergency - Addington	eThekwini	Hospital - Regional	613	30 Sep 2011	30 Jan 2013	Health Infra. grant	Programme 8	-	27 000	50	21 900	1 350	-	
2. Clinic maint. & upgr. prog: 2006-2007 Phase 1	Ntambanana	Clinic	1	01 Nov 2010	01 May 2012	Health Infra. grant	Programme 8	-	20 000	1 225	15 370	1 000	-	
3. Clinic maint & upgrade programme 2006/07	Mbonambi	Clinic	1	01 Jun 2011	01 Nov 2012	Health Infra. grant	Programme 8	-	15 673	861	11 252	760	-	
4. Alteratons to theatre, X-ray, CSSD etc	uMshwathi	Hospital - District	181	01 Nov 2008	01 Apr 2010	ES	Programme 8	-	19 858	5 553	8 694	452	-	
5. Relocate accommodation	Ubuhlebezwe	Hospital - District	238	01 Jan 2008	01 Sep 2009	Health Infra. grant	Programme 8	-	34 807	32 150	-	-	-	
6. Rep. kitchen roof & ceiling,psychiatric wards, etc.	Nkandla	Hospital - District	125	01 Apr 2012	01 Apr 2013	Health Infra. grant	Programme 8	-	20 500	-	12 000	1 000	-	
7. Revonation to 20 staff houses	umlalazi	Hospital - District	196	30 Oct 2011	20 Oct 2013	Health Infra. grant	Programme 8	-	27 060	721	12 000	10 260	3 679	
8. Re-organise pharmacy	Msunduzi	Hospital - District	385	01 Jun 2012	01 Oct 2013	Health Infra. grant	Programme 8	-	15 000	1 401	5 000	7 664	-	
9. Repl. or renov. roof - admin block, North Park etc	Msunduzi	Hospital - Spec	361	01 Jun 2012	01 Jun 2013	ES	Programme 8	-	40 400	-	28 100	2 000	-	
10. Extensive renov & additions to existing building	Head Office	Nursing College	1	01 Sep 2011	01 Sep 2013	ES	Programme 8	-	40 000	-	19 000	18 000	2 000	
Other Various	Various	Various	Several	01 Apr 2011	31 Mar 2014	Various	Programme 8	-	486 534	-	162 922	84 537	128 330	
The Royal Household									-	24 750	-	10 821	12 866	1 063
1. Rehabilitation of palaces	Zululand	Palaces	7	Ongoing	Ongoing	ES	Programme 2	-	24 750	-	10 821	12 866	1 063	
Co-operative Governance and Traditional Affairs									-	45 500	4 000	14 698	7 000	6 500
1. TACs	Various	TACs	88	01 Apr 2011	01 Mar 2012	ES	Programme 4	-	18 000	4 000	-	-	-	
2. TACs	Various	TACs	71	01 Apr 2012	01 Mar 2013	ES	Programme 4	-	14 000	-	14 698	-	-	
3. TACs	Various	TACs	30	01 Apr 2013	01 Mar 2014	ES	Programme 4	-	7 000	-	-	7 000	-	
4. TACs	Various	TACs	30	01 Apr 2014	01 Mar 2015	ES	Programme 4	-	6 500	-	-	-	6 500	
Transport									-	-	-	606 039	666 645	733 308
1. P47/4	Empangeni	Rehabilitation	8 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	40 317	-	-	
2. P48	Empangeni	Rehabilitation	6 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	48 903	53 761	54 355	
3. P34/4	Empangeni	Rehabilitation	15 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	40 317	44 270	4 477	
4. P522/2	Ladysmith	Rehabilitation	5 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	40 317	44 269	44 759	
5. P1/9	Ladysmith	Rehabilitation	9 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	23 145	25 290	25 569	
6. P6/2	Ladysmith	Rehabilitation	15 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	66 079	72 741	64 042	
7. P6/1	PMB	Rehabilitation	11 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	83 238	91 717	92 731	
8. P21/1	PMB	Rehabilitation	5 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	77 916	85 826	86 775	
9. P22/2	PMB	Rehabilitation	18 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	63 214	69 576	70 346	
10. P400	Durban	Rehabilitation	6 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	66 077	72 752	88 476	
Other Various	Whole KZN	Rehabilitation	Several	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	56 516	106 443	201 778	

Table 1.C: Detail payments and estimates of infrastructure by category (cont.)

Project name		Municipality/Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available	MTEF forward Estimates	
			Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish						2012/13	2013/14	2014/15
R thousand														
Public Works									-	51 028	21 663	5 500	9 400	10 000
1.	LA Building - Ulundi Campus	Zululand	External Maint. & Rehab. of landscape	1	11 May 2009	16 Dec 2011	ES	Programme 3	-	11 600	6 958	-	-	-
2.	LA Building - Ulundi Campus	Zululand	Maint. contract for air conditioning	1	12 Jul 2008	27 Jun 2011	ES	Programme 3	-	18 400	6 900	2 500	4 600	4 000
3.	LA Building - Ulundi Campus	Zululand	Preventative maint. contract for electric	1	12 Mar 2009	12 Mar 2011	ES	Programme 3	-	20 228	7 805	2 500	4 500	6 000
4.	Umzinyathi d/o	Umzinyathi	Repair to leaking roof	1	01 Apr 2012	01 Apr 2013	ES	Programme 3	-	800	-	500	300	-
Total rehabilitation, renovations and refurbishments									-	5 007 122	954 751	1 514 916	1 333 603	1 413 970
Maintenance and repairs														
Office of the Premier									-	89 550	-	10 000	11 100	11 766
1.	Provincial Public Service Training Academy	eThekweni	Project/admin block	1	01 Apr 2011	01 Mar 2014	ES	Programme 2	-	89 550	-	10 000	11 100	11 766
Provincial Legislature									-	5 508	573	3 617	3 652	3 872
1.	Ground maintenance	Msunduzi	Legislature building	1	01 Apr 2012	01 Mar 2015	ES	Programme 1	-	346	26	107	120	93
2.	Fumigation - Legislature building	Msunduzi	Legislature building	1	01 Apr 2012	01 Mar 2015	ES	Programme 1	-	270	-	80	90	100
3.	Fumigation - administrative building	Msunduzi	Administration building	1	01 Apr 2012	01 Mar 2015	ES	Programme 1	-	369	153	96	92	112
4.	Lift maintenance - Legislature building	Msunduzi	Legislature building	1	01 Apr 2012	01 Mar 2015	ES	Programme 1	-	43	24	19	15	18
5.	Lift maintenance - administrative building	Msunduzi	Administration building	2	01 Apr 2012	01 Mar 2015	ES	Programme 1	-	367	50	49	54	-
6.	Maintenance contract fire alarms	Msunduzi	Legislature & admin	2	01 Apr 2012	01 Mar 2015	ES	Programme 1	-	146	60	28	33	38
7.	Maintenance contract for generators	Msunduzi	Legislature & admin	2	01 Apr 2012	01 Mar 2015	ES	Programme 1	-	104	-	-	30	34
8.	Maintenance contract of airconditioners	Msunduzi	Legislature & admin	2	01 Apr 2012	01 Mar 2015	ES	Programme 1	-	968	-	300	320	348
9.	Day-to-day maintenance - unforeseen items	Msunduzi	Legislature & admin	2	01 Apr 2012	01 Mar 2015	ES	Programme 1	-	1 500	-	1 500	2 200	2 400
10.	Painting - Legislature and administrative building	Msunduzi	Legislature & admin	2	01 Apr 2012	01 Mar 2015	ES	Programme 1	-	750	-	750	-	-
Other	Pigeon protection, roof paint & replace w/proof	Msunduzi	Legislature & admin	2	01 Apr 2012	01 Mar 2015	ES	Programme 1	-	645	260	688	698	729
Agriculture, Environmental Affairs and Rural Development									-	-	-	21 639	22 829	24 199
1.	Office accommodation	Various	Office accommodation	Various	Ongoing	Ongoing	ES	Programme 1	-	-	-	6 105	6 410	6 795
2.	Farm structures	Various	Fencing, irrigation, poultry, piggery, etc	Various	Ongoing	Ongoing	ES	Programme 2	-	-	-	7 439	12 316	13 055
3.	Makhathini	Jozini	Irrigation, fencing, drainage canals, etc	Various	Ongoing	Ongoing	ES & Ilima/Letsema	Programme 2	-	-	-	8 095	4 103	4 349
Education									-	576 142	297 633	211 300	217 422	222 169
Other	Maintenance - Public School	Various	Maintenance of schools	Several	01 Apr 2010	31 Mar 2014	ES	Programme 2	-	576 142	297 633	211 300	217 422	222 169
Health									-	1 446 221	48 944	420 473	456 695	487 046
1.	Lift maintenance	Msunduzi	Office Accommodation	1	01 Apr 2010	31 Mar 2014	ES	Programme 8	-	5 720	-	880	920	970
2.	Manage lease agreements for KZN - Health	Msunduzi	Residential Accommodation	168	01 Apr 2010	31 Mar 2014	ES	Programme 8	-	350 000	48 944	50 000	50 000	61 000
3.	Facilities routine maintenance	Msunduzi	Maintenance	1	01 Apr 2010	31 Mar 2014	ES	Programme 8	-	1 090 501	-	300 849	320 146	329 320
Other	Various	Various	Various	Several	01 Apr 2012	31 Mar 2015	Various	Programme 8	-	-	-	68 744	85 629	95 756
Human Settlements									-	-	-	190 941	115 517	123 669
1.	Housing Property Maintenance	Various	Houses	Several	Ongoing	Ongoing	Human Settl. Dev	Programme 4	-	-	-	190 941	115 517	123 669
The Royal Household									-	11 195	-	3 528	3 722	3 945
1.	Maintenance and repairs to palaces	Zululand	7	Ongoing	Ongoing	Ongoing	ES	Programme 2	-	11 195	-	3 528	3 722	3 945
Transport									-	-	-	3 064 168	3 287 140	3 868 371
1.	Durban	Durban	Reseals	64.05 km	01 Apr 2012	31 Mar 2015	ES & Prov. Rd. Mtn.	Programme 2	-	-	-	20 449	20 679	26 825
2.	PMB	PMB	Reseals	78 km	01 Apr 2012	31 Mar 2015	ES & Prov. Rd. Mtn.	Programme 2	-	-	-	27 809	28 122	34 841
3.	Ladysmith	Ladysmith	Reseals	47.5 km	01 Apr 2012	31 Mar 2015	ES & Prov. Rd. Mtn.	Programme 2	-	-	-	24 129	24 400	30 230
4.	Empangeni	Empangeni	Reseals	60 km	01 Apr 2012	31 Mar 2015	ES & Prov. Rd. Mtn.	Programme 2	-	-	-	24 129	2 440	3 022
5.	Routine	Whole KZN	Routine	Several	01 Apr 2012	31 Mar 2015	ES & Prov. Rd. Mtn.	Programme 2	-	-	-	850 376	892 140	1 089 094
6.	Preventative	Whole KZN	Preventative	Several	01 Apr 2012	31 Mar 2015	ES & Prov. Rd. Mtn.	Programme 2	-	-	-	778 803	927 272	1 090 047
7.	Safety	Whole KZN	Safety	Several	01 Apr 2012	31 Mar 2015	ES & Prov. Rd. Mtn.	Programme 2	-	-	-	227 944	236 938	281 792
8.	Special	Whole KZN	Special	Several	01 Apr 2012	31 Mar 2015	ES & Prov. Rd. Mtn.	Programme 2	-	-	-	25 156	2 545	3 153
9.	Mechanical	Whole KZN	Mechanical	Several	01 Apr 2012	31 Mar 2015	ES & Prov. Rd. Mtn.	Programme 2	-	-	-	549 576	589 900	496 909
10.	Maintenance administration	Whole KZN	Maintenance adm.	Several	01 Apr 2012	31 Mar 2015	ES & Prov. Rd. Mtn.	Programme 2	-	-	-	511 308	522 740	688 782
Other	Various	Whole KZN	Other	Several	01 Apr 2012	31 Mar 2015	ES & Prov. Rd. Mtn.	Programme 2	-	-	-	24 489	39 964	123 676
Social Development									-	-	-	44 550	34 414	16 307
Other	Various	Various	Various	Various	Various	Various	ES	Progr. 2 & 3	-	-	-	44 550	34 414	16 307

Overview of Provincial Revenue and Expenditure

Table 1.C: Detail payments and estimates of infrastructure by category (cont.)

Project name		Municipality/Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available	MTEF forward Estimates	
			Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish							2012/13	2013/14
R thousand														
Public Works									-	-	-	6 000	6 000	6 000
1.	Maintenance & Repairs	Various	Various	Various	01 Apr 2011	01 Mar 2014	ES	Programme 3	-	-	-	1 500	1 500	1 500
2.	Maintenance & Repairs	Various	Various	Various	01 Apr 2011	01 Mar 2014	ES	Programme 3	-	-	-	1 500	1 500	1 500
3.	Maintenance & Repairs	Various	Various	Various	01 Apr 2011	01 Mar 2014	ES	Programme 3	-	-	-	1 500	1 500	1 500
3.	Maintenance & Repairs	Various	Various	Various	01 Apr 2011	01 Mar 2014	ES	Programme 3	-	-	-	1 500	1 500	1 500
Sport and Recreation									-	2 250	13 132	2 163	2 282	2 419
1.	Minor repairs and renovation	Various municipalities	Maintenance	7	01 Apr 2010	31 Mar 2015	ES	Programme 2	-	2 250	13 132	2 163	2 282	2 419
Total maintenance and repairs									-	2 130 866	360 282	3 978 379	4 160 773	4 769 763
Infrastructure transfers - current									-	-	-	-	-	-
Economic Development and Tourism									-	-	-	39 313	41 475	43 964
1.	Dube TradePort	eThekwini	Dube TradePort	1	01 Apr 2006	31 Mar 2060	ES	Programme 3	-	-	-	39 313	41 475	43 964
Sport and Recreation									-	3 300	3 300	2 400	2 532	2 684
1.	Maintenance grants	Various	Maintenance	22	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	3 300	3 300	2 400	2 532	2 684
Total Infrastructure transfers - current									-	3 300	3 300	101 713	44 007	46 648
Infrastructure transfers - capital									-	-	-	-	-	-
Economic Development and Tourism									-	5 147 217	989 338	455 613	607 922	673 598
1.	Dube TradePort	eThekwini	Dube TradePort	1	01 Apr 2006	31 Mar 2060	ES	Programme 3	-	4 913 587	944 956	392 995	541 860	603 572
2.	RBIDZ	uThungulu	RBIDZ	1	01 Apr 2010	31 Mar 2011	ES	Programme 3	-	233 630	44 382	62 618	66 062	70 026
Provincial Treasury									-	-	-	39 315	4 000	4 300
1.	Dev. of the Pietermaritzburg Airport	Msunduzi Municipality	Airport	1	01 Apr 2010	31 Mar 2013	ES	Programme 5	-	-	-	16 027	-	-
2.	Dev. of the Ulundi Airport	Ulundi municipality	Airport	1	01 Apr 2011	31 Mar 2013	ES	Programme 5	-	-	-	20 000	-	-
3.	Dev. of other small airports in KZN	KZN	Airport	Several	01 Apr 2012	31 Mar 2015	ES	Programme 5	-	-	-	3 288	4 000	4 300
Health									-	50 000	10 000	20 000	20 000	-
1.	KZN Children's Hospital	eThekwini	Hospital - Childrens	1	01 Jan 2012	31 Mar 2014	Equitable share	Programme 8	-	50 000	10 000	20 000	20 000	-
Human Settlements									-	-	-	2 613 134	2 944 193	3 040 757
1.	Housing projects incl. Cornubia, Vulindlela, etc.	Various	Houses	Several	Ongoing	Ongoing	Human Settl. Dev.	Programme 3	-	-	-	2 613 134	2 944 193	3 040 757
Co-operative Governance and Traditional Affairs									-	6 000	3 500	-	-	-
1.	Emondlo TSC	Abaqulusi	New centre	1	01 Apr 2011	01 Mar 2012	ES	Programme 4	-	6 000	3 500	-	-	-
Arts and Culture									-	-	-	13 600	10 000	-
1.	Construction of mega-library	eThekwini	Library building	1	01 Apr 2011	31 Mar 2014	Comm. Libr. Serv.	Programme 3	-	-	-	13 600	10 000	-
Sport and Recreation									-	15 974	102 449	15 960	16 838	17 848
1.	Sports facilities	Various	Infrastructure transfer	8	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	15 974	102 449	15 960	16 838	17 848
Total Infrastructure transfers - capital									-	5 219 191	1 105 287	3 157 622	3 602 953	3 736 503
Total Provincial Infrastructure									15 240	44 765 639	6 918 396	13 451 110	14 404 027	15 556 397

Note: Total costs represent total estimated payments of a particular project of which the project life span may not coincide fully with the MTEF period. Where projects are of a recurrent nature, the total costs are not depicted.

Table 1.D: Summary of transfers to municipalities

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2007/08	2008/09	2009/10	Appropriation	Appropriation	Estimate	2011/12	2012/13	2013/14
				2010/11					
A KZN2000 eThekweni	711 659	614 414	734 085	949 546	582 518	499 419	864 025	946 634	966 062
Total: Ugu Municipalities	52 633	79 383	86 426	25 829	40 691	38 607	23 364	31 705	36 691
B KZN211 Vulamehlo	-	2 952	1 776	1 930	2 338	2 338	1 438	2 688	2 721
B KZN212 Umdoni	5 243	8 801	5 107	7 333	16 039	14 623	4 766	7 419	7 660
B KZN213 Umzumbe	600	-	2 787	2 103	3 253	3 197	2 253	3 703	3 736
B KZN214 uMuziwabantu	814	12 861	6 730	1 882	3 382	3 341	1 480	1 756	1 789
B KZN215 Ezingolweni	2 634	2 002	5 857	329	917	791	2 184	1 570	1 803
B KZN216 Hibiscus Coast	1 216	3 426	8 893	11 297	13 807	13 362	9 443	14 369	14 272
C DC21 Ugu District Municipality	42 126	49 341	55 276	955	955	955	1 800	200	4 710
Total: uMgungundlovu Municipalities	82 116	132 179	139 128	89 701	130 158	127 311	102 190	116 144	117 961
B KZN221 uMshwathi	11	4	7 822	920	1 725	1 722	1 528	2 474	2 526
B KZN222 uMngeni	1 125	5 272	11 036	4 111	4 980	4 981	4 674	6 904	7 086
B KZN223 Mpofana	25	41	1 704	3 678	5 082	2 669	3 289	3 419	3 466
B KZN224 Impendle	759	-	1 996	540	12 125	12 125	940	1 610	1 643
B KZN225 Msunduzi	36 152	71 576	92 859	78 741	83 190	82 537	89 756	99 414	100 240
B KZN226 Mkhambathini	385	90	2 332	578	1 758	1 978	760	911	936
B KZN227 Richmond	501	8 830	10 466	224	389	390	843	1 212	1 854
C DC22 uMgungundlovu District Municipality	43 158	46 366	10 913	909	20 909	20 909	400	200	210
Total: Uthukela Municipalities	12 444	37 429	63 095	61 028	71 821	69 596	36 758	54 871	61 453
B KZN232 Emnambithi/Ladysmith	4 752	29 151	31 722	15 948	38 536	38 505	15 595	16 882	17 071
B KZN233 Indaka	7	893	1 474	233	993	1 003	1 010	1 737	1 995
B KZN234 Umtshezi	2 954	3 034	8 985	31 205	19 447	18 885	13 872	28 632	28 748
B KZN235 Okhahlamba	236	2 779	8 244	5 017	5 046	3 404	2 515	3 427	3 978
B KZN236 Imbabazane	592	282	1 270	2 137	2 299	2 299	2 316	3 993	4 051
C DC23 Uthukela District Municipality	3 903	1 290	11 400	6 488	5 500	5 500	1 450	200	5 610
Total: Umzinyathi Municipalities	30 467	28 675	60 675	18 216	38 733	39 373	30 457	51 017	47 862
B KZN241 Endumeni	2 983	4 454	22 308	6 175	9 566	9 566	9 757	11 047	11 218
B KZN242 Nquthu	2 860	780	10 026	3 534	15 696	15 678	10 613	10 791	10 859
B KZN244 Msinga	2 098	10 880	10 069	4 378	6 713	6 969	4 015	2 835	2 969
B KZN245 Umvoti	3 816	3 822	3 714	3 910	6 539	6 941	5 672	22 549	22 606
C DC24 Umzinyathi District Municipality	18 710	8 739	14 558	219	219	219	400	3 795	210
Total: Amajuba Municipalities	30 034	33 724	21 281	14 963	19 415	19 076	15 114	22 972	24 772
B KZN252 Newcastle	11 111	24 288	8 587	8 167	10 571	10 571	7 576	14 023	17 465
B KZN253 eMadlangeni	750	550	5 077	686	2 524	2 524	2 537	3 989	4 214
B KZN254 Dannhauser	100	-	788	4 010	4 010	3 671	3 551	2 760	2 883
C DC25 Amajuba District Municipality	18 073	8 886	6 829	2 100	2 310	2 310	1 450	2 200	210
Total: Zululand Municipalities	27 776	25 364	49 365	29 971	51 318	56 077	49 102	43 209	44 824
B KZN261 eDumbe	933	600	9 414	1 498	1 498	2 352	5 481	5 958	6 107
B KZN262 uPhongolo	893	500	2 318	1 244	4 844	6 005	1 269	1 992	2 045
B KZN263 Abaqulusi	587	568	3 150	17 184	9 958	12 992	7 848	20 041	20 701
B KZN265 Nongoma	715	200	1 381	1 822	1 926	1 799	1 994	2 120	2 353
B KZN266 Ulundi	9 160	6 113	8 026	8 223	9 092	1 447	12 110	12 898	13 408
C DC26 Zululand District Municipality	15 488	17 383	25 076	-	24 000	31 482	20 400	200	210
Total: Umkhanyakude Municipalities	26 764	20 784	74 722	16 781	19 850	23 544	19 028	17 292	17 455
B KZN271 Umhlabyalingana	1 129	1 003	12 106	2 867	3 212	6 702	5 551	5 268	5 647
B KZN272 Jozini	700	600	8 596	4 347	5 950	5 951	2 186	2 648	2 707
B KZN273 The Big Five False Bay	1 675	913	2 823	1 846	2 761	2 594	1 725	2 241	2 276
B KZN274 Hlabisa	363	210	8 446	1 718	2 124	2 493	2 419	1 912	1 959
B KZN275 Mtubatuba	827	2 679	12 966	5 354	4 154	4 154	4 247	4 523	4 656
C DC27 Umkhanyakude District Municipality	22 070	15 379	29 785	649	1 649	1 650	2 900	700	210
Total: uThungulu Municipalities	43 416	71 075	56 064	43 621	64 726	77 410	38 778	50 643	51 992
B KZN281 Mbonambi	580	6 707	15 911	272	4 529	7 553	3 424	3 621	3 741
B KZN282 uMhlathuze	9 865	6 691	22 743	31 021	23 990	25 820	26 190	37 958	38 806
B KZN283 Ntambanana	400	731	174	2 016	2 171	2 163	1 516	1 142	1 176
B KZN284 Umlalazi	6 180	6 287	5 002	4 663	6 821	11 364	2 859	3 671	3 840
B KZN285 Mthonjaneni	1 483	2 177	898	1 793	15 793	18 093	2 670	3 102	3 231
B KZN286 Nkandla	325	4 597	8 652	3 527	11 093	12 088	1 719	949	988
C DC28 uThungulu District Municipality	24 583	43 885	2 684	329	329	329	400	200	210
Total: Ilembe Municipalities	26 214	63 186	89 398	31 742	127 798	125 962	59 732	69 553	75 742
B KZN291 Mandeni	1 586	1 471	4 324	5 612	5 750	5 498	5 016	6 462	6 613
B KZN292 KwaDukuza	4 615	5 392	16 887	16 600	82 797	81 741	37 912	40 675	40 836
B KZN293 Ndwedwe	3 813	90	1 399	5 779	7 000	6 473	1 779	1 166	1 300
B KZN294 Maphumulo	400	1 689	3 001	3 751	27 251	27 250	12 575	21 050	21 183
C DC29 Ilembe District Municipality	15 800	54 544	63 787	-	5 000	5 000	2 450	200	5 810
Total: Sisonke Municipalities	70 474	71 518	66 823	14 700	79 624	80 804	16 159	21 465	20 273
B KZN431 Ingwe	823	-	1 188	668	10 818	11 315	1 827	1 276	1 326
B KZN432 Kwa Sani	100	1 289	1 376	849	10 922	10 922	854	1 130	1 142
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 Ubulhebezwe	2 774	-	5 375	6 110	13 365	13 800	6 353	9 128	9 305
B KZN435 Umzimkulu	659	5 890	6 780	3 302	9 287	10 184	2 584	3 217	3 250
C DC43 Sisonke District Municipality	21 650	7 283	1 933	3 771	8 190	7 542	4 141	5 014	5 040
Unallocated/unclassified	24	-	-	-	212	442	1 200	20 570	21 532
Total	1 114 021	1 177 731	1 441 062	1 296 098	1 226 864	1 157 621	1 255 907	1 446 075	1 486 619

Table 1.E(a): Payments and estimates by policy area

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
GENERAL PUBLIC SERVICES	3 222 729	3 467 704	3 693 472	4 100 602	4 158 989	4 108 282	4 408 815	4 629 441	4 892 625
Executive & Legislative	450 358	494 606	528 764	639 327	669 101	669 372	686 814	723 853	755 341
Office of the Premier	17 259	29 399	28 260	33 458	37 958	37 958	37 592	39 680	42 080
Prov. Legislature (incl. statutory payments & ministries)	385 246	424 800	449 877	550 841	570 500	570 771	589 656	619 970	657 927
The Royal Household	47 853	40 407	50 627	55 028	60 643	60 643	59 566	64 203	55 334
General Services	2 311 448	2 564 806	2 814 811	2 964 898	3 048 111	3 042 796	3 235 454	3 394 592	3 599 115
Office of the Premier	370 989	352 715	358 859	396 253	411 753	459 253	494 773	506 392	544 723
Transport	219 682	417 403	351 585	235 616	235 616	235 616	247 391	265 973	284 987
Public Works	724 978	788 826	1 107 434	1 210 845	1 258 378	1 205 563	1 301 620	1 377 089	1 449 861
Co-operative Governance and Traditional Affairs	993 968	1 003 893	993 847	1 118 194	1 138 374	1 138 374	1 187 070	1 239 911	1 314 004
Agriculture, Environmental Affairs & Rural Dev	1 831	1 969	3 086	3 990	3 990	3 990	4 600	5 227	5 540
Financial and Fiscal Services	460 923	408 292	349 897	496 377	441 777	396 114	486 547	510 996	538 169
Provincial Treasury	460 923	408 292	349 897	496 377	441 777	396 114	486 547	510 996	538 169
PUBLIC ORDER AND SAFETY	553 510	604 972	646 884	769 348	759 348	759 348	832 130	893 820	951 267
Police Services	109 287	125 272	129 186	150 139	150 139	150 139	161 334	169 280	180 251
Community Safety and Liaison	109 287	125 272	129 186	150 139	150 139	150 139	161 334	169 280	180 251
Traffic Control	444 223	479 700	517 698	619 209	609 209	609 209	670 796	724 540	771 016
Transport	444 223	479 700	517 698	619 209	609 209	609 209	670 796	724 540	771 016
EDUCATION	23 436 459	26 702 112	29 235 391	33 181 138	33 819 177	34 864 223	35 402 859	37 861 369	40 267 170
Pre-primary and Primary phases	11 383 113	13 126 257	14 348 175	15 729 642	15 982 222	16 829 793	16 816 350	18 098 989	19 362 009
Education	11 383 113	13 126 257	14 348 175	15 729 642	15 982 222	16 829 793	16 816 350	18 098 989	19 362 009
Secondary Education Phase	7 424 078	8 604 297	9 617 775	11 113 785	11 317 043	11 414 003	11 723 558	12 489 374	13 204 027
Education	7 424 078	8 604 297	9 617 775	11 113 785	11 317 043	11 414 003	11 723 558	12 489 374	13 204 027
Education Services not defined by level	1 835 676	1 931 033	2 047 376	2 585 804	2 644 486	2 672 993	2 819 268	3 020 504	3 199 631
Agriculture, Environmental Affairs & Rural Dev	56 341	58 217	52 491	79 391	116 050	116 050	120 648	135 390	143 266
Education	1 380 660	1 448 305	1 540 363	1 999 221	2 028 347	2 084 365	2 155 912	2 292 530	2 426 751
Health	398 675	424 511	454 522	507 192	500 089	472 578	542 708	592 584	629 614
Subsidiary Services to Education	2 793 592	3 040 525	3 222 065	3 751 907	3 875 426	3 947 434	4 043 683	4 252 502	4 501 503
Education	2 793 592	3 040 525	3 222 065	3 751 907	3 875 426	3 947 434	4 043 683	4 252 502	4 501 503
HEALTH	16 690 644	19 912 324	20 266 012	23 961 172	24 151 499	23 973 641	25 992 324	27 895 866	29 894 009
Outpatient Services	4 392 664	5 381 885	5 500 613	7 085 138	6 499 118	6 430 286	7 298 687	8 073 131	8 789 518
Health	4 392 664	5 381 885	5 500 613	7 085 138	6 499 118	6 430 286	7 298 687	8 073 131	8 789 518
Hospital Services	12 297 980	14 530 439	14 765 399	16 876 034	17 652 381	17 543 355	18 693 637	19 822 735	21 104 491
Health	12 297 980	14 530 439	14 765 399	16 876 034	17 652 381	17 543 355	18 693 637	19 822 735	21 104 491
SOCIAL PROTECTION	1 221 705	1 349 437	1 403 519	1 938 496	1 938 496	1 815 725	2 033 366	2 278 740	2 385 295
Social Services and Population Development	1 221 705	1 349 437	1 403 519	1 938 496	1 938 496	1 815 725	2 033 366	2 278 740	2 385 295
Social Development	1 221 705	1 349 437	1 403 519	1 938 496	1 938 496	1 815 725	2 033 366	2 278 740	2 385 295
HOUSING AND COMMUNITY AMENITIES	1 876 146	2 492 647	3 089 237	3 053 315	3 084 991	3 084 991	3 300 935	3 465 289	3 641 059
Housing Development	1 876 146	2 492 647	3 089 237	3 053 315	3 084 991	3 084 991	3 300 935	3 465 289	3 641 059
Human Settlements	1 876 146	2 492 647	3 089 237	3 053 315	3 084 991	3 084 991	3 300 935	3 465 289	3 641 059
ENVIRONMENTAL PROTECTION	510 184	586 370	634 476	704 501	718 010	718 010	750 127	836 266	887 037
Environmental Protection	510 184	586 370	634 476	704 501	718 010	718 010	750 127	836 266	887 037
Agriculture, Environmental Affairs and Rural Dev	510 184	586 370	634 476	704 501	718 010	718 010	750 127	836 266	887 037
RECREATION, CULTURE AND RELIGION	527 198	535 250	652 550	755 029	759 925	759 925	899 868	1 064 750	1 138 255
Sporting and Recreational Affairs	527 198	535 250	652 550	755 029	759 925	759 925	899 868	1 064 750	1 138 255
Sport and Recreation	206 985	237 971	276 740	358 333	358 333	358 333	377 288	397 223	420 696
Arts and Culture	244 619	250 290	339 122	355 302	360 198	360 198	460 345	601 845	647 936
Office of the Premier	75 594	46 989	36 688	41 394	41 394	41 394	62 235	65 682	69 623
ECONOMIC AFFAIRS	7 490 117	8 158 468	8 052 986	8 836 410	8 996 600	8 990 209	9 951 036	10 509 492	11 644 220
General Economic Affairs	1 967 832	2 588 437	1 632 145	1 472 796	1 597 673	1 591 282	1 701 857	1 886 879	2 027 131
Economic Development and Tourism	1 766 565	2 409 524	1 607 509	1 460 272	1 551 611	1 545 220	1 613 448	1 833 397	1 972 900
Provincial Treasury	201 267	178 913	24 636	12 524	46 062	46 062	88 409	53 482	54 231
Agriculture	1 169 839	1 312 136	1 342 197	1 658 164	1 629 162	1 629 162	1 763 079	1 864 841	1 965 881
Agriculture, Environmental Affairs and Rural Dev	1 169 839	1 312 136	1 342 197	1 658 164	1 629 162	1 629 162	1 763 079	1 864 841	1 965 881
Transport	4 352 446	4 257 895	5 078 644	5 705 450	5 769 765	5 769 765	6 486 100	6 757 772	7 651 208
Transport	4 352 446	4 257 895	5 078 644	5 705 450	5 769 765	5 769 765	6 486 100	6 757 772	7 651 208
Total for all functions	55 528 692	63 809 284	67 674 527	77 300 011	78 387 035	79 074 354	83 571 460	89 435 033	95 700 937

Table 1 E (b): Details of function

Function	Category	Department	Programme
General Public Services	Legislative	Office of the Premier Provincial Legislature	Administration Administration Parliamentary Services Facilities for Members & Political Parties Members Remuneration Office of the MEC Support Services - His Majesty the King Royal Household Planning and Development His Majesty, the King's Farms
		All departments The Royal Household	
	General Services	Office of the Premier	Administration Institutional Development Policy and Governance
		Transport Public Works	Administration Administration Real Estate Provision of Buildings, Structures & Equipmt.
	General Policy & Administration	Co-operative Governance and Traditional Affairs	Administration Local Governance Development and Planning Traditional Institutional Management Urban and Rural Development Systems and Institutional Development Conservation
Public Order & Safety	Police Services	Community Safety & Liaison	Administration Civilian Oversight Crime Prevention & Community Police Relations Transport Regulation
	Traffic control	Transport	
	Pre-primary & Primary Phases	Education	Public Ordinary School Education Early Childhood Development
	Secondary Education Phase	Education	Public Ordinary School Education
Education	Education Services not defined by level	Education	Further Education & Training Adult Basic Education & Training Public Special School Education Independent School Subsidies
			Agric Dev Services (Structured Agric Training) Health Sciences & Training
	Subsidiary services to education	Education	Administration Public Ordinary School Education Public Special School Education
			Further Education & Training Early Childhood Development Auxiliary & Associated Services
Health	Outpatient services n.e.c	Health	District Health Services Health Facilities Management
	Hospital Services	Health	Administration District Health Services Emergency Medical Services Provincial Hospital Services Central Hospital Services Health Sciences & Training Health Care Support Services Health Facilities Management
Social Protection	Social Security Services	Social Development	
	Social Services and Population Development	Social Development	Administration Social Welfare Services Development and Research
Housing & Community Amenities	Housing Development	Human Settlements	Administration Housing Needs, Research and Planning Housing Development Housing Asset Management, Property Mgt.
Environmental Protection	Environmental Protection	Agric, Enviro Affairs & Rural Dev	Environmental Management Conservation
Recreational, Culture and Religion	Sporting and recreational affairs services	Sport and Recreation	Administration Sport and Recreation
		Arts and Culture	Administration Cultural Affairs Libraries and Archive Services Institutional Development
Economic Affairs	General Economic Affairs	Office of the Premier	
		Economic Development & Tourism	Administration Integrated Econ Dev Services Trade and Sector Development Business Regulation and Governance Economic Planning Growth and Development
	Agriculture	Provincial Treasury	
		Agric, Enviro Affairs & Rural Dev	Administration Agricultural Development Services
	Transport	Transport	Transport Infrastructure Transport Operations Community Based Programme

Table 1.F: Donor funding and agency receipts

Name of Donor Organisation	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
R thousand									
Donor funding	203 843	95 516	119 789	57 869	58 439	58 908	21 081	21 081	-
Office of the Premier	-	-	19 841	19 841	19 841	19 841	19 766	19 766	-
National Skills Fund	-	-	19 766	19 766	19 766	19 766	19 766	19 766	-
PSETA	-	-	75	75	75	75	-	-	-
Provincial Legislature	1 003	-	-	-	-	-	-	-	-
European Union: Legislature Support Prog.	1 003	-	-	-	-	-	-	-	-
Agriculture, Enviro Affairs and Rural Development	11 509	19 474	22 276	19 349	19 349	33 619	1 315	1 315	-
Danida	-	-	2 950	-	-	-	-	-	-
Dutch funding (NUFFIC)	-	812	-	-	-	-	-	-	-
Flemish government	11 509	16 402	16 131	16 131	16 131	31 414	-	-	-
World Health Organisation (Rabies project)	-	2 049	3 195	3 218	3 218	2 205	1 315	1 315	-
EU - Gijima project	-	211	-	-	-	-	-	-	-
Economic Development and Tourism	55 043	31 291	42 626	18 679	18 679	1 171	-	-	-
European Union - Gijima	55 043	31 291	42 626	18 679	18 679	1 171	-	-	-
Education	29 999	-	31 709	-	-	-	-	-	-
Royal Netherlands Embassy	29 999	-	31 709	-	-	-	-	-	-
Health	91 985	36 072	1 294	-	-	3 707	-	-	-
Atlantic Philanthropies	6 000	6 000	-	-	-	-	-	-	-
Bayer Health Care: Greys	10	-	-	-	-	-	-	-	-
Ben Booyesen	-	-	1	-	-	-	-	-	-
Canadian HIV Trials Network (Edendale)	71	-	-	-	-	-	-	-	-
CMC DI Ravenna	-	-	150	-	-	-	-	-	-
COGTA	-	-	-	-	-	3 500	-	-	-
Conforth Investments (IALCH)	-	-	-	-	-	70	-	-	-
European Union PHC	20 160	9 318	101	-	-	-	-	-	-
Global fund for HIV and AIDS patients	64 194	17 353	-	-	-	-	-	-	-
HWSETA Learnership - Head Office	280	-	-	-	-	-	-	-	-
HWSETA Learnership - HIV/AIDS Support	-	-	76	-	-	-	-	-	-
HWSETA Learnership - Mseleni and Mosvold	441	42	-	-	-	-	-	-	-
HWSETA Learnership - St Aiden's	115	263	63	-	-	-	-	-	-
Impumelelo Trust Innovation	40	-	-	-	-	-	-	-	-
S.A. Breweries	-	-	100	-	-	-	-	-	-
UNICEF: ilembe District	-	3 000	-	-	-	-	-	-	-
Human Settlements	604	-	-	-	-	-	-	-	-
Flanders: Housing Pilot Project	604	-	-	-	-	-	-	-	-
Co-operative Governance and Traditional Affairs	13 700	8 679	2 043	-	570	570	-	-	-
Development Bank of SA	13 700	8 679	2 043	-	570	570	-	-	-
Agency receipt	776 514	44 835	17 454	7 420	7 420	7 420	7 858	8 290	8 290
Office of the Premier	34 541	38 639	10 034	-	-	-	-	-	-
Department of Labour - Literacy Programme	34 541	38 639	10 034	-	-	-	-	-	-
Transport	741 973	6 196	7 420	7 420	7 420	7 420	7 858	8 290	8 290
Bus Subsidies (NDoT)	731 800	-	-	-	-	-	-	-	-
South African Road Agency Limited (SANRAL)	10 173	6 196	7 420	7 420	7 420	7 420	7 858	8 290	8 290
Total	980 357	140 351	137 243	65 289	65 859	66 328	28 939	29 371	8 290

Table 1.G(i): Details of transfers to local government: 2012/13

Municipality	Vote 3	Vote 4	Vote 6		Vote 7	Vote 8				Vote 11						Vote 14	Vote 15			Vote 16	Total
R thousand	3.1	4.1	6.1	6.2	7.1	8.1	8.2	8.3	8.4	11.1	11.2	11.3	11.4	11.5	11.6	14.1	15.1	15.2	15.3	16.1	
eThekweni	-	-	-	-	69 573	150 570	14 000	167 240	3 111	-	-	-	-	-	-	366 168	15 500	4 547	73 316	-	864 025
Ugu Municipalities	-	-	-	-	-	-	-	-	-	-	200	-	-	1 400	400	13 224	905	268	5 617	1 350	23 364
Vulamehlo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 288	-	-	-	150	1 438
Umdoni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 519	287	-	1 960	-	4 766
Umzumbe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 103	-	-	-	150	2 253
uMuziwabantu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 129	106	-	245	-	1 480
Ezinqoleni	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	588	101	-	245	1 050	2 184
Hibiscus Coast	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5 597	411	268	3 167	-	9 443
Ugu DM	-	-	-	-	-	-	-	-	-	-	-	-	-	1 400	400	-	-	-	-	-	1 800
uMgungundlovu Municipalities	-	-	16 027	3 288	3 271	3 000	6 000	-	-	-	200	-	-	-	400	52 949	1 623	589	12 443	2 400	102 190
uMshwathi	-	-	-	-	124	-	-	-	-	-	-	-	-	-	-	950	-	-	454	-	1 528
uMngeni	-	-	-	-	353	-	-	-	-	-	-	-	-	-	-	2 569	207	134	1 411	-	4 674
Mpofana	-	-	-	-	257	-	-	-	-	-	-	-	-	-	-	2 562	-	134	336	-	3 289
Impendle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	455	90	-	245	150	940
Msunduzi	-	-	16 027	3 288	2 537	3 000	6 000	-	-	-	-	-	-	-	-	45 841	1 135	321	9 507	2 100	89 756
Mkhambathini	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	327	106	-	177	150	760
Richmond	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	245	85	-	313	-	843
uMgungundlovu DM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400	-	-	-	-	-	400
Uthukela Municipalities	-	-	-	-	-	3 960	-	-	-	-	-	500	-	-	400	26 548	526	402	3 222	1 200	36 758
Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-	-	-	500	-	-	-	13 321	120	134	1 520	-	15 595
Indaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	675	90	-	245	-	1 010
Umtshezi	-	-	-	-	-	3 960	-	-	-	-	-	-	-	-	-	8 778	106	134	894	-	13 872
Okhahlamba	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 954	109	134	318	-	2 515
Imbabazane	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 820	101	-	245	150	2 316
Uthukela DM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400	-	-	-	-	1 050	1 450
Umzinyathi Municipalities	-	-	-	-	-	3 000	-	-	-	950	200	-	-	-	400	19 363	649	455	2 350	3 090	30 457
Endumeni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8 000	202	321	1 234	-	9 757
Nqutu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8 002	231	-	490	1 890	10 613
Msinga	-	-	-	-	-	-	-	-	-	950	200	-	-	-	-	1 455	115	-	245	1 050	4 015
Umvoti	-	-	-	-	-	3 000	-	-	-	-	-	-	-	-	-	1 906	101	134	381	150	5 672
Umzinyathi DM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400	-	-	-	-	-	400
Amajuba Municipalities	-	-	-	-	-	-	-	-	-	-	200	-	-	-	400	8 925	488	268	2 583	2 250	15 114
Newcastle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 704	308	268	2 246	1 050	7 576
eMadlangeni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 120	90	-	177	150	2 537
Dannhauser	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	3 101	90	-	160	-	3 551
Amajuba DM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400	-	-	-	-	1 050	1 450
Zululand Municipalities	-	-	20 000	-	-	3 960	-	-	-	950	200	500	-	-	400	19 425	615	134	2 618	300	49 102
eDumbe	-	-	-	-	-	-	-	-	-	950	200	-	-	-	-	3 849	101	-	381	-	5 481
uPhongolo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	746	101	-	422	-	1 269
Abaqulusi	-	-	-	-	-	3 960	-	-	-	-	-	500	-	-	-	1 823	197	134	1 234	-	7 848
Nongoma	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 498	101	-	245	150	1 994
Ulundi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11 509	115	-	336	150	12 110
Zululand DM	-	-	20 000	-	-	-	-	-	-	-	-	-	-	-	400	-	-	-	-	-	20 400
Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-	-	200	-	-	2 500	400	7 221	514	-	5 853	2 340	19 028
Umhlabyalingana	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	3 628	90	-	1 483	150	5 551
Jozini	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 000	106	-	930	150	2 186
The Big 5 False Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	975	-	-	600	150	1 725
Hlabisa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	533	106	-	730	1 050	2 419
Mtubatuba	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 085	212	-	2 110	840	4 247
Umkhanyakude DM	-	-	-	-	-	-	-	-	-	-	-	-	-	2 500	400	-	-	-	-	-	2 900

Overview of Provincial Revenue and Expenditure

Table 1.G(i): Details of transfers to local government: 2012/13 (cont.)

Municipality	Vote 3	Vote 4	Vote 6		Vote 7	Vote 8				Vote 11						Vote 14	Vote 15			Vote 16	Total
R thousand	3.1	4.1	6.1	6.2	7.1	8.1	8.2	8.3	8.4	11.1	11.2	11.3	11.4	11.5	11.6	14.1	15.1	15.2	15.3	16.1	
uThungulu Municipalities	-	1 800	-	-	9 948	8 925	-	-	-	-	200	500	-	-	400	9 286	1 257	268	4 994	1 200	38 778
Umfolozi	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	3 047	-	-	177	-	3 424
uMhlathuze	-	-	-	-	9 311	8 925	-	-	-	-	-	-	-	-	-	4 415	621	134	2 784	-	26 190
Ntambanana	-	-	-	-	-	-	-	-	-	-	-	500	-	-	-	536	85	-	245	150	1 516
uMlalazi	-	-	-	-	637	-	-	-	-	-	-	-	-	-	-	574	216	134	1 298	-	2 859
Mthonjaneni	-	1 800	-	-	-	-	-	-	-	-	-	-	-	-	-	500	125	-	245	-	2 670
Nkandla	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	214	210	-	245	1 050	1 719
uThungulu DM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400	-	-	-	-	-	400
Ilembe Municipalities	-	1 716	-	-	1 501	29 825	-	-	-	100	400	-	-	1 000	400	20 123	327	134	2 016	2 190	59 732
Mandeni	-	1 716	-	-	296	-	-	-	-	-	-	-	-	-	-	2 263	101	-	490	150	5 016
KwaDukuza	-	-	-	-	1 205	29 825	-	-	-	-	-	-	-	-	-	5 211	106	134	1 281	150	37 912
Ndwedwe	-	-	-	-	-	-	-	-	-	100	200	-	-	-	-	274	120	-	245	840	1 779
Maphumulo	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	12 375	-	-	-	-	12 575
Ilembe DM	-	-	-	-	-	-	-	-	-	-	-	-	-	1 000	400	-	-	-	-	1 050	2 450
Sisonke Municipalities	-	-	-	-	-	-	-	-	-	-	200	500	-	-	400	10 848	628	-	1 543	2 040	16 159
Ingwe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	276	120	-	381	1 050	1 827
Kwa Sani	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	605	90	-	159	-	854
Matatiele	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Greater Kokstad	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	5 225	197	-	581	150	6 353
Ubuhlebezwe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 393	106	-	245	840	2 584
Umzimkulu	-	-	-	-	-	-	-	-	-	-	-	500	-	-	-	3 349	115	-	177	-	4 141
Sisonke DM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400	-	-	-	-	-	400
Unallocated/unclassified	1 000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	1 200
Total	1 000	3 516	36 027	3 288	84 293	203 240	20 000	167 240	3 111	2 000	2 000	2 000	-	4 900	4 000	554 280	23 032	7 065	116 555	18 360	1 255 907

Key	Grant Name	Key	Grant Name
3.1	Greenest Municipality Competition	11.3	Operational support for Thusong Service Centres
4.1	Joint Project Funding	11.4	IDP Support
6.1	Upgrading of airports	11.5	Community Development Projects
6.2	Development of airports	11.6	District Growth Development Summit
7.1	Subsidy: Municipal Clinics	14.1	Property Rates
8.1	CRU Programme	15.1	Community Library Services grant
8.2	Municipal Rates and Taxes	15.2	Museum subsidies
8.3	Maintenance of R293 Hostels & EEDBS	15.3	Provincialisation of libraries
8.4	Transfer of R293 staff	16.1	Infrastructure
11.1	Development Planning Shared Services		
11.2	Community Participation in IDPs (LAPs)		

Table 1.G(ii): Details of transfers to local government: 2013/14

Municipality	Vote 3	Vote 4	Vote 6		Vote 7	Vote 8				Vote 11						Vote 14	Vote 15			Vote 16	Total
R thousand	3.1	4.1	6.1	6.2	7.1	8.1	8.2	8.3	8.4	11.1	11.2	11.3	11.4	11.5	11.6	14.1	15.1	15.2	15.3	16.1	
eThekweni	-	-	-	-	73 051	240 000	14 967	80 000	3 326	-	-	-	-	-	-	364 461	12 000	4 865	153 964	-	946 634
Ugu Municipalities	-	-	-	-	-	-	-	-	-	200	200	500	-	-	-	16 574	1 123	286	12 822	-	31 705
Vulamehlo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 089	85	-	514	-	2 688
Umdoni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 000	303	-	4 116	-	7 419
Umkhumbi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 104	85	-	514	-	3 703
uMuziwabantu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 131	111	-	514	-	1 756
Ezinqoleni	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	750	106	-	514	-	1 570
Hibiscus Coast	-	-	-	-	-	-	-	-	-	-	-	500	-	-	-	6 500	433	286	6 650	-	14 369
Ugu DM	-	-	-	-	-	-	-	-	-	200	-	-	-	-	-	-	-	-	-	-	200
uMgungundlovu Municipalities	-	-	-	4 000	-	14 606	6 414	5 000	-	200	200	-	-	-	-	57 208	1 756	629	26 131	-	116 144
uMshwathi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 521	-	-	953	-	2 474
uMngeni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 581	217	143	2 963	-	6 904
Mpofana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 571	-	143	705	-	3 419
Impendle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 000	96	-	514	-	1 610
Msunduzi	-	-	-	4 000	-	14 606	6 414	5 000	-	-	-	-	-	-	-	47 841	1 242	343	19 968	-	99 414
Mkhambathini	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	429	111	-	371	-	911
Richmond	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	265	90	-	657	-	1 212
uMgungundlovu DM	-	-	-	-	-	-	-	-	-	200	-	-	-	-	-	-	-	-	-	-	200
Uthukela Municipalities	-	-	-	-	-	15 000	-	-	-	200	-	-	-	-	-	31 019	555	429	7 668	-	54 871
Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13 421	126	143	3 192	-	16 882
Indaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	677	96	-	964	-	1 737
Umtshezi	-	-	-	-	-	15 000	-	-	-	-	-	-	-	-	-	11 500	111	143	1 878	-	28 632
Okhahlamba	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 500	116	143	668	-	3 427
Imbabazane	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 921	106	-	966	-	3 993
Uthukela DM	-	-	-	-	-	-	-	-	-	200	-	-	-	-	-	-	-	-	-	-	200
Umkhanyakude Municipalities	-	-	-	-	-	15 000	-	4 000	-	200	200	-	-	3 595	-	21 923	681	486	4 932	-	51 017
Endumeni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7 902	212	343	2 590	-	11 047
Nqutu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9 521	242	-	1 028	-	10 791
Msinga	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	2 000	121	-	514	-	2 835
Umvoti	-	-	-	-	-	15 000	-	4 000	-	-	-	-	-	-	-	2 500	106	143	800	-	22 549
Umkhanyakude DM	-	-	-	-	-	-	-	-	-	200	-	-	-	3 595	-	-	-	-	-	-	3 795
Amajuba Municipalities	-	-	-	-	-	-	-	4 197	-	200	200	500	-	1 500	-	10 150	515	286	5 424	-	22 972
Newcastle	-	-	-	-	-	-	-	4 197	-	-	-	-	-	-	-	4 501	323	286	4 716	-	14 023
eMadlangeni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 521	96	-	372	-	3 989
Dannhauser	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	2 128	96	-	336	-	2 760
Amajuba DM	-	-	-	-	-	-	-	-	-	200	-	500	-	1 500	-	-	-	-	-	-	2 200
Zululand Municipalities	-	-	-	-	-	15 000	-	-	-	200	200	-	-	-	-	21 522	646	143	5 498	-	43 209
eDumbe	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	4 852	106	-	800	-	5 958
uPhongolo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 000	106	-	886	-	1 992
Abaqulusi	-	-	-	-	-	15 000	-	-	-	-	-	-	-	-	-	2 099	207	143	2 592	-	20 041
Nongoma	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 500	106	-	514	-	2 120
Ulundi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12 071	121	-	706	-	12 898
Zululand DM	-	-	-	-	-	-	-	-	-	200	-	-	-	-	-	-	-	-	-	-	200
Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-	200	200	500	-	-	-	9 923	540	-	5 929	-	17 292
Umkhanyakude DM	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	3 630	96	-	1 342	-	5 268
Jozini	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 561	111	-	976	-	2 648
The Big 5 False Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 611	-	-	630	-	2 241
Hlabisa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 035	111	-	766	-	1 912
Mtubatuba	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 086	222	-	2 215	-	4 523
Umkhanyakude DM	-	-	-	-	-	-	-	-	-	200	-	500	-	-	-	-	-	-	-	-	700

Overview of Provincial Revenue and Expenditure

Table 1.G(ii): Details of transfers to local government: 2013/14 (cont.)

Municipality	Vote 3	Vote 4	Vote 6		Vote 7	Vote 8				Vote 11						Vote 14	Vote 15			Vote 16	Total
R thousand	3.1	4.1	6.1	6.2	7.1	8.1	8.2	8.3	8.4	11.1	11.2	11.3	11.4	11.5	11.6	14.1	15.1	15.2	15.3	16.1	
uThungulu Municipalities	-	1 890	-	-	9 777	15 000	-	-	-	200	200	-	-	-	-	11 485	1 319	286	10 486	-	50 643
Umfolozi	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	3 049	-	-	372	-	3 621
uMhlathuze	-	-	-	-	9 777	15 000	-	-	-	-	-	-	-	-	-	6 541	651	143	5 846	-	37 958
Ntambanana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	538	90	-	514	-	1 142
uMlalazi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	575	227	143	2 726	-	3 671
Mthonjaneni	-	1 890	-	-	-	-	-	-	-	-	-	-	-	-	-	567	131	-	514	-	3 102
Nkandla	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	215	220	-	514	-	949
uThungulu DM	-	-	-	-	-	-	-	-	-	200	-	-	-	-	-	-	-	-	-	-	200
Ilembe Municipalities	-	1 802	-	-	-	30 000	-	-	-	200	400	500	-	-	-	31 334	428	143	4 746	-	69 553
Mandeni	-	1 802	-	-	-	-	-	-	-	-	-	-	-	-	-	3 526	106	-	1 028	-	6 462
KwaDukuza	-	-	-	-	-	30 000	-	-	-	-	-	500	-	-	-	7 231	111	143	2 690	-	40 675
Ndwedwe	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	326	126	-	514	-	1 166
Maphumulo	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	20 251	85	-	514	-	21 050
Ilembe DM	-	-	-	-	-	-	-	-	-	200	-	-	-	-	-	-	-	-	-	-	200
Sisonke Municipalities	-	-	-	-	-	-	-	-	-	200	200	-	-	1 500	-	15 663	661	-	3 241	-	21 465
Ingwe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	350	126	-	800	-	1 276
Kwa Sani	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	700	96	-	334	-	1 130
Matatiele	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Greater Kokstad	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	7 500	207	-	1 221	-	9 128
Ubuhlebezwe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 592	111	-	514	-	3 217
Umkhumbi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4 521	121	-	372	-	5 014
Sisonke DM	-	-	-	-	-	-	-	-	-	200	-	-	-	1 500	-	-	-	-	-	-	1 700
Unallocated/unclassified	1 000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200	-	-	-	19 370	20 570
Total	1 000	3 692	-	4 000	82 828	344 606	21 381	93 197	3 326	2 000	2 000	2 000	-	6 595	-	591 462	20 224	7 553	240 841	19 370	1 446 075

Key	Grant Name	Key	Grant Name
3.1	Greenest Municipality Competition	11.3	Operational support for Thusong Service Centres
4.1	Joint Project Funding	11.4	IDP Support
6.1	Upgrading of airports	11.5	Community Development Projects
6.2	Development of airports	11.6	District Growth Development Summit
7.1	Subsidy: Municipal Clinics	14.1	Property Rates
8.1	CRU Programme	15.1	Community Library Services grant
8.2	Municipal Rates and Taxes	15.2	Museum subsidies
8.3	Maintenance of R293 Hostels & EEDBS	15.3	Provincialisation of libraries
8.4	Transfer of R293 staff	16.1	Infrastructure
11.1	Development Planning Shared Services		
11.2	Community Participation in IDPs (LAPs)		

Table 1.G(iii): Details of transfers to local government: 2014/15

Municipality	Vote 3	Vote 4	Vote 6		Vote 7	Vote 8				Vote 11						Vote 14	Vote 15			Vote 16	Total
R thousand	3.1	4.1	6.1	6.2	7.1	8.1	8.2	8.3	8.4	11.1	11.2	11.3	11.4	11.5	11.6	14.1	15.1	15.2	15.3	16.1	
eThekweni	-	-	-	-	76 703	212 000	14 967	85 000	-	-	-	-	-	-	-	397 840	12 000	5 133	162 419	-	966 062
Ugu Municipalities	-	-	-	-	-	-	-	-	-	210	300	-	100	4 500	-	16 574	1 179	302	13 526	-	36 691
Vulamehlo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 089	90	-	542	-	2 721
Umdoni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 000	318	-	4 342	-	7 660
Umkhumbi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 104	90	-	542	-	3 736
uMuziwabantu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 131	116	-	542	-	1 789
Ezinqoleni	-	-	-	-	-	-	-	-	-	-	300	-	100	-	-	750	111	-	542	-	1 803
Hibiscus Coast	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6 500	454	302	7 016	-	14 272
Ugu DM	-	-	-	-	-	-	-	-	-	210	-	-	-	4 500	-	-	-	-	-	-	4 710
uMgungundlovu Municipalities	-	-	-	4 300	-	14 104	6 414	5 000	-	210	300	500	-	-	-	57 208	1 684	664	27 577	-	117 961
uMshwathi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 521	-	-	1 005	-	2 526
uMngeni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 581	228	151	3 126	-	7 086
Mpofana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 571	-	151	744	-	3 466
Impendle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 000	101	-	542	-	1 643
Msunduzi	-	-	-	4 300	-	14 104	6 414	5 000	-	-	-	-	-	-	-	47 841	1 143	362	21 076	-	100 240
Mkhambathini	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	429	116	-	391	-	936
Richmond	-	-	-	-	-	-	-	-	-	-	300	500	-	-	-	265	96	-	693	-	1 854
uMgungundlovu DM	-	-	-	-	-	-	-	-	-	210	-	-	-	-	-	-	-	-	-	-	210
Uthukela Municipalities	-	-	-	-	-	15 000	-	-	-	210	-	500	200	5 400	-	31 019	582	453	8 089	-	61 453
Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13 421	132	151	3 367	-	17 071
Indaka	-	-	-	-	-	-	-	-	-	-	-	-	200	-	-	677	101	-	1 017	-	1 995
Umtshezi	-	-	-	-	-	15 000	-	-	-	-	-	-	-	-	-	11 500	116	151	1 981	-	28 748
Okhahlamba	-	-	-	-	-	-	-	-	-	-	-	500	-	-	-	2 500	122	151	705	-	3 978
Imbabazane	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 921	111	-	1 019	-	4 051
Uthukela DM	-	-	-	-	-	-	-	-	-	210	-	-	-	5 400	-	-	-	-	-	-	5 610
Umkhanyakade Municipalities	-	-	-	-	-	15 000	-	4 000	-	210	300	-	-	-	-	21 923	714	513	5 202	-	47 862
Endumeni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7 902	222	362	2 732	-	11 218
Nqutu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9 521	254	-	1 084	-	10 859
Msinga	-	-	-	-	-	-	-	-	-	-	300	-	-	-	-	2 000	127	-	542	-	2 969
Umvoti	-	-	-	-	-	15 000	-	4 000	-	-	-	-	-	-	-	2 500	111	151	844	-	22 606
Umkhanyakade DM	-	-	-	-	-	-	-	-	-	210	-	-	-	-	-	-	-	-	-	-	210
Amajuba Municipalities	-	-	-	-	-	-	-	7 349	-	210	300	-	200	-	-	10 150	540	302	5 721	-	24 772
Newcastle	-	-	-	-	-	-	-	7 349	-	-	-	-	-	-	-	4 501	338	302	4 975	-	17 465
eMadlangeni	-	-	-	-	-	-	-	-	-	-	-	-	200	-	-	3 521	101	-	392	-	4 214
Dannhauser	-	-	-	-	-	-	-	-	-	-	300	-	-	-	-	2 128	101	-	354	-	2 883
Amajuba DM	-	-	-	-	-	-	-	-	-	210	-	-	-	-	-	-	-	-	-	-	210
Zululand Municipalities	-	-	-	-	-	15 000	-	-	-	210	300	500	200	-	-	21 987	677	151	5 799	-	44 824
eDumbe	-	-	-	-	-	-	-	-	-	-	300	-	-	-	-	4 852	111	-	844	-	6 107
uPhongolo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 000	111	-	934	-	2 045
Abaqulusi	-	-	-	-	-	15 000	-	-	-	-	-	500	-	-	-	2 099	217	151	2 734	-	20 701
Nongoma	-	-	-	-	-	-	-	-	-	-	-	-	200	-	-	1 500	111	-	542	-	2 353
Ulundi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12 536	127	-	745	-	13 408
Zululand DM	-	-	-	-	-	-	-	-	-	210	-	-	-	-	-	-	-	-	-	-	210
Umkhanyakade Municipalities	-	-	-	-	-	-	-	-	-	210	300	-	200	-	-	9 923	566	-	6 256	-	17 455
Umkhanyakade DM	-	-	-	-	-	-	-	-	-	-	300	-	200	-	-	3 630	101	-	1 416	-	5 647
Jozini	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 561	116	-	1 030	-	2 707
The Big 5 False Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 611	-	-	665	-	2 276
Hlabisa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 035	116	-	808	-	1 959
Mtubatuba	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 086	233	-	2 337	-	4 656
Umkhanyakade DM	-	-	-	-	-	-	-	-	-	210	-	-	-	-	-	-	-	-	-	-	210

Overview of Provincial Revenue and Expenditure

Table 1.G(iii): Details of transfers to local government: 2014/15 (cont.)

Municipality	Vote 3	Vote 4	Vote 6		Vote 7	Vote 8				Vote 11						Vote 14	Vote 15			Vote 16	Total
R thousand	3.1	4.1	6.1	6.2	7.1	8.1	8.2	8.3	8.4	11.1	11.2	11.3	11.4	11.5	11.6	14.1	15.1	15.2	15.3	16.1	
uThungulu Municipalities	-	1 985	-	-	10 266	15 000	-	-	-	210	300	-	-	-	-	11 485	1 383	302	11 061	-	51 992
Umfolozi	-	-	-	-	-	-	-	-	-	-	300	-	-	-	-	3 049	-	-	392	-	3 741
uMhlathuze	-	-	-	-	10 266	15 000	-	-	-	-	-	-	-	-	-	6 541	681	151	6 167	-	38 806
Ntambanana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	538	96	-	542	-	1 176
uMlalazi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	575	238	151	2 876	-	3 840
Mthonjaneni	-	1 985	-	-	-	-	-	-	-	-	-	-	-	-	-	567	137	-	542	-	3 231
Nkandla	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	215	231	-	542	-	988
uThungulu DM	-	-	-	-	-	-	-	-	-	210	-	-	-	-	-	-	-	-	-	-	210
Ilembe Municipalities	-	1 892	-	-	-	30 000	-	-	-	210	600	500	-	5 600	-	31 334	449	151	5 006	-	75 742
Mandeni	-	1 892	-	-	-	-	-	-	-	-	-	-	-	-	-	3 526	111	-	1 084	-	6 613
KwaDukuza	-	-	-	-	-	30 000	-	-	-	-	-	500	-	-	-	7 231	116	151	2 838	-	40 836
Ndwedwe	-	-	-	-	-	-	-	-	-	-	300	-	-	-	-	326	132	-	542	-	1 300
Maphumulo	-	-	-	-	-	-	-	-	-	-	300	-	-	-	-	20 251	90	-	542	-	21 183
Ilembe DM	-	-	-	-	-	-	-	-	-	210	-	-	-	5 600	-	-	-	-	-	-	5 810
Sisonke Municipalities	-	-	-	-	-	-	-	-	-	210	300	-	-	-	-	15 663	693	-	3 407	-	20 273
Ingwe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	350	132	-	844	-	1 326
Kwa Sani	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	700	101	-	341	-	1 142
Matatiele	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Greater Kokstad	-	-	-	-	-	-	-	-	-	-	300	-	-	-	-	7 500	217	-	1 288	-	9 305
Ubuhlebezwe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 592	116	-	542	-	3 250
Umzimkulu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4 521	127	-	392	-	5 040
Sisonke DM	-	-	-	-	-	-	-	-	-	210	-	-	-	-	-	-	-	-	-	-	210
Unallocated/unclassified	1 000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20 532	21 532
Total	1 000	3 877	-	4 300	86 969	316 104	21 381	101 349	-	2 100	3 000	2 000	900	15 500	-	625 106	20 467	7 971	254 063	20 532	1 486 619

Key	Grant Name	Key	Grant Name
3.1	Greenest Municipality Competition	11.3	Operational support for Thusong Service Centres
4.1	Joint Project Funding	11.4	IDP Support
6.1	Upgrading of airports	11.5	Community Development Projects
6.2	Development of airports	11.6	District Growth Development Summit
7.1	Subsidy: Municipal Clinics	14.1	Property Rates
8.1	CRU Programme	15.1	Community Library Services grant
8.2	Municipal Rates and Taxes	15.2	Museum subsidies
8.3	Maintenance of R293 Hostels & EEDBS	15.3	Provincialisation of libraries
8.4	Transfer of R293 staff	16.1	Infrastructure
11.1	Development Planning Shared Services		
11.2	Community Participation in IDPs (LAPs)		

**ESTIMATES
OF
PROVINCIAL REVENUE
AND
EXPENDITURE**

VOTE 1

Office of the Premier

Operational budget	R 592 810 127
Remuneration of the Premier	R 1 789 873
Total amount to be appropriated	R 594 600 000
Responsible MEC	The Premier, Dr Z. L. Mkhize
Administering department	Office of the Premier
Accounting officer	Director-General: Office of the Premier

1. Overview

Vision

The vision of the Office of the Premier (OTP) is: *To be the centre of governance, providing leadership in creating a better life for all.*

Mission statement

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

- Mobilising, co-ordinating and integrating the efforts of the provincial government and administration to eradicate various forms of human deprivation in the province.
- Playing a leadership role in mobilising and leveraging public and private sector resources to realise sustainable economic growth with capacity to generate decent jobs and eradicate poverty and inequality.
- Spearheading the efforts of provincial government and all stakeholders aimed at ensuring peace, safety and security for all in the province.
- Professionally executing departmental mandates.
- Co-ordinating and facilitating macro-provincial and other transversal issues and programmes.
- Promoting co-operative and good governance, including the fight against fraud and corruption.
- Providing the highest quality policy management, planning, monitoring and evaluation services.
- Creating policies relating to regulations, information and legislation.
- Supporting the Executive Branch of the provincial government in initiating and executing provincial laws and policies.

Strategic objectives

The *strategic policy direction* of OTP is directly linked to national government's 12 outcomes and also informs the department's strategic objectives, as listed below.

- Integrate, co-ordinate and facilitate transversal policies, programmes, strategies, plans and systems of the province.
- Lead in macro planning and policy management to achieve the electoral mandate.
- Monitoring and evaluation of provincial government's programmes.

- Provide strategic leadership and direction for provincial government.
- Oversee the development and implementation of legislation.
- Promote inter and intra-governmental relations and good governance.

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

- To realise the existence of functional public policy and strategic planning management systems and processes for the provincial government.
- To achieve co-ordinated provincial policies, strategies and programmes.
- To ensure the existence of governance conditions conducive to respect for human rights, promotion of science and technology, and conservation and management of cultural heritage resources.
- To realise enhanced government communication and governance, human resources development, state law advisory services and service delivery in and by the provincial administration.
- To have in place co-ordinated and aligned policies and plans of the three spheres of government and foreign governments and agencies.
- To achieve effectively monitored and evaluated government policies and programmes.
- To have effective policy and regulatory oversight over the gambling, gaming and betting industry, ensuring that all revenue due to the provincial government is duly received.

Core functions

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

- To support the Premier as the head of provincial government and the Executive Council and its sub-structures, and ensure constitutional and legal compliance.
- To co-ordinate provincial policy and planning processes.
- To provide provincial leadership and inter-departmental co-ordination.
- To promote co-operative and good governance.
- To provide transversal support services for human resource management, communications, information technology, legal and macro policy advisory services.
- To promote a culture of human rights consciousness and gender sensitivity across the province.

Legislative mandate

The OTP has a pivotal position in the KZN provincial government. The department's key legislative mandates are derived mainly from the following legislation:

- The Constitution of the Republic of South Africa, 1996 (Schedules 4 and 5 and Chapters 6, 10 and 13)
- Public Service Act, 1994, as amended
- Public Finance Management Act, 1999, as amended and Treasury Regulations
- Preferential Procurement Policy Framework Act, 2000
- KwaZulu-Natal Provincial Supply Chain Management Policy Framework, 2006
- KwaZulu-Natal Youth Commission Act, 2005
- KwaZulu-Natal Gaming and Betting Act, 2010
- KwaZulu-Natal Gaming and Betting Tax Act, 2010
- KwaZulu-Natal Heritage Act, 1997

- Public Service Regulations, 2001
- Labour Relations Act, 1995
- Employment Equity Act, 1998
- Basic Conditions of Employment Act, 1997
- Promotion of Access to Information Act, 2000
- Electronic Communications and Transactions Act, 2002
- State Information Technology Agency Act, 1999
- Promotion of Administrative Justice Act, 2000
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000
- Skills Development Act, 1998

2. Review of the 2011/12 financial year

Section 2 provides a review of 2011/12, outlining the main achievements and progress made by the department during the year, as well as giving a brief discussion on challenges and new developments.

Youth Ambassadors programme

The Youth Ambassadors programme commenced in 2010/11 and aims to develop youth who will conduct provincial household surveys to profile the needs of the communities. In 2011/12, the youth ambassadors commenced populating a database of all the youth in their respective areas of operation, as well as establishing and maintaining Youth Clubs for the youth in- and out-of-school. This database will allow the provincial government to understand the extent of the needs of the youth. Furthermore, this will allow the government to understand precisely the number of youth in the province and what their circumstances are, such as, the number of unemployed youth, number of youth that left school, etc.

Provincial Planning Commission

The Provincial Planning Commission (PPC) was established by a resolution of Cabinet in February 2011 and was fully functional in 2011/12. The functions of the PPC are similar to those of the National Planning Commission and are to advise and make recommendations to the Premier and the Provincial Executive on:

- A long-term strategic development perspective and vision of the province.
- Ensuring coherence in policy development and planning across the provincial government.
- Strengthening performance monitoring and evaluation to enable assessment of the pace required to deliver on the desired outcomes.

The PPC currently consists of a full-time Chairperson and seven part-time members. In 2011/12, the PPC presented a reviewed PGDS to Cabinet, which was adopted. Progress was also made in the preparation of an implementation framework for this strategy.

Provincial Information Communication Technology (PICT)

The provincial Nerve Centre aims to provide a complete and comprehensive view of the delivery performance and effectiveness of public sector services. The Nerve Centre has been developed in phases. The development milestones of Phase 1 of the project were completed in 2009/10 and signed-off. This phase included poverty modelling and a vast range of sector analysis, including the finalised socio-economic stance for KZN, creating a robust poverty watch for the province.

Phase 2, which includes a Project Management System (PMS) for the Premier's flagship programme, Operation *Sukuma Sakhe*, was initiated in 2011/12. The process evaluation of the flagship programme is now at an advanced stage.

International relations

The OTP was involved in strengthening international relations by promoting the province as a preferred international destination and development partner. Extensive liaison was carried out in collaboration with provincial departments, national departments and South African embassies abroad to promote KZN in the international arena. The province was nominated to host the 125th International Olympics Committee (IOC) summit in Durban, which attracted the attention of presidency, royalty and government leadership from around the world. This also coincided with the Monaco royal wedding reception.

The Premier and the Executive Council hosted various international delegations in KZN with the view to strengthen relations with international partners. KZN also successfully hosted the United Nations Conference of the Parties 17 (COP17) summit. Presidents, members of various governments from around the world, international climate experts, environmentally active groups, NGOs, etc., visited the province to discuss the issues of climate change affecting the world.

In line with the provincial international relations strategy, the following key priorities were achieved:

- Benguela in Angola – trade missions led by Trade and Investment KZN (TIK), in line with servicing the co-operation arrangement.
- Guangxi and Shanghai in China – technical visit to strengthen relations.
- South Korea – exploratory mission with a view to establishing long term bi-lateral relations.
- Maputo in Mozambique – to establish relations with its neighbour.
- Chicago in United States of America (USA) – to attend the 40th Annual Rainbow Push Conference.
- Santa Fe in Argentina – in line with the south-to-south dialogue initiative.

Protection of human rights

A campaign was undertaken to protect and generate respect for human rights by facilitating Gender, Disability, Children and Senior Citizens (GDCSC) rights awareness education campaigns, co-ordinating human rights issues and ensuring compliance with constitutional mandates.

The OTP worked closely with district and local municipalities, municipal wards and civil society structures, etc., that deal with human rights and gender equality, by co-ordinating and arranging capacity sessions for Chief Financial Officers, *oMama bezintombi*, *ondlunkulu* and civil society organisations dealing with GDCSC. This included rolling out programmes for women, children, persons with disabilities and senior citizens on food security, greening of the environment, *ukuthwala*, active ageing, behavioural change and inter-generational dialogue. The Disability Plan of Action for 2011/12 was approved by Cabinet.

Public service transformation

In terms of skills planning, compliance and monitoring, the submission of workplace skills plans for 2011/12 and annual training reports for 2010/11 from all departments was successfully facilitated. A report on priority, critical and scarce skills, based on the information contained in the workplace skills plan, was compiled. Two capacity building workshops were hosted, where 102 skills development facilitators and members of skills development committees were capacitated in partnership with the Public Sector Education and Training Authority (PSETA). The appointment of 1 025 interns across KZN was also facilitated.

The Rural Youth Skills Development Programme was initiated in Nkandla and Msinga, where 20 learners were placed on a Public Administration learnership and 20 learners on a Public Finance Management learnership. A total of 23 interns were accommodated on an IT internship in eight departments, and 20 unemployed youth were trained on an IT learnership. The Public Sector Artisan Development Programme was successfully initiated, with 25 unemployed youth being trained as artisans.

A total of 6 000 public servants were capacitated on generic, transversal, leadership and management development programmes.

Approximately 307 Adult Basic Education and Training (ABET) tutors from departments were capacitated on changes to the ABET curriculum and assessments. A literacy celebration and launch of the Citizens Charter was successfully hosted.

Identity of the province and heritage

The OTP continued its efforts to manage and promote awareness of cultural heritage resources in the province, particularly those which were previously marginalised. The following objectives were met:

- A total of 11 plaques, commemorating the arrival of the Indian indentured labourers in South Africa in 1860, were erected.
- Two monuments were installed, commemorating victims of conflict in the province, one monument in honour of the first African medical doctor and the other monument commemorating the work of missionary societies in the province.
- A monument was created in honour of game ranger par excellence Magqubu Ntombela of Mtubatuba.
- Tombstones were erected on 21 Royal graves and 73 graves of victims of conflict.
- The *KwaMuhle* area was identified as a heritage site and was profiled accordingly.
- 12 genealogies were completed through research conducted in the unit.
- Nine chapters of research work were produced in the Liberation Heritage Research.
- One volume of research on the impact of the missionary society enterprise was completed.

Operation Sukuma Sakhe

Operation *Sukuma Sakhe* was launched in four districts, namely uMgungundlovu, Zululand, Umzinyathi and Ilembe. Out of 828 wards, 214 war rooms were deemed as functional and the Operation *Sukuma Sakhe* Hotline was rolled out. The following programmes were all introduced and are currently being implemented, as part of the Operation *Sukuma Sakhe* programme: *Leleti* School Grounds integrated solutions show-case, *Basadi* for Life, *Mdonswa* Productions and *Ndlovu* Agriculture programme.

KwaZulu-Natal Gaming and Betting Board (KZNGBB)

The KZNGBB was established during 2011/12. This entity embodies the merger of the Gambling Board and the KZN Bookmaker's Control Committee as mandated by the KZN Gaming and Betting Act. Initial operations included the development and implementation of various policies and procedures, with a view to improve governance. Many strategic decisions were pending the appointment of the new Board, which was delayed until the last quarter of 2011/12. Office accommodation for the combined staff proved to be a major challenge, resulting in the KZNGBB operating from two offices, located in Pietermaritzburg and Durban.

Amafa aKwaZulu-Natali (Amafa)

The enactment of new heritage legislation mandates the appointment of a new Amafa Council. However, this was not achieved in 2011/12 due to delays in the appointment process. The existing Council has now been reduced to the minimum legal number of councillors, which experienced major difficulties in scheduling meetings. Despite the challenges, achievements include improvements, repairs and maintenance of earmarked heritage sites, erection of signage and the roll-out of school outreach programmes. In addition, Amafa hosted a Museum Day, Annual Heritage Awards and Heritage Day celebrations, and commissioned the memorial for the Nelson Mandela Capture site.

3. Outlook for the 2012/13 financial year

Section 3 looks at the key focus areas of 2012/13, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments. In 2012/13 and over the medium-term, the OTP will focus on the following priorities:

Youth Ambassadors programme

The department will continue with the roll-out of the Youth Ambassadors programme, which includes household surveys. The youth ambassadors will also assist in the mass implementation of other government programmes, such as awareness campaigns on HIV and AIDS, healthy lifestyle promotion, and the One Home, One Garden and Back to School campaigns. A total of 1 966 youth ambassadors are expected to be employed by the end of 2012/13.

Provincial Planning Commission

Key areas of focus of the PPC will be on the completion of the Provincial Growth and Development Plan (PGDP), which is the implementation framework for the PGDS, and the establishment of institutional structures tasked with the implementation of this plan.

Provincial Information Communication Technology (PICT)

The government Medium Term Strategic Framework (MTSF) outcomes based approach requires the OTP to provide results on all 12 national outcomes.

The Provincial Nerve Centre Phases 3 and 4, which will be implemented simultaneously in 2012/13 and are tailored to meet requirements such as:

- Reporting capabilities to be rolled out to all executive decision makers in the provincial government.
- Implementation of evaluation and sustainable returns using government programmes.
- Key performance indicators will be used to monitor and evaluate progress of the province.
- Integrated strategic maps, scorecards and a standard tool to evaluate government performance.

International relations

KZN's commitment to the African Agenda includes assisting in the post conflict reconstruction and development of African states. African states can be a source of economic growth for KZN in international forums. It is of strategic importance that the province forges well developed relations and links with African nations.

Enormous strides have already been made by China in its drive to be the world's economic giant. South Africa's constructive engagement with China has provided the necessary platform to build and strengthen the already strong relations established with the Provinces of Shanghai and Guangxi. Exchanges with Shanghai and Guangxi will be pursued with a view to achieving concrete outcomes.

In Brazil and Argentina, KZN will be pursuing areas of trade and investment, agriculture, economic development, infrastructure development and tourism and sport development. In Russia, the areas of interest will include agriculture and environmental affairs, infrastructure development, trade and investment, education and tourism. Although co-operation and strong relations have been established with India and China, further implementation of these co-operation arrangements will be enhanced.

While the international relations strategy emphasises the African Agenda and the BRICS block, co-operation with the western countries will still be followed in terms of donor funding and knowledge expertise in areas such as climate change, disaster management, renewable and green energy. These countries form a strong historical background with South Africa and KZN.

Identity of the province and heritage

OTP intends adopting a multi-pronged strategy in the fulfilment of its mandate of co-ordinating the transformation of the heritage industry in the province. The department further intends:

- Co-ordinating the celebration of heritage events.
- Co-ordinating the erection of monuments, memorials and walls of remembrance.
- Co-ordinating heritage oriented research.
- Co-ordinating an integrated system of heritage management.

- Co-ordinating and helping heritage institutions to solicit and access funding from relevant heritage funding bodies.
- Monitoring the operations of the District Heritage Forums and Provincial Heritage Resources Agency.

Protection of human rights

OTP will continue to drive a campaign to protect and generate respect for human rights, by facilitating an education campaign, co-ordinating human rights issues and ensuring compliance with constitutional mandates, and the process of forming partnerships with municipalities in this regard will continue.

The establishment of gender forums at district and local municipalities and wards to *isigodi* (village) level will continue. Women's Empowerment projects will be co-ordinated and critical stakeholders will be capacitated on gender mainstreaming.

The Active Ageing campaign will be promoted throughout KZN and inter-generational programmes will be held. Human rights capacity building among local leadership and communities will be enhanced. The human rights education campaign will be driven among community structures.

The Rights of Persons with Disabilities office will establish forums and arrange capacity building sessions at district and local municipalities and wards to *isigodi* (village) level. It will also establish a Premier's Consultative Forum with persons with disabilities and will implement the Provincial Disability Programme of Action that was approved by Cabinet in 2011/12.

Public service transformation

The Provincial Public Service Training Academy (hereafter referred to as the Training Academy) will focus on ensuring that provincial departments comply with human resource and skills development legislation and prescripts. It will continue to build the capacity of human resource development practitioners and skills development facilitators.

The NSF Strategic Project and Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA) learnership and apprenticeships projects will be launched. The first KZN Public Sector Career Exhibition will be hosted. The appointment of interns in departments will continue to be facilitated and co-ordinated.

The Training Academy will strive to capacitate 6 500 public servants in 2012/13 on generic, transversal, leadership and management development programmes. Delivery capacity will be strengthened by mobilising experts from within the public sector and seeking strategic partnerships with Further Education and Higher Education Institutions.

In 2012/13, the additional funding provided for the renovations of the Training Academy will be used for renovations and refurbishment of the facility. The focus will be on the first phase of the electrical upgrade and refurbishment of the training facilities, namely main hall, dining areas, lecture rooms and auditoriums. During 2013/14, the focus will be on renovating and refurbishing the office accommodation and boardrooms and, in 2014/15, the focus will be on improving access to the facility, upgrading parking, improving access for the disabled, refurbishing the external façade and improving security.

Operation Sukuma Sakhe

In the 2012/13 MTEF, the key focus areas in rolling out the Operation *Sukuma Sakhe* model in all 11 districts is to create a model on sharing of costs of key flagship programmes, co-ordinate and monitor the involvement of youth in behaviour change and their development, monitor and evaluate interventions on food security, focus on the empowerment of women and youth, improve ability to reach all wards especially in rural areas, as well as equip 400 war rooms with computers, furniture, and connectivity.

Amafa aKwaZulu-Natali

Amafa will focus on the appointment of a new Council. It will address the limitations in the current heritage legislation, which impacts on the efficiency of its operations. The focus areas for 2012/13

include, among others, further improvements and maintenance to various heritage sites, implementation of water storage projects at Rorkes Drift and Spioenkop, *graffiti* removal at rock art sites and construction of community memorials and markers. Amafa will continue its outreach programme to schools and communities, while also implementing new projects to commemorate significant historic struggles and the 1860 settlers.

KwaZulu-Natal Gaming and Betting Board

The entity will continue its search for suitable office accommodation for the support staff of the Board. During 2012/13, it will address the industry's needs such as ensuring that all gambling authorised under the new Act is conducted in a manner which promotes the integrity of the gambling industry and does not cause harm to the public interest. In addition, the KZNGBB will ensure that gaming promotes the tourism, employment, economic and social development objectives of the province.

The KZNGBB will continue operations which were awaiting board approval, such as to invite, consider and process new applications and/or renewals for any gaming or betting licence, to amend, specify, substitute or rescind any casino licence conditions, as well as to undertake investigations or inspections into any gambling operation in the province, etc. The entity envisages streamlining processes of the amalgamated entity and finalising and implementing new Gaming and Betting regulations. The entity will continue to make progress in eradicating illegal gambling and transforming the horse racing industry in the province.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 1.1 gives the sources of funding of Vote 1 over the seven-year period 2008/09 to 2014/15. The table also compares actual and budgeted receipts against actual and budgeted payments.

The department receives a provincial allocation in the form of an equitable share.

Table 1.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Provincial allocation	390 940	454 010	419 284	471 105	471 105	471 105	586 600	611 754	656 426
Total receipts	390 940	454 010	419 284	471 105	471 105	471 105	586 600	611 754	656 426
Total payments	463 842	429 103	423 807	471 105	491 105	538 605	594 600	611 754	656 426
Surplus/(Deficit) before financing	(72 902)	24 907	(4 523)	-	(20 000)	(67 500)	(8 000)	-	-
Financing									
of which									
Provincial roll-overs	33 491	-	5 326	-	8 000	8 000	-	-	-
Provincial cash resources	35 706	(18 292)	26 751	-	12 000	12 000	8 000	-	-
Surplus/(deficit) after financing	(3 705)	6 615	27 554	-	-	(47 500)	-	-	-

The provincial allocation increased significantly by R69.197 million in 2008/09, of which an amount of R33.491 million was rolled over from 2007/08 in respect of commitments for the completion of the Emakhosini Multi-Media Centre project, managed by the public entity, Amafa. The department received R5 million in respect of unforeseen and unavoidable expenditure pertaining to the provincial anti-xenophobia communication campaign, and R28.706 million, being a transfer payment to the then KZN Gambling Board, following an out-of-court settlement in terms of a legal dispute over the award of a route and site inspection surveillance contract. The department also received R2 million to fund the 2008 wage agreement. The department over-spent by R.705 million as a result of a Women's Day celebration event which had to be reconvened, owing to damages caused by a natural disaster on the day of the event.

In 2009/10, the department under-spent its budget by R6.615 million due to a saving of R1.289 million in respect of a transfer payment to the KZNGBB, which was not made as the entity did not require the funds at the time, and R3.283 million in respect of base camp and lobbying fees which were not paid in 2009/10 due to the late finalisation of the 2010 World Cup draw and confirmation of base camps. Also contributing to this under-spending is an amount of R2.043 million in respect of the War on Poverty

programme, which could not take place due to other programmes taking priority and insufficient staff to run with the programme. The decrease from 2009/10 to 2010/11 relates to the movement of soccer development funds to the Department of Sport and Recreation.

In 2010/11, an amount of R5.326 million was rolled over from 2009/10, comprising R3.283 million for base camp lobbying and hosting fees and R2.043 million in respect of the War on Poverty programme. The department's budget allocation was increased by a net amount of R26.751 million, as explained below:

The budget allocation for the department was increased by R30 million as follows:

- R10 million additional funding for the commemoration of 150 years of the arrival of Indian indentured labourers in the province.
- R20 million additional funding for the roll-out of the Youth Ambassadors programme, which mainly relates to the provincial household surveys to be conducted to determine the level of poverty, access to education, adequacy of housing, access to social services, among other things.

This increase was offset by a reduction of R3.249 million in respect of the in-year take-up of Policy on Incapacity and Ill Health Retirement (PILIR) related cases. These funds were surrendered to the Provincial Revenue Fund. In 2010/11, the department was allocated R5 million for this purpose and, due to revised calculations and estimates, only R1.751 million was required for the year.

The department under-spent its budget by R27.554 million in 2010/11 due to savings of R10.066 million as a result of the moratorium on the filling of non-critical vacant posts, as well as cost-cutting affecting administrative expenditure and communication related projects. An amount of R10 million was received late during 2010/11 in respect of the 150 year commemoration of the Indian indentured labourers and the erection of various monuments. These funds could not be fully utilised and R8 million was rolled over to 2011/12.

The department's allocation increased by R20 million in the 2011/12 Adjusted Appropriation, due to the following adjustments:

- A roll-over of R8 million in respect of the 150 year commemoration of the arrival of the Indian indentured labourers that was not spent in 2010/11, as mentioned above.
- Additional funding of R12 million for the provincial partnership agreement with the *Lungisisa Indlela* Village (LIV) Orphanage, a non-profit institution that was established to assist with building a holistic village to house and empower orphaned and vulnerable children with the aim of teaching them basic skills for self-employment and sustaining their livelihood.

The OTP received additional funding of R91.831 million over the 2012/13 MTEF for the refurbishment and renovations to the Training Academy, the administrative requirements of the horse racing regulator which has been merged into the KZNGBB, the Youth Ambassadors programme, funding to provide for piped water and proper roads at the Luwamba Clinic (Ntambanana Municipality), as well as Operation *Sukuma Sakhe* for the equipping of war rooms throughout the province. Also provided in 2012/13, is R8 million for the LIV Orphanage funded through provincial cash resources.

In the December 2011 IYM, the department projected to over-spend its 2011/12 allocation by R47.500 million due to the following spending pressures:

- Youth Ambassadors programme (R32 million).
- Operation *Sukuma Sakhe* (R5.500 million).
- *Simama* Newsletter (R4 million).
- COP17 (R6 million).

4.2 Departmental receipts

Table 1.2 below reflects details of departmental receipts per main category over the seven-year period: 2008/09 to 2014/15. Details of the department's revenue are reflected in *Annexure – Vote 1: Office of the Premier* and are discussed briefly below.

The OTP collects revenue mainly from casino taxes and levies, bookmakers' tax in respect of horse racing and gaming, and recoveries in respect of bookmakers' licence renewals.

Table 1.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	333 013	325 541	351 440	366 605	366 605	380 088	403 924	425 958	449 218
Casino taxes	267 943	283 970	305 583	320 788	320 788	320 788	336 827	355 352	374 896
Horse racing taxes	65 070	41 571	45 857	45 817	45 817	59 300	67 097	70 606	74 322
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	333	268	223	156	156	145	186	196	207
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	5	14	6	-	-	-	-	-	-
Sale of capital assets	-	582	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	69	78	943	-	-	44	-	-	-
Total	333 420	326 483	352 612	366 761	366 761	380 277	404 110	426 154	449 425

With the enactment of the KZN Gaming and Betting Act and the KZN Gaming and Betting Tax Act, the Bookmakers' Control Committee and KZN Gambling Board have merged into the KZNGBB. *Casino taxes* depicts revenue collected in accordance with the KZN Gaming and Betting Act. A dedicated unit was established within the KZNGBB to address the issue of illegal gambling operators. As a result of the efforts in this regard, actual revenue collection in respect of *Casino taxes* reflects a significant increase from 2008/09 onwards. The slightly increased revenue collection in 2009/10 is also due to the improved enforcement and surveillance of the operations of casinos in the province.

Horse racing taxes are collected in respect of horse racing and gaming, in terms of the KZN Gaming and Betting Tax Act. The increase in revenue collection and estimates from 2010/11 onward is mainly due to the following initiatives, which stimulated demand:

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

The high 2008/09 revenue collection against *Horse racing taxes* is as a result of the increased control measures, monitoring systems implemented by the KZNGBB and an increase in consumer demand, which is difficult to predict. Further, an amount of R22 million was received from the Bookmakers' Control Committee in respect of revenue not paid over to the Provincial Revenue Fund by the entity, dating back to 1980. The revenue had to be paid over, as the entity was not listed as a Schedule 3 entity which can retain its revenue.

The department's revenue projections are steady over the 2012/13 MTEF, due to the estimated effects of the recent economic recession. However, there may be additional revenue collected, arising from the increase in the Limited Payout Machines which have been, and are currently being, rolled out in the province. Furthermore, there is a proposal to review all fees and taxes for 2012/13 which will potentially lead to improved collection.

The revenue collected against *Sale of goods and services other than capital assets* in 2008/09 consists of housing rent and recoveries in respect of advertisements placed in the Government Gazette. The decrease from 2009/10 onward is a result of the department no longer co-ordinating the publication of provincial

Government Gazettes, due to the centralisation of all Government Gazette Notices by Government Printing Works. The MTEF estimates consist primarily of bookmakers and turf clubs' licence renewals, as well as temporary licence fees in respect of temporary bookmaker licences issued to persons nominated by the licensed bookmakers to run such businesses temporarily on their behalf.

Sale of capital assets reflects high revenue collection in 2009/10 due to the auction of motor vehicles.

The amounts reflected against *Transactions in financial assets and liabilities* relate to recoveries of telephone expenses from previous financial years.

4.3 Donor funding and agency receipts

Tables 1.3 and 1.4 below reflect the details of donor funding and agency receipts for the period 2008/09 to 2014/15.

Table 1.3: Details of donor funding and agency receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Donor funding	-	-	19 841	19 841	19 841	19 841	19 766	19 766	-
National Skills Fund	-	-	19 766	19 766	19 766	19 766	19 766	19 766	-
PSETA	-	-	75	75	75	75	-	-	-
Agency receipt	34 541	38 639	10 034	-	-	-	-	-	-
Department of Labour - Literacy Programme	34 541	38 639	10 034	-	-	-	-	-	-
Total	34 541	38 639	29 875	19 841	19 841	19 841	19 766	19 766	-

Table 1.4: Details of payments and estimates of donor funding and agency receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Donor funding	-	-	19 841	19 841	19 841	19 841	19 766	19 766	-
National Skills Fund	-	-	19 766	19 766	19 766	19 766	19 766	19 766	-
PSETA	-	-	75	75	75	75	-	-	-
Agency receipt	61 200	23 457	10 034	-	-	-	-	-	-
Department of Labour - Literacy Programme	61 200	23 457	10 034	-	-	-	-	-	-
Total	61 200	23 457	29 875	19 841	19 841	19 841	19 766	19 766	-

The department received agency receipts of R94.691 million over the period 2008/09 to 2010/11 from the Department of Labour for the roll-out of a literacy programme, targeting illiterate adults in KZN. The funding was utilised for the ABET/*Masifundisane* Literacy Programme, learnerships, apprenticeships, skills programmes, project management fees and contingency fees. The *Masifundisane* Literacy Programme, in terms of the project plan, was completed in 2010/11. A total of 45 000 adult learners were trained in communication and numeracy in the eThekweni Metro and Zululand District Municipality. A total of 597 unemployed youth were trained in 2008/09 and 2009/10 on construction skills programmes on the National Youth Service (NYS), manufacturing and engineering apprenticeships and professional driver learnerships.

The OTP, through the Training Academy, submitted a provincial funding proposal to the National Skills Fund (NSF) in April 2009. An amount of R79.064 million was allocated from 2010/11 to 2013/14 to fund the following learning programmes:

- Learnerships in the construction sector.
- Automotive apprenticeships.
- Manufacturing and engineering apprenticeships and learnerships.
- NYS skills programmes implemented by Department of Public Works.
- EPWP learnerships.

In addition, the department received donor funding of R150 000 from the PSETA for the development of a policy on accreditation in 2010/11 and 2011/12.

5. Payment summary

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

5.1 Key assumptions

The following general assumptions were made by the department in formulating the 2012/13 budget:

- All inflation related increases are based on CPI projections.
- With additional funding, as well as reprioritisation within the department's budget, provision has been made for the carry-through costs of the 2011 wage agreement and an inflationary wage adjustment of 5 per cent for each of the three years of the 2012/13 MTEF, as well as the annual 1.5 per cent pay progression.
- The cost-cutting measures, as reissued by Provincial Treasury in 2012/13, will be adhered to over the 2012/13 MTEF.
- Provision was made for the filling of vacant posts in terms of the new organisational structure.

5.2 Additional allocations for the 2010/11 to 2012/13 MTEF

Table 1.5 shows additional funding received by the department over the three MTEF periods: 2010/11, 2011/12 and 2012/13. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of 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 carry-through allocations for the 2010/11 and 2011/12 MTEF periods (i.e. for the financial year 2014/15) are based on the incremental percentage used in the 2012/13 MTEF.

Table 1.5: Summary of additional provincial allocations for 2010/11 to 2012/13 MTEF

R thousand	2010/11	2011/12	2012/13	2013/14	2014/15
2010/11 MTEF period	(27 199)	(67 969)	(71 464)	(75 395)	(79 918)
Carry-through of 2009/10 Adjustments Estimate - 2009 wage agreement	3 773	4 217	4 666	4 923	5 218
Function shift: Museum services to Vote 15	(7 869)	(8 320)	(8 825)	(9 310)	(9 869)
Transfer of soccer development funds to Vote 16	(28 146)	(68 911)	(72 352)	(76 331)	(80 911)
Policy on Incapacity Leave and Ill Health Retirement (PILIR)	43	45	47	50	53
PILIR (provision for in-year take-up by departments)	5 000	5 000	5 000	5 275	5 592
2011/12 MTEF period		65 960	65 463	76 129	80 697
Provincial Planning Commission		9 000	10 000	11 000	11 660
Provincial Nerve Centre		30 000	24 500	31 700	33 602
Amafa - Heritage projects		2 505	3 830	3 998	4 238
Bursaries for disadvantaged students who excelled in matric (Bursary Programme)		2 000	2 000	2 000	2 120
Carry-through of 2010/11 Adjustments Estimate		22 702	25 449	27 833	29 503
2010 wage agreement		702	1 249	1 213	1 286
Youth ambassadors		22 000	24 200	26 620	28 217
National Cabinet decision to cut provinces by 0.3 per cent		(247)	(316)	(402)	(426)
2012/13 MTEF period			103 831	86 927	100 109
Carry-through of 2011 wage agreement			1 260	1 323	1 389
LIV Orphanage			8 000	-	-
Provincial Public Sector Training Academy (refurbish & renovate)			10 000	12 000	15 000
Merger of horse racing regulator into KZNGBB			17 571	18 604	19 720
Youth ambassadors			15 000	17 000	20 000
Youth ambassador training by SANDF			20 000	-	-
Ntambanana - provision for piped water and proper roads to Luwamba Clinic			20 000	25 000	30 000
Operation Sukuma Sakhe - equipping of war rooms			12 000	13 000	14 000
Total	(27 199)	(2 009)	97 830	87 661	100 888

The department received additional funding over the 2010/11 MTEF, being the carry-through costs of the higher than anticipated 2009 wage agreement and the provision for PILIR. In addition to PILIR funding specific to the OTP, further allocation was made to cater for in-year distribution to departments, where the PILIR take-up rate is higher than estimated.

Offsetting this additional funding, is a reduction in the department's allocation over the 2010/11 MTEF as a result of the shifting of soccer development funds and the Museum Services function shift, where funds were moved to the Departments of Sport and Recreation and Arts and Culture, respectively.

The department's allocation was increased over the 2011/12 MTEF as a result of additional funding for the PPC, the Provincial Nerve Centre, for transfer to Amafa for various heritage projects (including the operational costs of the Emakhosini Multi-Media Centre), the carry-through costs of the higher than anticipated 2010 wage agreement and additional funding for the Youth Ambassadors programme. The department also received an additional R2 million per year, for the establishment of a bursary scheme for disadvantaged students who have excelled in matric (now known as the Bursary Programme).

In the 2011/12 MTEF, National Cabinet took a decision to cut all national votes and the provincial equitable share by 0.3 per cent. The bulk of this equitable share reduction in KZN was sourced by capping the interest on overdraft provision and by marginally decreasing the budgeted surplus of the province. The balance was sourced proportionately from all 16 provincial votes.

The OTP received additional funding over the 2012/13 MTEF for the refurbishment and renovations to the Training Academy, the administrative requirements of the horse racing regulator which has been merged into the KZNGBB, the Youth Ambassadors programme and its training by the SANDF, LIV Orphanage (both 2012/13 only), 2011 wage agreement and funding to provide piped water and proper roads at the Luwamba Clinic in the Ntambanana Municipality, as well as Operation *Sukuma Sakhe* for the equipping of war rooms throughout the province, as mentioned above.

5.3 Summary by programme and economic classification

Tables 1.6 and 1.7 below reflect summary of payments and estimates by programme and economic classification.

The structure of the department consists of three programmes, and is largely in accordance with the uniform programme and budget structure developed for the sector. It is noted, however, that the Heritage sub-programme is included under Vote 1: Office of the Premier in this province, although Heritage forms part of the uniform programme and budget structure for the Arts and Culture Sector.

The substantial increase over the 2012/13 MTEF is attributed to additional funding received for the LIV Orphanage, refurbishment and renovations to the Training Academy, administrative requirements of the horse racing regulator which was merged into the KZNGBB, the Youth Ambassadors programme and the training of the youth ambassadors by SANDF, the Luwamba Clinic, as well as funding toward equipping war rooms in relation to Operation *Sukuma Sakhe*.

Table 1.6: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
1. Administration	67 418	99 859	101 738	121 888	116 080	116 080	149 228	160 813	176 051
2. Institutional Development	106 662	105 321	95 275	111 943	110 249	114 249	130 278	138 885	147 320
3. Policy and Governance	289 762	223 923	226 794	237 274	264 776	308 276	315 094	312 056	333 055
Total	463 842	429 103	423 807	471 105	491 105	538 605	594 600	611 754	656 426

Note: Programme 1 includes Premier's remuneration: Salary: R1 789 873

Table 1.7: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	375 159	363 005	374 345	415 193	412 304	459 803	508 407	528 307	567 972
Compensation of employees	96 631	110 668	112 663	146 787	158 787	182 787	197 767	210 577	227 519
Goods and services	278 528	252 337	261 682	268 406	253 517	277 016	310 640	317 730	340 453
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	82 525	52 954	42 035	44 616	61 635	61 635	73 523	69 042	73 185
Provinces and municipalities	4 554	4 840	18	-	19	19	10	12	13
Departmental agencies and accounts	75 594	46 989	36 688	41 394	41 394	41 394	62 235	65 682	69 623
Universities and technikons	-	-	-	2 000	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	85	-	-	-	-	-	-	-	-
Non-profit institutions	199	30	-	-	12 000	12 000	8 000	-	-
Households	2 093	1 095	5 329	1 222	8 222	8 222	3 278	3 348	3 549
Payments for capital assets	6 117	11 323	7 365	11 296	17 160	17 160	12 670	14 405	15 269
Buildings and other fixed structures	212	4 305	-	-	-	-	1 000	2 000	2 120
Machinery and equipment	5 643	7 009	6 714	5 596	6 185	6 185	11 170	12 205	12 937
Heritage assets	262	-	323	-	5 275	5 275	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	9	328	5 700	5 700	5 700	500	200	212
Payments for financial assets	41	1 821	62	-	6	7	-	-	-
Total	463 842	429 103	423 807	471 105	491 105	538 605	594 600	611 754	656 426

The increased spending against Programme 1: Administration in 2009/10 provides for the newly created units such as the Security and Protocol Services unit, as well as the appointment of additional staff. The increase from 2010/11 is due to funds reprioritised to cater for the movement of the Integrity Management unit from Programme 2, as well as the centralisation of administrative expenses such as telephones, cleaning services, maintenance and lease commitments. The allocation for this programme was increased in 2011/12 and over the 2012/13 MTEF in respect of the carry-through of the above adjustments. The 2011/12 Adjusted Appropriation was reduced by R5.500 million as a result of cost-cutting, and savings were reprioritised within the department. The increase over the 2012/13 MTEF is attributed to additional funding received for the Luwamba Clinic.

Programme 2: Institutional Development decreased from 2009/10 to 2010/11 due to cost-cutting. In 2010/11, 2011/12 and the 2012/13 MTEF, funds were reprioritised to Programmes 1 and 3 to cater for functions that were shifted between programmes in line with the revised organisational structure of the department. The 2011/12 allocation was reduced by R5 million (not visible in table) due to the reduction in the rate for PILIR related cases, and these funds were reprioritised within Programme 2 for the implementation of the provincial Bursary Programme under *Transfers and subsidies to: Households*. The programme grows steadily over the 2012/13 MTEF.

The high spending in 2008/09 against Programme 3: Policy and Governance is attributed to a roll-over in respect of the Emakhosini Multi-Media Centre and additional funding of R28.613 million for the out-of-court settlement entered into by the then KZN Gambling Board. The decline in 2009/10 is due to the reduction in the 2010 provincial strategy funding, as this was only required during the build up to the 2010 World Cup. The increase in 2010/11 relates to additional funding for the Youth Ambassadors programme and the movement of the Community Outreach unit from Programme 2 as per the new organisational structure. The increase from 2011/12 is attributable to additional funding for the operational costs of the Emakhosini Multi-Media Centre, the PPC and the Nerve Centre. The substantial increase in the 2011/12 Adjusted Appropriation is a result of a roll-over of R8 million for the commemoration of 150 years of the arrival of Indian indentured labourers in KZN, and additional funding of R12 million for the LIV Orphanage.

Compensation of employees reflects a significant increase from 2008/09 to the 2011/12 Main Appropriation. The substantial increase in the 2011/12 Adjusted Appropriation is due to R15 million that was shifted within Programme 3 from *Goods and services* to *Compensation of employees* to correctly allocate the funds for the Youth Ambassadors programme. When the EPRE was compiled in 2011/12, it was not clear at that stage that the appointment of the youth ambassadors would be facilitated through the PERSAL system. This was corrected in the 2011/12 Adjusted Appropriation and over the 2012/13 MTEF period. The increase over the 2012/13 MTEF is also due to the planned filling of vacant posts.

The high 2008/09 amount against *Goods and services* relates to various human rights projects, youth projects and communication related projects that were undertaken. The department also received additional funds (soccer) for the 2010 provincial strategy in 2009/10 and 2010/11. The decrease in 2009/10 is because of the transfer of the Museum function and soccer development funds to the Departments of Arts and Culture and Sport and Recreation, respectively. The increase in 2010/11 is due to additional funds received for the Youth Ambassadors programme. The increase in 2011/12 is due to additional funding for the PPC, the Nerve Centre and the carry-through of additional funding for the Youth Ambassadors programme. The substantial increase for the 2012/13 MTEF also relates to additional funding received, as mentioned previously.

The category *Transfers and subsidies* increases steadily over the seven-year period, as follows:

- *Provinces and municipalities* caters for the payment of motor vehicle licences. These were previously budgeted for under *Goods and services* but, due to a change in the SCOA classification, they should be paid under *Provinces and municipalities*. This was corrected in the 2011/12 Adjusted Appropriation, and prior years' figures were restated for comparison purposes.
- The high spending against *Departmental agencies and accounts* in 2008/09 includes the roll-over and additional funding for the Emakhosini Multi-Media Centre, hence the reduction in 2009/10. The increase from 2011/12 is due to additional funding for operational costs of the Emakhosini Multi-Media Centre. Also included is the once-off additional funding for an out-of-court settlement entered into by the then KZN Gambling Board in respect of a dispute over the awarding of a route and site inspection surveillance contract. Additional funding was also received as a result of the merger of the horse racing regular into the KZNGBB, as explained above.
- With regard to *Non-profit institutions*, the 2008/09 amount is attributable to once-off transfers made to HIV and AIDS non-profit institutions. The amount of R12 million in the 2011/12 Adjusted Appropriation was for the LIV Orphanage. The funds will be utilised to assist the orphanage with building a holistic village both to house vulnerable and orphaned children and also to empower them to be self-employed and to sustain a reasonable livelihood by learning basic skills. A further R8 million was allocated in 2012/13.
- *Households* reflects fluctuations due to staff exit costs which differ from year to year. The significant increase in 2010/11 is due to the payment of a severance package and retirement benefits for two retired senior officials. The increase in the 2011/12 Adjusted Appropriation is as a result of savings identified from the funds for PILIR due to the reduction in rates. The PILIR funds were originally in *Goods and services*, and R5 million was moved to *Households* for the Bursary Programme. Furthermore, an amount of R2 million reflected in the 2011/12 Main Appropriation against *Universities and technikons* relates to the implementation of the Bursary Programme. However, this was a misclassification, as the bursary provided to students is an all encompassing benefit to the students and does not only include payments to institutions. Accordingly, this amount was shifted to *Households* in the 2011/12 Adjusted Appropriation to correct the classification of the Bursary Programme. This category reflects a steady increase over the 2012/13 MTEF.

The 2009/10 spending against *Buildings and other fixed structures* includes payments to the Department of Public Works in respect of prior year inter-departmental accounts relating to infrastructure work done on the former Telkom Building. No funding was allocated from 2010/11 to 2011/12 as no capital renovations were planned. The allocation over the 2012/13 MTEF is as a result of additional funding received for the Training Academy and the Luwamba Clinic, in order to provide proper water and roads.

Machinery and equipment increases in 2009/10 due to the purchase of office furniture and equipment and the improvement of the department's security system. The allocation from 2010/11 relates to the purchase of essential office furniture and equipment for new appointments and the purchase of official vehicles.

The amounts reflected against *Heritage assets* in 2010/11 and 2011/12 relate to the erection of plaques and monuments, as well as Royal graves and graves of victims of conflict.

The costs in respect of the Nerve Centre (SAS Business Intelligence System) account for the significant increase in *Software and other intangible assets* as a result of Build 1 of the system which was implemented in 2009/10 and 2010/11. The increase in 2011/12 is a result of additional funding for the Nerve Centre, as explained above, for the purchase of the required software.

5.4 Summary of payments and estimates by district municipal area

Table 1.8 summarises payments and estimates by district municipal area, excluding administrative costs.

Table 1.8: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14	2014/15
eThekweni	25 134	25 102	37 264	40 792	45 547
Ugu					
uMgungundlovu	288 416	513 503	525 336	532 962	566 879
Uthukela					
Umzinyathi					
Amajuba					
Zululand					
Umkhanyakude					
uThungulu	-	-	20 000	25 000	30 000
Ilembe					
Sisonke					
Total	313 550	538 605	582 600	598 754	642 426

The department's service delivery takes place within the provincial government in the form of co-ordination and/or support activities, which are mostly centralised. Spending occurs mainly within the uMgungundlovu district municipal area, where the bulk of provincial departments' head offices are located.

The spending in the eThekweni Metro area is mainly due to the fact that the Training Academy and the LIV Orphanage are situated in the area. The spending from 2012/13 against the uThungulu district municipal area relates to the provision of proper water and roads to the Luwamba Clinic in the Ntambanana area.

It is noted that the 2011/12 Revised Estimate in Table 1.8 is high as it includes the projected year-end over-expenditure of R47.500 million, as previously mentioned.

5.5 Summary of conditional grant payments and estimates – Nil

5.6 Summary of infrastructure payments and estimates

Table 1.9 below summarises the infrastructure payments and estimates relating to the department.

Table 1.9: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
New and replacement assets									
Existing infrastructure assets	4 876	6 698	2 403	1 905	2 441	2 441	11 000	13 100	13 886
Upgrades and additions									
Rehabilitation, renovations and refurbishments	212	4 305	-	-	-	-	1 000	2 000	2 120
Maintenance and repairs	4 664	2 393	2 403	1 905	2 441	2 441	10 000	11 100	11 766
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Current									
Capital									
<i>Capital infrastructure</i>	<i>212</i>	<i>4 305</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1 000</i>	<i>2 000</i>	<i>2 120</i>
<i>Current infrastructure</i>	<i>4 664</i>	<i>2 393</i>	<i>2 403</i>	<i>1 905</i>	<i>2 441</i>	<i>2 441</i>	<i>10 000</i>	<i>11 100</i>	<i>11 766</i>
Total	4 876	6 698	2 403	1 905	2 441	2 441	11 000	13 100	13 886

The spending against *Rehabilitation, renovations and refurbishments* in 2008/09 relates to the second phase of the refurbishment of the Training Academy, which was completed in that year. The 2009/10 amount relates to payments made to the Department of Public Works in respect of prior year inter-departmental accounts for infrastructure work done.

Current infrastructure relates to ongoing provision for infrastructure maintenance. The decrease from 2008/09 to 2010/11 is attributable to major maintenance works relating to the former Telkom Building and the Training Academy building that took place in 2008/09 and 2009/10. The 2010/11 amount relates to the electrical upgrade, the maintenance of the air-conditioning system at the Training Academy, office partitioning costs, as well as minor renovations at Parkside, which is the Premier's official residence. The allocation in 2011/12 and over the 2012/13 MTEF relates to routine maintenance work to be done at the Training Academy and administration offices. As mentioned, the funding will be used for renovations and refurbishment of the facility. During 2012/13, the focus will be on the first phase of the electrical upgrade and refurbishment of the training facilities, namely the main hall, dining areas, lecture rooms and auditoriums. In 2013/14, the focus will be on renovating and refurbishing the office accommodation and boardrooms. In 2014/15, the focus will be on improving access to the facility, upgrading the parking, and improving access for disabled, refurbishing the external façade and improving security.

The additional funding for the Luwamba Clinic is not included in the table above, as those funds will be transferred to an implementing agent, and the facility will not belong to the department but the Ntambanana Municipality.

5.7 Summary of Public Private Partnerships – Nil

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA

The Office of the Premier exercises oversight over two public entities, namely the KZNGBB and Amafa. Table 1.10 below illustrates transfers made to the public entities over the seven-year period under review.

Financial summaries received from the KZNGBB and Amafa are presented in *Annexure – Vote 1: Office of the Premier*.

Table 1.10: Summary of departmental transfers to public entities listed in terms of Schedule 3 of the PFMA

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
KZNGBB	40 293	14 148	16 356	17 337	17 337	17 337	35 775	37 809	40 077
Amafa	35 301	32 841	20 332	24 057	24 057	24 057	26 460	27 873	29 546
Total	75 594	46 989	36 688	41 394	41 394	41 394	62 235	65 682	69 623

The main objective of the KZNGBB is to ensure that all gambling authorised in terms of the KwaZulu-Natal Gaming and Betting Act is conducted in a manner that promotes the integrity of the horse-racing, betting and gaming industry. In addition, the Board promotes the province's objective to develop the industry as a vehicle for the promotion of tourism, employment creation and economic development. It is noted that the new Act has merged the KZN Gambling Board and the KZN Bookmaker's Control Committee, which mandated the subsequent establishment of the KZNGBB, as mentioned previously.

The high 2008/09 amount relates to a once-off allocation in respect of an out-of-court settlement reached following a legal dispute over the awarding of a tender for route and site inspection surveillance contract.

Additional funding was allocated over the 2012/13 MTEF due to the merger of the horse racing regulator into the KZNGBB, financed through additional revenue collected by the newly amalgamated entity.

Amafa is responsible for administering heritage conservation on behalf of the provincial government. The main objective of this entity is to promote awareness of the significance and value of cultural heritage resources, while ensuring that cultural heritage management is integrated into economic, social and environmental activities in the province.

The high 2008/09 amount includes funds rolled over from 2007/08 to 2008/09 to fund commitments relating to the completion of the Emakhosini Multi-Media Centre. Additional funding of R18.885 million was allocated in 2009/10 in respect of the completion of the Emakhosini Multi-Media Centre.

Additional funding was allocated over the 2011/12 MTEF for various heritage projects, including the operational costs of the Emakhosini Multi-Media Centre.

5.9 Transfers to other entities

Table 1.11 below reflects departmental transfers to other entities.

Table 1.11: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Donation to Ultimate Exposure	1.1 Premier Support	85	-	-	-	-	-	-	-	-
Universities - Bursary Programme	2.1 Strat. Human Resources	-	-	-	2 000	-	-	-	-	-
Cecil Nurse (Pty) Ltd	3.1 Special Programmes	-	30	-	-	-	-	-	-	-
Indumezulu Trust Fund	3.1 Special Programmes	100	-	-	-	-	-	-	-	-
Nathi Lions FC	3.1 Special Programmes	99	-	-	-	-	-	-	-	-
LIV Orphanage	3.1 Special Programmes	-	-	-	-	12 000	12 000	8 000	-	-
Total		284	30	-	2 000	12 000	12 000	8 000	-	-

The 2008/09 amounts relate to donations made to non-profit organisations. In 2009/10, a donation of R30 000 was made to *Nyonini Emnyama* Catholic Church in Zion toward the purchase of chairs, as pledged by the Premier. This amount is reflected under Cecil Nurse (Pty) Ltd, who are the suppliers of the chairs. Also included in the 2011/12 Adjusted Appropriation and in 2012/13 only, is the additional funding allocated for the LIV Orphanage.

The amount of R2 million reflected in the 2011/12 Main Appropriation against *Universities – Bursary Programme* relates to the implementation of the Bursary Programme. However, this was a misclassification, as the bursary provided to students is an all encompassing benefit to the students and does not only include payments to institutions. Accordingly, this amount was shifted to *Transfers and subsidies to: Households* in the 2011/12 Adjusted Appropriation to correct the classification of the Bursary Programme, as explained above.

5.10 Transfers to local government

Table 1.12 provides a summary of transfers to local government by category.

Table 1.12: Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Category A	-	-	-	-	-	-	-	-	-
Category B	-	-	-	-	-	-	-	-	-
Category C	4 538	4 823	-	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
Total	4 538	4 823	-	-	-	-	-	-	-

The transfer amounts reflected in 2008/9 and 2009/10 against Category C relate to the transfer of the Ulundi Airport (Prince Mangosuthu Buthelezi Airport) to the Zululand District Municipality, with the final payment made in 2009/10.

It is also noted that, although the payment of motor vehicle licences now falls under *Transfers and subsidies to: Provinces and municipalities*, in line with changes in the SCOA classification, these funds will not be transferred to any municipality, and hence these are excluded from Table 1.12 above.

5.11 Transfers and subsidies

Table 1.13 below provides a summary of transfers by programme and main category over the seven-year period under review. As reflected in the table, the department made various transfers to entities under each programme.

Table 1.13: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	1 452	736	5 148	1 222	1 241	1 241	1 288	1 360	1 442
Provinces and municipalities	16	17	18	-	19	19	10	12	13
Motor vehicle licences	16	17	18	-	19	19	10	12	13
Public corporations and private enterprises	85	-	-	-	-	-	-	-	-
Donation to Ultimate Exposure	85	-	-	-	-	-	-	-	-
Households	1 351	719	5 130	1 222	1 222	1 222	1 278	1 348	1 429
Social benefits	1 351	719	5 130	1 222	1 222	1 222	1 278	1 348	1 429
2. Institutional Development	742	247	93	2 000	7 000	7 000	2 000	2 000	2 120
Universities and technikons	-	-	-	2 000	-	-	-	-	-
Bursary Programme	-	-	-	2 000	-	-	-	-	-
Households	742	247	93	-	7 000	7 000	2 000	2 000	2 120
Social benefits	742	247	93	-	-	-	-	-	-
Bursary Programme	-	-	-	-	7 000	7 000	2 000	2 000	2 120
3. Policy and Governance	80 331	51 971	36 794	41 394	53 394	53 394	70 235	65 682	69 623
Provinces and municipalities	4 538	4 823	-	-	-	-	-	-	-
Zululand District Municipality - Ulundi Airport	4 538	4 823	-	-	-	-	-	-	-
Departmental agencies and accounts	75 594	46 989	36 688	41 394	41 394	41 394	62 235	65 682	69 623
KZNGBB	35 301	32 841	16 356	17 337	17 337	17 337	35 775	37 809	40 078
Amafa	40 293	14 148	20 332	24 057	24 057	24 057	26 460	27 873	29 545
Non-profit institutions	199	30	-	-	12 000	12 000	8 000	-	-
Cecil Nurse (Pty) Ltd	-	30	-	-	-	-	-	-	-
LIV Orphanage	-	-	-	-	12 000	12 000	8 000	-	-
Indumezulu Trust Fund	100	-	-	-	-	-	-	-	-
Nathi Lions FC	99	-	-	-	-	-	-	-	-
Households	-	129	106	-	-	-	-	-	-
Social benefits	-	129	106	-	-	-	-	-	-
Total	82 525	52 954	42 035	44 616	61 635	61 635	73 523	69 042	73 185

Programme 1 mainly reflects transfers in respect of social benefits such as leave gratuities paid to staff who exited the public service. There is a fluctuating trend due to the nature of these transfers. The spending against *Households* relates to a donation to Ultimate Exposure for a religious festival co-ordinated by this organisation.

Programme 2 reflects transfers in respect of social benefits and the Bursary Programme. Note that the fees were paid directly to *Universities and technikons*, but this was later amended in the 2011/12 Adjusted Appropriation for the fees to be paid directly to students, hence the amounts against *Households* from 2011/12 onward.

Programme 3 houses the bulk of the transfer budget, including transfers to the two public entities, KZNGBB and Amafa as reflected against *Departmental agencies and accounts*. In addition:

- The amounts reflected against *Provinces and municipalities* in 2008/09 and 2009/10 relate to the transfer of the management of the Ulundi Airport to the Zululand District Municipality.
- The amounts reflected against *Non-profit institutions* relate to funding of non-profit organisations and donations made to other organisations, such as football clubs as well as the LIV Orphanage.
- The category *Households* caters for staff exit costs.

6. Programme description

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

6.1 Programme 1: Administration

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

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

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

Tables 1.14 and 1.15 below reflect a summary of payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2008/09 to 2014/15.

Table 1.14: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Premier Support	11 545	19 855	21 317	24 620	30 120	30 120	28 519	30 099	31 917
Executive Council Support	5 714	9 544	6 943	8 838	7 838	7 838	9 073	9 581	10 163
Director-General	17 271	15 646	23 051	21 743	18 843	18 843	21 708	22 909	24 291
Financial Management	32 888	54 814	50 427	66 687	59 279	59 279	89 928	98 224	109 680
Total	67 418	99 859	101 738	121 888	116 080	116 080	149 228	160 813	176 051

Table 1.15: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	63 396	90 840	92 926	119 952	112 829	112 829	146 447	158 373	173 465
Compensation of employees	30 657	35 894	43 270	60 293	55 625	55 625	64 524	67 619	73 766
Goods and services	32 739	54 946	49 656	59 659	57 204	57 204	81 923	90 754	99 699
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 452	736	5 148	1 222	1 241	1 241	1 288	1 360	1 442
Provinces and municipalities	16	17	18	-	19	19	10	12	13
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	85	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 351	719	5 130	1 222	1 222	1 222	1 278	1 348	1 429
Payments for capital assets	2 568	6 497	3 656	714	2 004	2 004	1 493	1 080	1 144
Buildings and other fixed structures	59	3 932	-	-	-	-	-	-	-
Machinery and equipment	2 509	2 565	3 654	714	2 004	2 004	993	880	932
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	2	-	-	-	500	200	212
Payments for financial assets	2	1 786	8	-	6	6	-	-	-
Total	67 418	99 859	101 738	121 888	116 080	116 080	149 228	160 813	176 051

The increase in the sub-programme: Premier Support from 2008/09 to 2010/11 is due to the newly created Security and Protocol Services unit. The substantial increase in the 2011/12 Adjusted Appropriation and the 2012/13 MTEF is to cater for the establishment of a unit to manage the Premier's special projects.

The increase from 2008/09 to 2009/10 against the Executive Council Support sub-programme is attributed to inter-departmental accounts that were paid to the Department of Public Works relating to the previous financial year. The decrease in 2010/11 and 2011/12 Adjusted Appropriation is due to cost-cutting. There is a consistent increase over the 2012/13 MTEF.

The budget for the Director-General sub-programme fluctuates from 2008/09 onward mainly as a result of the movement of the Security and Protocol Services unit, which was initially under the Premier

Support sub-programme, but later moved to this sub-programme. The increase in 2010/11 relates to funds rolled over from 2009/10 relating to the War on Poverty programme. These once-off funds account for the decrease from 2010/11 to the 2011/12 Main Appropriation. The decrease in the 2011/12 Adjusted Appropriation is as a result of cost-cutting. There is consistent growth over the 2012/13 MTEF.

The Financial Management sub-programme reflects an increase from 2008/09 to 2009/10 due to the centralisation of administrative costs and lease commitments in 2009/10. The substantial increase from the 2011/12 Main Appropriation is to cater for the newly created Integrity Management unit under the Financial Management sub-programme, in line with the finalised organisational structure of the department. Also included within this sub-programme is funding for the filling of vacant posts. The decrease in the 2011/12 Adjusted Appropriation is due to savings identified which were reprioritised within the department. The significant increase in the 2012/13 MTEF is a result of additional funding for the provision of piped water and proper roads to the Luwamba Clinic in the Ntambanana Municipality.

The increase against *Compensation of employees* from 2009/10 to 2010/11 is a result of the filling of critical vacant posts only in 2010/11, in line with the moratorium on the filling of non-critical posts. It is envisaged that further key positions will be filled from 2011/12 and over the 2012/13 MTEF. The decrease in the 2011/12 Adjusted Appropriation is attributed to savings identified in *Compensation of employees* and moved to *Goods and services*, as well as *Payments for capital assets* within Programme 1, to offset spending pressures such as the Youth Ambassadors programme, Operation *Sukuma Sakhe*, *Simama* Newsletter, and COP17. *Compensation of employees* reflects substantial growth from the 2011/12 Revised Estimate to the 2012/13 MTEF period, mainly due to the filling of vacant posts.

The increase against *Goods and services* from 2008/09 to 2009/10 is due to the creation of the Security and Protocol Services unit. The increase from 2010/11 relates to the centralisation of administrative costs, as mentioned above, as well as the strengthening of the security and protocol responsibility. The increase is also attributed to the creation of the Integrity Management unit, as well as the Premier's Special Projects unit. *Goods and services* reflects substantial growth over the 2012/13 MTEF.

The 2008/09 and 2009/10 expenditure against *Transfers and subsidies to: Households* is for staff exit costs. The increase in 2010/11 relates to the payment of a severance package and retirement benefits for two retired senior officials. The department also provides for payments in respect of medical aid contributions for ex-parliamentarians (PARMED).

The increase in *Buildings and other fixed structures* in 2009/10 is attributed to outstanding payments, from prior years, made to the Department of Public Works for work done at the former Telkom Building.

The increase in 2009/10 against *Machinery and equipment* relates to furniture and equipment purchased for the additional staff transferred to the Premier Support sub-programme. The increase in 2010/11 is due to provision for additional vehicles. The increase in the 2011/12 Adjusted Appropriation is a result of the purchase of official vehicles. The amounts over the 2012/13 MTEF relates to the purchasing of furniture and equipment for new appointments.

Service delivery measures – Programme 1: Administration

Table 1.16 illustrates service delivery measures pertaining to Programme 1. The service delivery outputs were revised in terms of the re-alignment and re-focus of the department.

Table 1.16: Service delivery measures - Programme 1: Administration

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2011/12	2012/13	2013/14	2014/15
1. Financial Management					
1.1 To manage the implementation of the KZN anti-fraud and anti-corruption strategy	<ul style="list-style-type: none"> All provincial depts and all public entities must comply with the KZN anti-fraud and anti-corruption strategy by 31 March 2012 	Implement the KZN anti-fraud and anti-corruption strategy	Manage the implementation of KZN anti-fraud and anti-corruption strategy using a database management system	Manage the implementation of KZN anti-fraud and anti-corruption strategy using a database management system	Full implementation of case management system

6.2 Programme 2: Institutional Development

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

- Providing transversal legal advisory and support services.
- Providing transversal human resource management and systems.
- Co-ordinating the holistic development of public servants as well as the citizenry of KZN in general.
- Providing strategic information communication technology, science and technology management, leadership and support.
- Providing strategic communication leadership and support.

There are four sub-programmes supporting Programme 2, namely Strategic Human Resources, Information Communication Technology, Legal Services and Communication Services. Tables 1.17 and 1.18 below summarise payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2008/09 to 2014/15.

Table 1.17: Summary of payments and estimates - Programme 2: Institutional Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Strategic Human Resources	45 716	53 805	51 811	63 199	61 430	61 430	79 102	84 871	90 041
Information Communication Technology	22 697	21 489	21 016	23 263	20 568	20 568	25 174	26 562	28 159
Legal Services	7 727	8 772	8 512	9 423	9 923	9 923	10 846	11 456	12 156
Communication Services	30 522	21 255	13 936	16 058	18 328	22 328	15 156	15 996	16 964
Total	106 662	105 321	95 275	111 943	110 249	114 249	130 278	138 885	147 320

Table 1.18: Summary of payments and estimates by economic classification - Programme 2: Institutional Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	103 003	101 313	92 629	108 353	102 200	106 199	125 002	132 665	140 726
Compensation of employees	41 144	48 668	43 171	51 767	52 033	52 033	57 355	60 613	64 350
Goods and services	61 859	52 645	49 458	56 586	50 167	54 166	67 647	72 052	76 376
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	742	247	93	2 000	7 000	7 000	2 000	2 000	2 120
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	2 000	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	742	247	93	-	7 000	7 000	2 000	2 000	2 120
Payments for capital assets	2 884	3 758	2 533	1 590	1 049	1 049	3 276	4 220	4 474
Buildings and other fixed structures	153	-	-	-	-	-	1 000	2 000	2 120
Machinery and equipment	2 731	3 749	2 207	1 590	1 049	1 049	2 276	2 220	2 354
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	9	326	-	-	-	-	-	-
Payments for financial assets	33	3	20	-	-	1	-	-	-
Total	106 662	105 321	95 275	111 943	110 249	114 249	130 278	138 885	147 320

Additional funding was allocated to the sub-programme: Strategic Human Resources from 2008/09 onward for the renovation and refurbishment of the Training Academy. The decrease in 2010/11 was as a result of the movement of the Service Delivery unit to Programme 3 during the restructuring process. The reduction was also in respect of the in-year take-up of PILIR related cases, whereby the funds that were not utilised in 2010/11 were surrendered to the Provincial Revenue Fund. The increase from 2011/12 relates to the entire allocation being received for PILIR and funding allocated for the filling of various vacant posts. The substantial increase over the 2012/13 MTEF is attributed to additional funding for the refurbishment and renovations to the Training Academy.

The decrease in 2009/10 against the Information Communication Technology sub-programme relates to the lower funding allocated to the Nerve Centre as some activities were delayed. The decrease in 2010/11

can be ascribed to the movement of funds for the Nerve Centre to Programme 3 as part of the restructuring process. The decrease in the 2011/12 Adjusted Appropriation is due to reprioritisation of funds to other areas as a result of spending pressures, as mentioned above.

The increase against the Legal Services sub-programme from 2011/12 is due to additional funds made available, through reprioritisation from other sub-programmes, to cater for the shortfalls experienced by this sub-programme. The slight increase in the 2011/12 Adjusted Appropriation is to provide for the wage agreement requirements for OSD packages for legal practitioners.

The high 2008/09 amount against the Communication Services sub-programme relates to costs associated with communication campaigns. The 2009/10 and 2010/11 baselines are lower than 2008/09 as this included a once-off allocation of R5 million for the provincial anti-xenophobia campaign. The substantial decrease in 2010/11 is due to the movement of the Community Liaison unit to Programme 3 under the Premier's Priority Programme sub-programme, in line with the realignment process that was undertaken. The increase in the 2011/12 Adjusted Appropriation relates to the demand for communication publications developed by this unit.

The department budgeted for the capacitation of units and the filling of key positions under *Compensation of employees* in 2010/11, but posts were not filled as anticipated. The decrease in 2010/11 was a result of savings within the programme to cater for spending pressures in other areas, and also to other programmes in line with the restructuring process within the department. The increase from 2011/12 onward relates to the planned filling of vacant posts.

Goods and services reflects fluctuations over the period 2008/09 to 2011/12. The high spending in 2008/09 relates to once-off spending on the provincial anti-xenophobia campaign and various other communication campaigns. The decrease in 2010/11 is due to the movement of the Community Liaison unit to Programme 3, which resulted in funding for communication activities being moved. The increase is because of additional funding received over the 2012/13 MTEF for the Training Academy for renovations and refurbishments, as well as maintenance and repairs.

The amount of R2 million against *Transfers and subsidies to: Universities and technikons* in the 2011/12 Main Appropriation relates to the implementation of the provincial Bursary Programme. However, this was a misclassification, as the bursary provided to students is an all encompassing benefit to the students and does not only include payments to institutions. Accordingly, this amount was shifted to *Transfers and subsidies to: Households* in the 2011/12 Adjusted Appropriation to correct the classification of the Bursary Programme. Also in the 2011/12 Adjusted Appropriation, the department reprioritised R5 million from the PILIR contingency fund to *Transfers and subsidies to: Households*, to cater for the high demand for the Bursary Programme, accounting for the reduction in 2012/13. The MTEF allocation for *Transfers and subsidies to: Households* continues to provide for the Bursary Programme.

The high spending against *Machinery and equipment* from 2008/09 to 2010/11 can be ascribed to the acquisition of office furniture and equipment in line with the recruitment plan. The increase in 2009/10 is a result of the purchase of office furniture and equipment for newly leased office buildings. The department is planning to spend less on *Machinery and equipment* over the 2012/13 MTEF, due to the phasing in of the purchase of office furniture and equipment, in line with the filling of vacant posts.

The spending reflected against *Software and other intangible assets* in 2010/11 relates to the purchase of software for the Nerve Centre.

The department wrote off various losses against *Payments for financial assets* from 2008/09 to 2010/11.

Service delivery measures – Programme 2: Institutional Development

Table 1.19 illustrates service delivery measures pertaining to Programme 2. The service delivery outputs were revised and streamlined in terms of the re-alignment and re-focus of the department.

Table 1.19: Service delivery measures - Programme 2: Institutional Development

Outputs	Performance indicators	Estimated performance				Medium-term targets	
		2011/12	2012/13	2013/14	2014/15		
1. Strategic Human Resources							
1.1	To develop human resource policies to facilitate transformation of the Provincial Public Service	• No. of HR policies approved by MexCo/Cabinet in the province	6	4	4	4	
1.2	To train public servants on leadership, management, development and adult education	• No. of public servants trained	6 000	6 500	7 000	7 500	
2. Legal Services							
2.1	To ensure that provincial laws comply with the Constitution and reflect policy (legal editing and certification of all provincial bills, proclamations and regulations; legal drafting of bills, proclamations, regulations and government notices for OTP)	• No. of provincial laws (bills, regulations and proclamations) certified	10 provincial laws (bills & regulations) certified for introduction in the Legislature	10 provincial laws (bills & regulations) certified for introduction in the Legislature	10 provincial laws (bills & regulations) certified for introduction in the Legislature	10 provincial laws (bills & regulations) certified for introduction in the Legislature	
3. Communication Services							
3.1	To provide accurate information about government vision, policies, programmes, services and initiatives to the public	• Accurate, timely, relevant information on govt progress	Production of the provincial govt newspaper & media analysis for all provincial depts	Production of the provincial govt newspaper & media analysis for all provincial depts	Production of the provincial govt newspaper & media analysis for all provincial depts	Production of the provincial govt newspaper & media analysis for all provincial depts	

6.3 Programme 3: Policy and Governance

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

- To capacitate the provincial government and administration on governance and public policy management.
- To manage and co-ordinate strategic projects as mandated by the Premier and the Cabinet.
- To promote and co-ordinate human rights programmes in KZN.
- To promote and co-ordinate the mainstreaming of human rights in public policy and planning processes in the provincial administration.
- To co-ordinate the implementation of gender equality programmes.
- To conserve, manage and promote awareness of the cultural heritage resources of KZN.
- To promote, facilitate and spread the acquisition and application of scientific knowledge in KZN.
- To ensure a regulated gambling, gaming and betting industry.
- To ensure a co-ordinated approach with respect to provincial policy management.
- To co-ordinate and implement a comprehensive response to the socio-economic impact of HIV and AIDS.
- To ensure successful implementation of priority socio-economic programmes and projects in KZN.
- To ensure the effectiveness of policy, planning and programme interventions through evaluation of strategic policy outcomes.
- To design and utilise a functional monitoring and evaluation system for the provincial government and administration and local government.

Five sub-programmes support this programme over the MTEF, namely Special Programmes, Intergovernmental Relations, Provincial Policy Management, Premier's Priority Programmes and Heritage. The funding of the Provincial 2010 Co-ordination ended in 2010/11.

Tables 1.20 and 1.21 below provide a summary of payments and estimates for these six sub-programmes for the period 2008/09 to 2014/15.

Table 1.20: Summary of payments and estimates - Programme 3: Policy and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Special Programmes	58 501	42 067	70 486	60 628	76 628	82 128	73 923	78 347	83 066
Intergovernmental Relations	7 116	5 266	4 628	4 745	8 445	14 445	5 264	5 556	5 892
Provincial Policy Management	23 102	17 742	27 983	57 405	54 784	54 784	55 120	64 380	68 257
Premier's Priority Programmes	55 267	43 045	23 565	52 670	67 691	99 691	114 091	93 446	101 287
Heritage	81 358	61 738	52 504	61 826	57 228	57 228	66 696	70 327	74 553
Provincial 2010 Co-ordination	64 418	54 065	47 628	-	-	-	-	-	-
Total	289 762	223 923	226 794	237 274	264 776	308 276	315 094	312 056	333 055

Table 1.21: Summary of payments and estimates by economic classification - Programme 3: Policy and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	208 760	170 852	188 790	186 888	197 275	240 775	236 958	237 269	253 781
Compensation of employees	24 830	26 106	26 222	34 727	51 129	75 129	75 888	82 345	89 403
Goods and services	183 930	144 746	162 568	152 161	146 146	165 646	161 070	154 924	164 378
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	80 331	51 971	36 794	41 394	53 394	53 394	70 235	65 682	69 623
Provinces and municipalities	4 538	4 823	-	-	-	-	-	-	-
Departmental agencies and accounts	75 594	46 989	36 688	41 394	41 394	41 394	62 235	65 682	69 623
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	199	30	-	-	12 000	12 000	8 000	-	-
Households	-	129	106	-	-	-	-	-	-
Payments for capital assets	665	1 068	1 176	8 992	14 107	14 107	7 901	9 105	9 651
Buildings and other fixed structures	-	373	-	-	-	-	-	-	-
Machinery and equipment	403	695	853	3 292	3 132	3 132	7 901	9 105	9 651
Heritage assets	262	-	323	-	5 275	5 275	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	5 700	5 700	5 700	-	-	-
Payments for financial assets	6	32	34	-	-	-	-	-	-
Total	289 762	223 923	226 794	237 274	264 776	308 276	315 094	312 056	333 055

The high amount in 2008/09 against the Special Programmes sub-programme relates to the Human Rights activities undertaken, such as the 16 Days of Activism campaign and the Child Protection Week. The decrease in 2009/10 is due to cost-cutting. The substantial increase from 2010/11 onward relates to the HIV and AIDS and Gaming and Betting units that were moved to this sub-programme during the restructuring process that took place in 2009/10. The increase in the 2011/12 Adjusted Appropriation and 2012/13 is as a result of additional funding received for the LIV Orphanage, as mentioned previously.

The high 2008/09 amount against the Intergovernmental Relations sub-programme is due to an increase in international visits that were undertaken by the Premier to promote KZN as an investment destination. The increase from 2011/12 Adjustment Estimate onward is attributed to the movement of staff to this sub-programme during the restructuring process.

The high 2008/09 amount against the Provincial Policy Management sub-programme relates to increased licence and maintenance fees for the Nerve Centre. The growth in 2010/11 is a result of the increased HIV and AIDS responsibility programmes. The substantial growth from 2011/12 relates to the phasing in of the implementation of the Nerve Centre and additional funding for the PPC.

The high spending in 2008/09 against the sub-programme: Premier's Priority Programmes was largely due to funding received in respect of an out-of-court settlement entered into by the KZN Gambling Board. The funding allocated for transfer to the Zululand District Municipality in respect of the Ulundi Airport ended in 2009/10, contributing to the decline in 2010/11. The decrease in 2010/11 relates to the

movement of the Gaming and Betting unit to the Special Programmes sub-programme. The substantial increase in 2011/12 and 2012/13 is in respect of additional funding for the roll-out of the Youth Ambassadors programme and a R20 million once-off allocation in respect of the SANDF training of the youth ambassadors. The amount against 2013/14 is, therefore, lower due to the once-off R20 million for SANDF training in 2012/13, as mentioned.

The sub-programme: Heritage is high in 2008/09, due to a roll-over from 2007/08 in respect of the construction of the Emakhosini Multi-Media Centre by Amafa. The spending in 2009/10 and 2010/11 includes the once-off additional allocation of R18.885 million for the construction and operational costs of the Emakhosini Multi-Media Centre. The increase in the 2011/12 Adjusted Appropriation is due to a roll-over for the commemoration of 150 years of the arrival of Indian indentured labourers in the province, as mentioned previously.

The high spending against the sub-programme: Provincial 2010 Co-ordination in 2008/09 was largely due to additional funding for the 2010 World Cup Preliminary Draw and the province's marketing strategy. The 2009/10 spending relates to the marketing of the 2010 World Cup and the establishment of a soccer academy in KZN. The decrease from 2009/10 to 2010/11 is due to the shifting of soccer development funds to the Department of Sport and Recreation. No funding has been allocated from 2011/12 onward as the 2010 World Cup has been hosted and no additional costs will be incurred in the future.

The substantial increase in *Compensation of employees* in the 2011/12 Adjusted Appropriation is due to R15 million that was shifted within Programme 3 from *Goods and services* to correctly allocate the funds for the Youth Ambassadors programme. When the *EPRE* was compiled in 2011/12, it was not clear at that stage that the appointment of the youth ambassadors would be facilitated through the PERSAL system. This has been corrected in the 2011/12 Adjusted Appropriation and over the 2012/13 MTEF.

Goods and services in 2008/09 includes additional funding for heritage and soccer development. The substantial decrease in 2009/10 can be ascribed to the shifting of soccer development funds and Museum Services funds to the Department of Sport and Recreation and Arts and Culture, respectively. The allocation from 2011/12 includes the carry-through of additional funding for the Youth Ambassadors programme, as well as additional funding for the PPC and the Nerve Centre. The increase in the 2011/12 Revised Estimate relates to the roll-over from 2010/11 for the commemoration of 150 years of the arrival of Indian indentured labourers in the province. The increase in the 2012/13 MTEF relates to additional funding for the Youth Ambassadors programme.

The spending against *Transfers and subsidies to: Provinces and municipalities* in 2008/09 and 2009/10 relates to transfers made to the Zululand District Municipality in respect of the Ulundi Airport, whereby the operations and management functions were transferred in April 2007 and the payments ceased in 2009/10.

The additional allocation for the KZNGBB, and the increase in the transfer to Amafa to cover operational expenditure, account for the increase in *Transfers and subsidies to: Departmental agencies and accounts* from 2008/09 onward. The high 2008/09 amount includes a roll-over for the Emakhosini Multi-Media Centre and funding in respect of an out-of-court settlement entered into by the KZNGBB. The 2009/10 amount includes additional funds for the completion of the Emakhosini Multi-Media Centre. The 2012/13 MTEF includes additional funding relating to the merger of the horse racing regulator into the KZNGBB, which is being financed through additional revenue collected by the newly amalgamated entity.

The spending in 2008/09 and 2009/10 against *Transfers and subsidies to: Non-profit institutions* relates to transfers to non-profit organisations dealing with HIV and AIDS and a once-off donation to Nathi Lions Football Club. The increase of R12 million in the 2011/12 Adjusted Appropriation relates to the LIV Orphanage, and a further R8 million was allocated in 2012/13 to this organisation.

The spending against *Buildings and other fixed structures* in 2009/10 was for the construction of heritage monuments commemorating former dignitaries.

The increase against *Machinery and equipment* from 2008/09 to 2009/10 is attributable to the phasing in of the purchase of office furniture and computer equipment. The expenditure from 2009/10 relates to the purchase of office furniture and computer equipment for newly appointed staff.

The 2011/12 allocation against *Software and other intangible assets* is as a result of the additional funding received for the Nerve Centre.

Service delivery measures – Programme 3: Policy and Governance

Table 1.22 below provides information on the service delivery measures pertaining to Programme 3: Policy and Governance. The OTP reworded some existing measures and also introduced several new performance indicators from 2012/13 onward.

Table 1.22: Service delivery measures – Programme 3: Policy and Governance

Outputs	Performance indicators	Estimated performance		Medium-term targets		
		2011/12	2012/13	2013/14	2014/15	
1 Special Programmes						
1.1 To co-ordinate the incorporation of Human Rights (gender equality, disability, children, and senior citizens) into all govt policies and programmes quarterly	<ul style="list-style-type: none"> Development of forums for co-ordination of vulnerable groups 	Annual review of Provincial Multi-Sectoral Plans for gender equality, disability, women, children and senior citizens rights	Annual review of Provincial Multi-Sectoral Plans for gender equality, disability, women, children and senior citizens rights	Annual review of Provincial Multi-Sectoral Plans for gender equality, disability, women, children and senior citizens rights	Annual review of Provincial Multi-Sectoral Plans for gender equality, disability, women, children and older person's rights	
1.2 The transformation of the gambling industry through legislative measures	<ul style="list-style-type: none"> No. of original draft legislation, draft regulations and legislative amendments 	KZN Gaming and Betting Act, 2010 passed by Legislature	(1) Act 2010 promulgated and brought into effect (2) Merging of KZN Gambling Board and KZN Bookmakers Control Committee to form KZNGBB (3) Policy/ framework law on Internet Gambling developed	(1) Full implementation of the Act (2) Policy / framework provincial law on Internet Gambling published for public comment	Act reviewed	
2 Intergovernmental Relations (IGR)						
2.1 To facilitate inter-departmental co-operation and promote co-operative governance through implementation of IGR Act (1999) quarterly	<ul style="list-style-type: none"> To provide Intra-Governmental Relations Secretariat Support Services to Premier's Co-ordinating Forum and Technical Premier's Co-ordinating Forum (quarterly) 	Macro alignment processes through feedback reports from national forums and provincial forums	Monitoring the implementation of Co-operative Governance Framework	Macro alignment processes through feedback reports from national forums and provincial forums	-	
3 Provincial Policy Management						
3.1 To monitor the implementation of the PGDS and Plan monthly, quarterly and annually	<ul style="list-style-type: none"> Level of compliance with the PGDS sufficient consensus based on PGDS 	Review PGDS	Monitor implementation of PGDP	Monitor and review of the PGDP	Review PGDS and PGDP	
3.2 To monitor and evaluate the development effectiveness of the province using the KZN Integrated Programme of Action (POA) using the Nerve Centre	<ul style="list-style-type: none"> Functionally operational province wide-govt monitoring and evaluation system by 2014 operating on the Nerve Centre 	50% of provincial and local govt organisations linked to the Business Intelligence System	4 KZN POA progress reports	KZN Performance Management System on MTSF 12 outcomes fully automated	M&E system review	
4 Premier's Priority Programmes						
4.1 To develop & implement the provincial governmental stakeholder engagement & management strategy by March 2013	<ul style="list-style-type: none"> Adopted Stakeholder Engagement & Management Strategy by March 2013 	Devised provincial governmental stakeholder engagement & management strategy	Development and roll-out of provincial governmental stakeholder engagement & management strategy	Development and roll-out of provincial governmental stakeholder engagement & management strategy	Review strategy	
5 Heritage						
5.1 To conserve and develop heritage sites in terms of KZN Heritage Act	<ul style="list-style-type: none"> No. of relevant heritage sites developed 	-	1 heritage site developed	1 heritage site developed	1 heritage site developed	

7. Other programme information

7.1 Personnel numbers and costs

Tables 1.23 and 1.24 reflect the personnel estimates for the Office of the Premier, per programme, as well as a further breakdown of categories of personnel, as at 31 March 2009 to 31 March 2015. The Finance component incorporates financial and management accounting services, supply chain management, integrity management and auxiliary and associated services.

The re-aligned organisational structure was approved during 2009/10. The personnel numbers for 2011/12 and the 2012/13 MTEF show a department that is better capacitated, through the anticipated recruitment to fill key vacant positions. Although the recruitment process started in 2007/08, not all key vacancies were filled as anticipated. A minor increase in the number of staff in total as at 31 March 2009 to 31 March 2010 is noted and this was influenced by the moratorium on the filling of non-critical vacant posts.

Table 1.23: Personnel numbers and costs per programme

	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
Personnel numbers							
1. Administration	119	125	127	127	130	127	127
1. Institutional Development	129	123	123	138	149	149	149
3. Policy and Governance	74	80	79	1 692	2 064	2 066	2 071
of which							
Youth ambassadors	-	-	-	1 607	1 966	1 966	1 966
Total	322	328	329	1 957	2 343	2 342	2 347
Total personnel cost (R thousand)	96 631	110 668	112 663	182 787	197 767	210 577	227 519
Unit cost (R thousand)	300	337	342	93	84	90	97

Table 1.24: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Total for department									
Personnel numbers (head count)	322	328	329	395	395	1 957	2 343	2 342	2 347
Personnel cost (R thousand)	96 631	110 668	112 663	146 787	158 787	182 787	197 767	210 577	227 519
Human resources component									
Personnel numbers (head count)	20	23	26	27	27	27	27	27	27
Personnel cost (R thousand)	3 342	3 543	4 805	5 646	5 646	5 646	6 107	6 458	6 829
Head count as % of total for department	6.21	7.01	7.90	6.84	6.84	1.38	1.15	1.15	1.15
Personnel cost as % of total for department	3.46	3.20	4.26	3.85	3.56	3.09	3.09	3.07	3.00
Finance component									
Personnel numbers (head count)	79	91	99	105	105	105	105	105	105
Personnel cost (R thousand)	13 451	17 818	20 781	31 015	25 047	25 047	26 295	27 741	29 266
Head count as % of total for department	24.53	27.74	30.09	26.58	26.58	5.37	4.48	4.48	4.47
Personnel cost as % of total for department	13.92	16.10	18.45	21.13	15.77	13.70	13.30	13.17	12.86
Full time workers									
Personnel numbers (head count)	297	313	329	379	379	334	377	376	381
Personnel cost (R thousand)	85 877	104 615	112 663	139 895	151 895	167 523	160 180	168 682	181 051
Head count as % of total for department	92.24	95.43	100.00	95.95	95.95	17.07	16.09	16.05	16.23
Personnel cost as % of total for department	88.87	94.53	100.00	95.30	95.66	91.65	80.99	80.10	79.58
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	25	15	-	16	16	1 623	1 966	1 966	1 966
Personnel cost (R thousand)	10 754	6 053	-	6 892	6 892	15 264	37 587	41 895	46 468
Head count as % of total for department	7.76	4.57	-	4.05	4.05	82.93	83.91	83.95	83.77
Personnel cost as % of total for department	11.13	5.47	-	4.70	4.34	8.35	19.01	19.90	20.42

From 2008/09 to 2009/10, Contract workers consist of the Premier's special advisors, as well as other employees employed on a contractual basis, including personnel required for special programmes. From the 2011/12 Adjusted Appropriation, the youth ambassadors are also included under contract workers. In the 2012/13 MTEF, the latter are the only contract workers.

There is a reduction in the 2011/12 Adjusted Appropriation due to delays in the filling of vacant posts and also the effect of the moratorium. The department anticipates filling vacant posts over the 2012/13 MTEF.

This also corresponds with the increase in the allocation for *Compensation of employees* over the period. Also, as mentioned, from 2011/12 onward, the Youth Ambassadors programme is catered for. This accounts for the drop in the unit cost from 2010/11 to 2011/12, and the fairly low unit cost when compared to other provincial departments from 2011/12 onward.

7.2 Training

Tables 1.25 and 1.26 reflect payments and estimates on training per programme, providing actual and estimated expenditure on training for the period 2008/09 to 2011/12 and budgeted expenditure for the period 2012/13 to 2014/15. The department is required by the Skills Development Act to budget at least one per cent of its salary expense for staff training. The department has set aside that one per cent of the total personnel costs in this regard. The training needs will be reviewed on an on-going basis. This requirement gives credence to government policy on human resource development.

The budget increases steadily over the 2012/13 MTEF, as it is deemed necessary to train new appointees, as well as to develop and re-skill existing staff in line with the revised strategies of the department, where appropriate. The decrease against 2009/10 and 2010/11 is due to cost-cutting. The increase reflected in 2011/12 and over the 2012/13 MTEF is due to increased number of training programmes scheduled. The peak in 2012/13 includes the R20 million allocated for the youth ambassador training by SANDF.

Table 1.25: Payments and estimates on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	607	138	102	-	70	70	207	239	254
2. Institutional Development	641	982	996	1 430	1 478	1 478	1 535	1 702	1 805
3. Policy and Governance	1 142	148	89	2 334	2 334	2 334	20 740	836	886
Total	2 390	1 268	1 187	3 764	3 882	3 882	22 482	2 777	2 945

Table 1.26: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Number of staff	322	328	329	395	395	1 957	2 343	2 342	2 347
Number of personnel trained	317	178	225	130	130	109	150	170	160
of which									
Male	128	69	90	50	50	26	60	70	40
Female	189	109	135	80	80	83	90	100	120
Number of training opportunities	39	192	212	160	160	140	175	190	155
of which									
Tertiary	22	-	-	-	-	-	-	-	-
Workshops	5	12	12	50	50	10	60	60	15
Seminars	-	8	15	20	20	10	25	30	20
Other	12	172	185	90	90	120	90	100	120
Number of bursaries offered	56	45	30	24	24	11	24	24	15
External									
Internal	56	45	30	24	24	11	24	24	15
Number of interns appointed	24	22	24	24	24	38	24	24	30
Number of learnerships appointed	-	-	-	-	-	363	363	363	363
Number of days spent on training									

It must be noted that, due to the effects of cost-cutting, there were no tertiary training opportunities provided to employees in 2009/10 and 2010/11. A number of other training opportunities reflect an increase from 2008/09 to 2011/12 due to the appointment of a skills development facilitator who ensured that training gaps identified in the Personal Development Plans were dealt with, resulting in increased training opportunities. This is also reflected over the 2012/13 MTEF.

ANNEXURE – VOTE 1: OFFICE OF THE PREMIER

Table 1.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Tax receipts	333 013	325 541	351 440	366 605	366 605	380 088	403 924	425 958	449 218
Casino taxes	267 943	283 970	305 583	320 788	320 788	320 788	336 827	355 352	374 896
Horse racing taxes	65 070	41 571	45 857	45 817	45 817	59 300	67 097	70 606	74 322
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	333	268	223	156	156	145	186	196	207
Sale of goods and services produced by dept. (excl. capital assets)	333	268	223	156	156	145	186	196	207
Sales by market establishments									
Administrative fees									
Other sales	333	268	223	156	156	145	186	196	207
Of which									
Bookmakers licences	16	12	19	16	16	11	24	25	26
Housing rent recoveries	99	141	147	41	41	34	49	52	55
Serv rend: Commission Insurance	54	70	20	77	77	82	85	89	94
Sales: Dept publications	164	45	37	22	22	18	28	30	32
Sale of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land	5	14	6	-	-	-	-	-	-
Interest	5	14	6	-	-	-	-	-	-
Dividends									
Rent on land									
Sale of capital assets	-	582	-	-	-	-	-	-	-
Land and subsoil assets									
Other capital assets	-	582	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	69	78	943	-	-	44	-	-	-
Total	333 420	326 483	352 612	366 761	366 761	380 277	404 110	426 154	449 425

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	375 159	363 005	374 345	415 193	412 304	459 803	508 407	528 307	567 972
Compensation of employees	96 631	110 668	112 663	146 787	158 787	182 787	197 767	210 577	227 519
Salaries and wages	83 569	98 884	95 763	126 646	137 544	161 544	180 922	192 545	208 091
Social contributions	13 062	11 784	16 900	20 141	21 243	21 243	16 845	18 032	19 428
Goods and services	278 528	252 337	261 682	268 406	253 517	277 016	310 640	317 730	340 453
of which									
Administrative fees	1 826	2 642	2 028	1 776	1 803	1 803	2 158	2 318	2 453
Advertising	40 901	29 424	18 492	13 367	16 020	29 630	14 762	13 200	13 993
Assets <R5000	2 709	795	866	3 208	2 658	2 658	9 873	10 951	11 827
Audit cost: External	1 597	2 420	2 683	2 730	2 500	2 500	2 950	3 050	3 233
Bursaries (employees)	124	382	391	-	174	174	287	279	296
Catering: Departmental activities	15 641	13 254	15 944	17 710	14 289	13 289	7 374	8 090	8 576
Communication	14 188	11 173	8 815	14 374	13 097	13 097	11 969	12 457	13 204
Computer services	19 450	8 488	20 493	18 759	21 192	26 145	43 382	39 027	41 368
Cons/prof: Business & advisory services	49 118	34 889	19 486	26 103	22 359	21 359	47 219	64 475	71 845
Cons/prof: Infrastructure & planning	-	-	-	4 250	4 250	4 250	4 500	4 700	4 982
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	1 446	713	992	94	94	225	1 596	1 673	1 773
Contractors	54 384	71 690	88 490	31 161	26 211	34 950	26 246	29 760	31 486
Agency & support/outourced services	5 882	481	176	33 330	20 039	19 318	6 201	6 961	7 378
Entertainment	105	3	-	108	108	108	381	410	434
Fleet services (incl. GMT)	2	-	11	-	1 927	1 927	2 000	2 200	2 332
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	214	776	995	1 322	1 321	1 321	1 886	2 069	2 192
Inventory: Fuel, oil and gas	75	24	23	44	44	44	180	196	208
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	514	387	199	239	252	269	476	1 169	1 240
Inventory: Medical supplies	-	14	5	54	52	52	235	249	264
Inventory: Medicine	-	-	-	-	-	55	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	621	268	253	3 343	3 409	3 409	643	659	698
Inventory: Stationery and printing	8 045	7 483	6 988	13 090	11 219	11 219	17 243	18 114	19 200
Lease payments	2 233	12 377	13 613	15 112	15 868	16 164	14 167	14 647	15 527
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	2 853	11 456	10 330	8 088	12 179	12 179	17 103	18 793	19 922
Transport provided: Departmental activity	8 147	3 878	6 677	19 918	18 943	16 930	9 542	9 973	10 572
Travel and subsistence	29 074	22 854	26 419	20 662	22 108	22 108	32 449	36 075	38 240
Training and development	2 390	1 268	1 187	3 764	3 882	3 882	22 482	2 777	2 945
Operating expenditure	3 671	603	1 025	2 967	2 352	2 452	2 600	2 775	2 942
Venues and facilities	13 318	14 595	15 101	12 833	15 167	15 499	10 736	10 683	11 323
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	82 525	52 954	42 035	44 616	61 635	61 635	73 523	69 042	73 185
Provinces and municipalities	4 554	4 840	18	-	19	19	10	12	13
Provinces	16	17	18	-	19	19	10	12	13
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	16	17	18	-	19	19	10	12	13
Municipalities	4 538	4 823	-	-	-	-	-	-	-
Municipalities	4 538	4 823	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	75 594	46 989	36 688	41 394	41 394	41 394	62 235	65 682	69 623
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	75 594	46 989	36 688	41 394	41 394	41 394	62 235	65 682	69 623
Universities and technikons	-	-	-	2 000	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	85	-	-	-	-	-	-	-	-
Public corporations	85	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	85	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	199	30	-	-	12 000	12 000	8 000	-	-
Households	2 093	1 095	5 329	1 222	8 222	8 222	3 278	3 348	3 549
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	2 093	1 095	5 329	1 222	8 222	8 222	3 278	3 348	3 549
Payments for capital assets	6 117	11 323	7 365	11 296	17 160	17 160	12 670	14 405	15 269
Buildings and other fixed structures	212	4 305	-	-	-	-	1 000	2 000	2 120
Buildings	212	4 305	-	-	-	-	1 000	2 000	2 120
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 643	7 009	6 714	5 596	6 185	6 185	11 170	12 205	12 937
Transport equipment	1 474	1 120	-	-	1 234	1 234	-	-	-
Other machinery and equipment	4 169	5 889	6 714	5 596	4 951	4 951	11 170	12 205	12 937
Heritage assets	262	-	323	-	5 275	5 275	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	9	328	5 700	5 700	5 700	500	200	212
Payments for financial assets	41	1 821	62	-	6	7	-	-	-
Total	463 842	429 103	423 807	471 105	491 105	538 605	594 600	611 754	656 426

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	63 396	90 840	92 926	119 952	112 829	112 829	146 447	158 373	173 465
Compensation of employees	30 657	35 894	43 270	60 293	55 625	55 625	64 524	67 619	73 766
Salaries and wages	26 513	31 946	36 779	50 988	47 281	47 281	58 207	60 855	66 499
Social contributions	4 144	3 948	6 491	9 305	8 344	8 344	6 317	6 764	7 267
Goods and services	32 739	54 946	49 656	59 659	57 204	57 204	81 923	90 754	99 699
of which									
Administrative fees	1 032	1 103	661	831	863	863	486	569	602
Advertising	1 671	3 785	582	1 092	675	675	1 230	1 323	1 402
Assets <R5000	1 584	233	437	1 472	1 239	1 239	1 208	1 348	1 429
Audit cost: External	1 597	2 420	2 683	2 730	2 500	2 500	2 950	3 050	3 233
Bursaries (employees)									
Catering: Departmental activities	415	1 975	3 284	2 786	2 182	2 182	2 420	2 795	2 963
Communication	6 713	3 423	3 919	4 302	4 301	4 301	2 629	2 788	2 955
Computer services	60	45	491	45	2 720	2 720	65	72	76
Cons/prof: Business & advisory services	2 483	8 614	864	4 057	807	807	27 339	32 925	38 401
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	1 190	(26)	983	-	-	-	1 362	1 438	1 524
Contractors	4 155	7 034	8 057	8 837	6 607	6 607	3 468	3 446	3 653
Agency & support/outsourced services	798	144	-	3 660	502	502	2 106	2 223	2 356
Entertainment	-	3	-	-	-	-	111	118	125
Fleet services (incl. GMT)	2	-	11	-	1 927	1 927	2 000	2 200	2 332
Housing									
Inventory: Food and food supplies	49	153	285	365	329	329	712	796	843
Inventory: Fuel, oil and gas	75	24	23	44	44	44	40	44	47
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	231	281	68	74	85	85	51	59	63
Inventory: Medical supplies	-	14	-	44	28	28	17	18	19
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	158	230	156	257	235	235	485	500	530
Inventory: Stationery and printing	1 398	2 820	1 687	3 310	1 739	1 739	4 967	5 329	5 648
Lease payments	1 033	7 326	7 736	9 017	9 685	9 685	8 081	8 232	8 726
Rental and hiring									
Property payments	1 237	8 190	5 891	4 936	9 021	9 021	4 609	5 013	5 315
Transport provided: Departmental activity	36	119	816	590	320	320	206	232	246
Travel and subsistence	5 731	4 660	9 397	9 234	9 807	9 807	13 072	14 204	15 056
Training and development	607	138	102	-	70	70	207	239	254
Operating expenditure	153	27	133	28	(360)	(360)	253	276	293
Venues and facilities	331	2 211	1 390	1 948	1 878	1 878	1 849	1 517	1 608
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	1 452	736	5 148	1 222	1 241	1 241	1 288	1 360	1 442
Provinces and municipalities	16	17	18	-	19	19	10	12	13
Provinces	16	17	18	-	19	19	10	12	13
Provincial Revenue Funds									
Provincial agencies and funds	16	17	18	-	19	19	10	12	13
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	85	-	-	-	-	-	-	-	-
Public corporations	85	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers	85	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	1 351	719	5 130	1 222	1 222	1 222	1 278	1 348	1 429
Social benefits									
Other transfers to households	1 351	719	5 130	1 222	1 222	1 222	1 278	1 348	1 429
Payments for capital assets	2 568	6 497	3 656	714	2 004	2 004	1 493	1 080	1 144
Buildings and other fixed structures	59	3 932	-	-	-	-	-	-	-
Buildings	59	3 932	-	-	-	-	-	-	-
Other fixed structures									
Machinery and equipment	2 509	2 565	3 654	714	2 004	2 004	993	880	932
Transport equipment	974	1 120	-	-	1 234	1 234	-	-	-
Other machinery and equipment	1 535	1 445	3 654	714	770	770	993	880	932
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	-	2	-	-	-	500	200	212
Payments for financial assets	2	1 786	8	-	6	6	-	-	-
Total	67 418	99 859	101 738	121 888	116 080	116 080	149 228	160 813	176 051

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	103 003	101 313	92 629	108 353	102 200	106 199	125 002	132 665	140 726
Compensation of employees	41 144	48 668	43 171	51 767	52 033	52 033	57 355	60 613	64 350
Salaries and wages	35 590	43 509	36 695	45 146	45 269	45 269	50 621	53 405	56 610
Social contributions	5 554	5 159	6 476	6 621	6 764	6 764	6 734	7 208	7 740
Goods and services	61 859	52 645	49 458	56 586	50 167	54 166	67 647	72 052	76 376
of which									
Administrative fees	275	517	264	248	243	243	279	258	274
Advertising	9 376	5 082	5 038	4 767	7 637	16 247	4 197	3 388	3 593
Assets <R5000	526	487	270	1 118	801	801	1 359	1 570	1 663
Audit cost: External									
Bursaries (employees)	124	380	391	-	174	174	237	219	233
Catering: Departmental activities	4 529	2 021	714	877	1 060	1 060	559	670	710
Communication	2 435	5 921	4 770	6 476	5 200	5 200	5 174	5 256	5 571
Computer services	19 278	8 374	9 356	11 685	9 683	6 135	13 604	14 439	15 305
Cons/prof: Business & advisory services	4 019	5 221	4 167	4 999	4 505	4 505	5 380	5 550	5 883
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	114	148	9	94	94	225	234	235	249
Contractors	1 870	6 502	5 559	9 537	2 917	693	7 913	8 277	8 774
Agency & support/outsourced services	847	158	2	420	62	341	105	135	143
Entertainment	20	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	49	108	79	90	125	125	142	150	159
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	27	24	96	140	142	159	104	109	116
Inventory: Medical supplies	-	-	5	2	16	16	17	19	20
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	419	38	55	41	129	129	67	74	78
Inventory: Stationery and printing	2 638	1 714	3 307	2 167	2 867	2 867	2 658	3 137	3 325
Lease payments	689	4 642	5 454	5 511	5 599	5 895	5 424	5 669	6 009
Rental and hiring									
Property payments	1 562	3 000	4 410	3 152	3 158	3 158	12 494	13 780	14 607
Transport provided: Departmental activity	1 540	707	-	5	-	6	-	-	-
Travel and subsistence	5 740	3 787	3 400	2 646	3 519	3 519	5 310	6 462	6 850
Training and development	641	982	996	1 430	1 478	1 478	1 535	1 702	1 805
Operating expenditure	625	130	127	531	304	404	415	468	496
Venues and facilities	4 516	2 702	989	650	454	786	440	485	513
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	742	247	93	2 000	7 000	7 000	2 000	2 000	2 120
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons	-	-	-	2 000	-	-	-	-	-
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	742	247	93	-	7 000	7 000	2 000	2 000	2 120
Social benefits									
Other transfers to households	742	247	93	-	7 000	7 000	2 000	2 000	2 120
Payments for capital assets	2 884	3 758	2 533	1 590	1 049	1 049	3 276	4 220	4 474
Buildings and other fixed structures	153	-	-	-	-	-	1 000	2 000	2 120
Buildings	153	-	-	-	-	-	1 000	2 000	2 120
Other fixed structures									
Machinery and equipment	2 731	3 749	2 207	1 590	1 049	1 049	2 276	2 220	2 354
Transport equipment	500	-	-	-	-	-	-	-	-
Other machinery and equipment	2 231	3 749	2 207	1 590	1 049	1 049	2 276	2 220	2 354
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	9	326	-	-	-	-	-	-
Payments for financial assets	33	3	20	-	-	1	-	-	-
Total	106 662	105 321	95 275	111 943	110 249	114 249	130 278	138 885	147 320

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	208 760	170 852	188 790	186 888	197 275	240 775	236 958	237 269	253 781
Compensation of employees	24 830	26 106	26 222	34 727	51 129	75 129	75 888	82 345	89 403
Salaries and wages	21 466	23 429	22 289	30 512	44 994	68 994	72 094	78 285	84 982
Social contributions	3 364	2 677	3 933	4 215	6 135	6 135	3 794	4 060	4 421
Goods and services	183 930	144 746	162 568	152 161	146 146	165 646	161 070	154 924	164 378
of which									
Administrative fees	519	1 022	1 103	697	697	697	1 393	1 491	1 577
Advertising	29 854	20 557	12 872	7 508	7 708	12 708	9 335	8 489	8 998
Assets <R5000	599	75	159	618	618	618	7 306	8 033	8 735
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	2	-	-	-	-	50	60	63
Catering: Departmental activities	10 697	9 258	11 946	14 047	11 047	10 047	4 395	4 625	4 903
Communication	5 040	1 829	126	3 596	3 596	3 596	4 166	4 413	4 678
Computer services	112	69	10 646	7 029	8 789	17 290	29 713	24 516	25 987
Cons/prof: Business & advisory services	42 616	21 054	14 455	17 047	17 047	16 047	14 500	26 000	27 561
Cons/prof: Infrastructure & planning	-	-	-	4 250	4 250	4 250	4 500	4 700	4 982
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	142	591	-	-	-	-	-	-	-
Contractors	48 359	58 154	74 874	12 787	16 687	27 650	14 865	18 037	19 059
Agency & support/outourced services	4 237	179	174	29 250	19 475	18 475	3 990	4 603	4 879
Entertainment	85	-	-	108	108	108	270	292	309
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	116	515	631	867	867	867	1 032	1 123	1 190
Inventory: Fuel, oil and gas	-	-	-	-	-	-	140	152	161
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	256	82	35	25	25	25	321	1 001	1 061
Inventory: Medical supplies	-	-	-	8	8	8	201	212	225
Inventory: Medicine	-	-	-	-	-	55	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	44	-	42	3 045	3 045	3 045	91	85	90
Inventory: Stationery and printing	4 009	2 949	1 994	7 613	6 613	6 613	9 618	9 648	10 227
Lease payments	511	409	423	584	584	584	662	746	792
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	54	266	29	-	-	-	-	-	-
Transport provided: Departmental activity	6 571	3 052	5 861	19 323	18 623	16 604	9 336	9 741	10 326
Travel and subsistence	17 603	14 407	13 622	8 782	8 782	8 782	14 067	15 409	16 334
Training and development	1 142	148	89	2 334	2 334	2 334	20 740	836	886
Operating expenditure	2 893	446	765	2 408	2 408	2 408	1 932	2 031	2 153
Venues and facilities	8 471	9 682	12 722	10 235	12 835	12 835	8 447	8 681	9 202
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	80 331	51 971	36 794	41 394	53 394	53 394	70 235	65 682	69 623
Provinces and municipalities	4 538	4 823	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	4 538	4 823	-	-	-	-	-	-	-
Municipalities	4 538	4 823	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	75 594	46 989	36 688	41 394	41 394	41 394	62 235	65 682	69 623
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	75 594	46 989	36 688	41 394	41 394	41 394	62 235	65 682	69 623
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	199	30	-	-	12 000	12 000	8 000	-	-
Households	-	129	106	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	129	106	-	-	-	-	-	-
Payments for capital assets	665	1 068	1 176	8 992	14 107	14 107	7 901	9 105	9 651
Buildings and other fixed structures	-	373	-	-	-	-	-	-	-
Buildings	-	373	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	403	695	853	3 292	3 132	3 132	7 901	9 105	9 651
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	403	695	853	3 292	3 132	3 132	7 901	9 105	9 651
Heritage assets	262	-	323	-	5 275	5 275	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	5 700	5 700	5 700	-	-	-
Payments for financial assets	6	32	34	-	-	-	-	-	-
Total	289 762	223 923	226 794	237 274	264 776	308 276	315 094	312 056	333 055

Table 1.F: Details of payments of infrastructure by category

No.	Project name	Municipality/ Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available	MTEF forward estimates	
			Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish						2012/13	2013/14	2014/15
R thousand														
New and replacement assets									-	-	-	-	-	-
Upgrades and additions									-	-	-	-	-	-
Rehabilitation, renovations and refurbishments									-	-	-	-	-	-
1.	Provincial Public Service Training Academy	eThekwini	Project/admin block	1	01 Apr 2011	01 Mar 2014	Equitable share	Programme 2	-	8 955	-	1 000	2 000	2 120
Total Rehabilitation, renovations and refurbishments									-	8 955	-	1 000	2 000	2 120
Maintenance and repairs														
1.	Provincial Public Service Training Academy	eThekwini	Project/admin block	1	01 Apr 2011	01 Mar 2014	Equitable share	Programme 2	-	89 550	-	10 000	11 100	11 766
Total Maintenance and repairs									-	89 550	-	10 000	11 100	11 766
Infrastructure transfers - current									-	-	-	-	-	-
Infrastructure transfers - capital									-	-	-	-	-	-
Total Infrastructure									-	98 505	-	11 000	13 100	13 886

Table 1.G: Summary of transfers to local government (Ulundi Airport transfer to Zululand DM)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	-	-	-	-	-	-	-	-	-
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	-	-	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	-	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
B KZN241 Endumeni	-	-	-	-	-	-	-	-	-
B KZN242 Nqutu	-	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	-	-	-	-	-	-	-
B KZN245 Umvoti	-	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
B KZN252 Newcastle	-	-	-	-	-	-	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	4 538	4 823	-	-	-	-	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	4 538	4 823	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZN271 Umhlabuyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	-	-	-	-	-	-	-	-	-
B KZN274 Hlabisa	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	-	-	-	-	-	-	-	-	-
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
B KZN431 Ingwe	-	-	-	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 Umzimkulu	-	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	4 538	4 823	-	-	-	-	-	-	-

Table 1.H: Financial summary for the KwaZulu-Natal Gaming and Betting Board (KZNGBB)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	10 557	9 919	12 969	13 919	13 848	15 547	17 646
Sale of goods and services other than capital assets	10 514	9 877	11 396	12 919	13 598	15 247	17 296
Other non-tax revenue	43	42	1 573	1 000	250	300	350
Transfers received	11 851	19 238	16 356	17 337	35 775	37 809	40 077
Total revenue	22 408	29 157	29 325	31 256	49 623	53 356	57 723
Expenses							
Current expense	21 397	28 415	29 462	36 467	49 623	53 356	57 723
Compensation of employees	10 924	15 659	18 158	24 617	37 197	40 313	43 314
Goods and services	9 732	12 021	11 137	11 108	11 717	12 299	13 623
Depreciation	741	735	167	742	709	744	786
Interest, dividends and rent on land							
Unearned reserves (social security funds only)							
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	21 397	28 415	29 462	36 467	49 623	53 356	57 723
Surplus/(deficit)	1 011	742	(137)	(5 211)	-	-	-
Cash flow summary							
Adjust surplus/(deficit) for accrual transactions	(1 317)	(890)	(1 274)	(258)	(17)	676	758
Adjustments for:							
Depreciation	979	779	299	742	783	826	908
Impairments							
Interest	(2 296)	(1 669)	(1 573)	(1 000)	(800)	(150)	(150)
Net (profit)/loss on disposal of fixed assets							
Other							
Operating surplus/(deficit) before changes in working capital capital	(306)	(148)	(1 411)	(5 469)	(17)	676	758
Changes in working capital	(1 245)	1 188	537	(73)	33	1 242	(250)
(Decrease)/increase in accounts payable	(1 425)	1 592	186	(250)	(150)	(150)	(150)
Decrease/(increase) in accounts receivable	167	(418)	117	(150)	150	125	100
Decrease/(increase) in inventory							
(Decrease)/increase in provisions	13	14	234	327	33	1 267	(200)
Interest income	40	42	45	-	-	-	-
Cash flow from operating activities	(1 511)	1 082	(829)	(5 542)	16	1 918	508
Transfers from government	-	-	-	-	-	-	-
Capital							
Current							
Cash flow from investing activities	(1 094)	(650)	(1 713)	(1 790)	(33)	(1 200)	(1 000)
Acquisition of assets	(1 094)	(650)	(1 713)	(1 790)	(33)	(1 200)	(1 000)
Other flows from investing activities							
Cash flow from financing activities	-	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	(2 605)	432	(2 542)	(7 332)	(17)	718	(492)
Balance sheet data							
Carrying value of assets	894	299	379	1 630	1 745	2 040	2 200
Investments							
Cash and cash equivalents	25 721	29 176	37 090	21 784	20 134	19 603	17 750
Receivables and prepayments	292	710	594	2 500	2 625	2 756	2 908
Inventory							
TOTAL ASSETS	26 907	30 185	38 063	25 914	24 504	24 399	22 858
Capital and reserves	16 687	18 359	25 817	20 606	20 606	20 606	20 606
Borrowings							
Post retirement benefits							
Trade and other payables	9 172	10 764	10 951	3 500	2 000	1 800	150
Provisions	1 048	1 062	1 295	1 808	1 898	1 993	2 102
Managed funds							
TOTAL EQUITY AND LIABILITIES	26 907	30 185	38 063	25 914	24 504	24 399	22 858
Contingent Liabilities	-	-	-	-	-	-	-

Table 1.1: Financial summary for Amafa aKwaZulu-Natali (Amafa)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	3 095	2 379	2 663	1 345	1 479	1 557	1 650
Sale of goods and services other than capital assets	962	982	1 519	950	1 045	1 100	1 166
Other non-tax revenue	2 133	1 397	1 144	395	434	457	484
Transfers received	35 301	32 841	20 332	24 057	26 460	27 873	29 546
Total revenue	38 396	35 220	22 995	25 402	27 939	29 430	31 196
Expenses							
Current expense	18 739	21 758	25 399	26 621	27 939	29 430	31 196
Compensation of employees	11 646	14 166	15 511	16 882	19 051	20 163	21 331
Goods and services	6 144	6 329	8 060	8 249	7 438	7 817	8 415
Depreciation	949	1 263	1 828	1 490	1 450	1 450	1 450
Interest, dividends and rent on land							
Unearned reserves (social security funds only)							
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	18 739	21 758	25 399	26 621	27 939	29 430	31 196
Surplus/(deficit)	19 657	13 462	(2 404)	(1 219)	-	-	-
Cash flow summary							
Adjust surplus/(deficit) for accrual transactions	4 889	1 189	1 846	1 490	1 450	1 450	1 450
Adjustments for:							
Depreciation	369	1 263	1 828	1 490	1 450	1 450	1 450
Net (profit)/loss on disposal of fixed assets	(16)	(74)	18	-	-	-	-
Other	4 536	-	-	-	-	-	-
Operating surplus/(deficit) before changes in working capital	24 546	14 651	(558)	271	1 450	1 450	1 450
Changes in working capital	(4 038)	(329)	160	365	(10)	(7)	(4)
(Decrease)/increase in accounts payable	(3 882)	(881)	(135)	(49)	-	-	-
Decrease/(increase) in accounts receivable	(300)	(246)	420	384	-	-	-
Decrease/(increase) in inventory	48	197	(164)	(8)	(50)	(50)	(50)
(Decrease)/increase in provisions	96	601	39	38	40	43	46
Cash flow from operating activities	20 508	14 322	(398)	636	1 440	1 443	1 446
Transfers from government	-	-	-	-	-	-	-
Capital							
Current							
Cash flow from investing activities	(19 900)	(11 257)	(1 898)	(160)	-	-	-
Acquisition of assets	(19 916)	(11 442)	(1 972)	(160)	-	-	-
Other flows from investing activities	16	185	74	-	-	-	-
Cash flow from financing activities	-	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	608	3 065	(2 296)	476	1 440	1 443	1 446
Balance sheet data							
Carrying value of assets	23 649	33 717	33 200	31 830	30 382	28 952	27 522
Investments							
Cash and cash equivalents	15 475	18 540	16 243	17 325	17 313	17 286	17 262
Receivables and prepayments	556	803	384	-	-	-	-
Inventory	1 004	807	971	980	1 030	1 080	1 130
TOTAL ASSETS	40 684	53 867	50 798	50 135	48 725	47 318	45 914
Capital and reserves	38 931	52 393	49 422	48 770	47 320	45 870	44 421
Borrowings							
Post retirement benefits							
Trade and other payables	1 065	185	49	-	-	-	-
Provisions	688	1 289	1 327	1 365	1 405	1 448	1 493
Managed funds							
TOTAL EQUITY AND LIABILITIES	40 684	53 867	50 798	50 135	48 725	47 318	45 914
Contingent Liabilities	-	-	-	-	-	-	-

VOTE 2

Provincial Legislature

Operational budget	R 328 595 000
Remuneration of the Speaker and Deputy Speaker	R 2 854 000
Statutory amount (Members' remuneration)	R 70 299 000
Total budget	R 402 377 000
Total to be appropriated (excl. Members' remuneration)	R 332 078 000
Responsible MEC	Ms. N. P. Nkonyeni, Speaker of the Provincial Legislature
Administering department	Provincial Legislature
Accounting officer	Secretary: Provincial Legislature

1. Overview

Vision

The vision of the Provincial Legislature (hereafter referred to as the Legislature) is: *To be a people-centred, activist Legislature.*

Mission statement

The Legislature's mission statement is: *To deepen democracy and activism in KwaZulu-Natal through robust oversight, effective public participation and efficient law-making.*

Strategic objectives

Strategic policy direction: By focussing on its oversight role and by encouraging public participation, the Legislature seeks to align its operations and strategic position with the overall aim of government to achieve accountability and effective service delivery for all citizens of the province in the following areas: access to quality education and quality health care, prevention of crime and eradication of corruption, creation of decent work and expansion of work opportunities, and agrarian reform and rural development.

At a two-day strategic plan review workshop held on the 25 and 26 January 2012, the Legislature revised its existing strategic goals and objectives, and also added a fifth goal on Co-operative governance and inter-governmental relations. The revised strategic goals and objectives are now as follows:

Law-making

To be an effective, efficient and visible law-maker through:

- Improved capacity of the Legislature to initiate legislation.
- Improved processing of subordinate legislation.
- Enhanced enactment of quality, legally compliant legislation.

Oversight

To ensure effective execution of oversight on service delivery, governance and implementation of laws (and conventions) by the Provincial Executive through:

- Improved oversight on governance within departments and agencies (organs of state).
- Improved oversight over the implementation and impact of passed legislation and conventions.
- Improved mechanisms and capacity for oversight.

Public participation

To ensure enhanced public participation in all legislative processes of the Legislature through:

- Improved public participation and involvement in the law-making process.
- Improved mechanisms of engagement with the public.
- Improved public education.

Leadership and governance

To ensure improved leadership and governance of the Legislature through:

- Strengthened governance and enhanced constitutional independence.
- Enhanced performance of the Legislature.
- Improved internal and external stakeholder services and relations of the Legislature.

Co-operate governance and inter-governmental relations

To ensure improved international and inter-governmental relations through:

- Improved inter-governmental liaison and protocol management.
- Enhanced processing of correspondence and petitions from communities.

Core functions

In order to achieve the above strategic objectives, the Legislature is responsible for carrying out the following core functions:

- To maintain the highest standards in drafting, amending and passing legislation.
- To timeously consider, pass, amend or reject legislation referred to the Legislature by the Executive Council or the NCOP.
- To maintain oversight over the provincial executive authority in the province, including the implementation of legislation.

Legislative mandates

The following mandates clearly define the duties and the requirements of the Legislature:

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Labour Relations Act (Act No. 66 of 1995)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Employment Equity Act (Act No. 55 of 1998)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2002)
- State Information Technology Agency Act (Act No. 38 of 2002)
- KZN Petitions Act (Act No. 3 of 2004)
- KZN Funding of Political Parties' Act (Act No. 7 of 2008)
- Financial Management of Parliament Act (Act No. 10 of 2009)

In addition to the above, the functions of the Legislature are governed by the Standing Rules and the Resolutions of the Rules Committee of the Legislature.

2. Review of the 2011/12 financial year

Section 2 provides a review of 2011/12, outlining the main achievements and progress made by the Legislature, as well as providing a brief discussion on challenges and new developments.

Public participation

The Legislature continued its focus on public participation programmes that seek to improve interaction between the Legislature and the citizens of KZN, in line with its strategic goals and objectives. This involved the expansion of sectoral parliaments, public education and outreach programmes, the implementation of the petitions' strategy and ensuring public involvement during oversight and law-making sessions. During 2011/12, the following was achieved:

- The Legislature once again hosted sectoral parliaments in various district municipalities throughout the province. The following sectoral parliaments were successfully held in 2011/12:
 - Workers' Parliament: Ugu District Municipality (May 2011).
 - Youth Parliament: Umzinyathi District Municipality (June 2011).
 - Women's Parliament: Sisonke District Municipality (August 2011).
 - Senior Citizens' Parliament: uThungulu District Municipality (September 2011).
 - Peoples' Assembly: Amajuba District Municipality (September 2011).
 - People with Disability Parliament: Zululand District Municipality (December 2011).
- As planned, the Legislature hosted two successful Taking Legislature to the People (TLTP) events. The first sitting was held at the Umkhanyakude District Municipality in August 2011, and the second was held at the Ilembe District Municipality in November 2011.
- In addition, taking into account the current economic climate, the Legislature decided to hold public participation events on a smaller scale. Accordingly, the Interfaith Symposium was successfully held in the Legislature's main chamber in the uMgungundlovu District Municipality. This symposium replaced the planned Civil Organisations' Symposium, which has been rescheduled for 2012/13.
- The Legislature continued to conduct public education workshops in different district municipalities, ahead of scheduled TLTP events. Also, in order to enhance public education, public participation facilitators were appointed, and community radio slots were introduced. Education sessions are now held twice a month on community radio stations in order to reach out to communities in rural areas.
- As part of its planned petitions' strategy, the Legislature conducted several successful awareness campaigns to create awareness around the KZN Petitions Act. This Act provides for citizens to refer their concerns by way of written complaints, requests, representations, etc., to the Speaker of Legislature who, in turn, refers them to the Petitions' Committee for resolution. The only condition is that such complaints can only be referred to the Legislature after all available administrative avenues have been exhausted. Following the awareness campaigns, several petitions were received from members of the public, which were processed by the Petitions' Committee.
- In order to enhance public participation through the law-making process, the Legislature commenced developing an in-house stakeholder database in 2010/11, to assist in reaching as many stakeholders as possible during public hearings. This database was expected to be finalised early in 2011/12. However, due to delays in sourcing a suitable service provider, it is now anticipated that the database will be finalised early in 2012/13.

Organisational structure

The review of the Legislature's existing organisational structure, including the adoption of a sector oversight model, will be completed by the end of 2011/12. The oversight model is aimed at providing levels of adequate administrative advisory capacity to the various Committees of the Legislature, as well as to Members, generally. In anticipation of the oversight model, the support to the various portfolio committees was strengthened, with the filling of 15 newly created posts in January 2012. These posts include researchers, budget analysts, economists, legal advisors, etc.

Implementation of the Financial Management of the KZN Legislature Bill

In view of the outcome of the constitutional challenge against the Financial Management of the Limpopo Legislature Bill, whereby the Bill was declared to be unconstitutional, the Financial Management of the KZN Legislature Bill (hereafter referred to as the KZN Financial Management Bill) was not enacted as anticipated. The way forward at this stage remains unclear. Parliament has stated that it will either amend its Financial Management Act to include provincial legislatures in its Act, or it will enact separate legislation for the financial management of provincial legislatures. However, no time-frame has been given and, in the interim, the Legislature commenced drafting its own financial management policies.

Further to the above, in the 2011/12 Adjustments Estimate, the Provincial Treasury “un-ringfenced” the amount that was specifically allocated over the 2011/12 MTEF for the implementation of the KZN Financial Management Bill. This funding was largely redirected toward the following in 2011/12:

- The acquisition of an Enterprise Resource Planning (ERP) system for the Legislature. In this regard, the software for the Systems, Applications and Products in Data Processing (SAP) ERP system was purchased in 2011/12, for implementation and roll-out over the 2012/13 MTEF.
- The revamping of the existing Legislature buildings, which is critical in view of the fact that the proposed new Legislature complex is on hold. The following projects are scheduled for 2011/12: the purchase of generators, renovations to the Deputy Speaker’s office, as well as improvements to the Members’ parking and the foyer area of the main chamber.

3. Outlook for the 2012/13 financial year

Section 3 looks at the key focus areas of 2012/13, outlining what the Legislature is hoping to achieve, as well as briefly looking at challenges and proposed new developments.

Enhanced public participation

The Legislature will continue to focus on enhancing public participation in line with its strategic goals and objectives. To assist in this regard, the Legislature will continue to educate members of the public about its roles and functions through community radio slots. It will also engage community structures like ward committees, community policing forums, etc., as extensions to its public participation efforts. Also, the following public participation events are scheduled to be held in 2012/13:

- Peoples’ Assembly.
- Workers’ Parliament.
- Youth Parliament.
- Women’s Parliament.
- Senior Citizens’ Parliament.
- People with Disability Parliament.
- Two TLTP events.
- Civil Organisations’ Symposium (rescheduled from 2011/12).

Organisational structure

The Legislature will finalise the review of its existing organisational structure, and will fully implement the sector oversight model aimed at strengthening the administrative support provided to the Members of the Legislature, particularly the various portfolio committees. It is envisaged that the number of posts will increase from 214 in 2011/12 to 244 in 2012/13. In addition, the Legislature will focus on establishing an Audit Committee and building capacity for the performance of internal audit functions that are currently performed by the Provincial Treasury, in line with the proposed financial management policies which will be finalised and implemented in 2012/13 (in place of the KZN Financial Management Bill).

Revamping of the Legislature buildings

The Legislature will continue with the next phase of the revamping of the existing Legislature buildings. Depending on the progress made in 2011/12 with regard to the renovations to the Deputy Speaker’s office

and the improvements to the main chamber foyer area and Members' parking, it is anticipated that the following projects, among others, will be undertaken in 2012/13: improvement of the sound system and the seating arrangements in the main chamber, and the revamping of the Speaker's office.

Roll-out of the SAP ERP system

The roll-out of the SAP ERP system, for which the software was purchased in 2011/12, will accelerate in 2012/13. The aim is that the system will go live in 2013/14. This will allow the Legislature time to focus on various aspects in 2012/13 which will streamline the implementation of the new system, such as the customisation of the various modules, data transfer, quality assurance, and project support. Two areas which will receive particular attention in 2012/13 are training and change management, to ensure a smooth transition from one system to another.

4. Receipts and financing

4.1 Summary of receipts and departmental receipts collection

Table 2.1 below shows the sources of funding and own receipts of Vote 2 over the seven-year period 2008/09 to 2014/15. The table also compares actual and budgeted receipts against actual and budgeted payments. Details of departmental receipts are presented in *Annexure – Vote 2: Provincial Legislature*.

Table 2.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Treasury funding	206 589	288 981	321 626	374 101	374 732	374 732	401 748	422 208	447 524
Provincial allocation	206 589	288 981	321 626	374 101	374 732	374 732	401 748	422 208	447 524
Total: Treasury funding	206 589	288 981	321 626	374 101	374 732	374 732	401 748	422 208	447 524
Departmental receipts									
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	39	40	68	42	42	73	44	46	49
Transfers received	300	-	1 255	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	2 502	296	1 632	354	354	856	370	390	413
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	987	258	1 121	205	205	166	215	227	241
Total departmental receipts	3 828	594	4 076	601	601	1 095	629	663	703
Total receipts	210 417	289 575	325 702	374 702	375 333	375 827	402 377	422 871	448 227
Total payments	247 649	288 238	310 909	374 702	401 373	401 373	402 377	422 871	448 227
Surplus/(Deficit) before financing	(37 232)	1 337	14 793	-	(26 040)	(25 546)	-	-	-
Financing									
of which									
Provincial roll-overs	5 512	-	6 657	-	-	-	-	-	-
Surplus own revenue surrendered	(1 709)	-	(3 509)	-	-	-	-	-	-
Surplus own revenue from prior year	697	1 709	-	-	3 509	3 509	-	-	-
Provincial cash resources	35 051	18 612	16 311	-	22 531	22 531	-	-	-
Surplus/(deficit) after financing	2 319	21 658	34 252	-	-	494	-	-	-

The Legislature collects revenue in the form of interest earned each month on cash in the bank, commission on insurance, waste paper, recoveries of debts and other miscellaneous items. The Legislature, in contrast to provincial departments, retains its own departmental receipts, and is thus funded from two sources, namely Treasury funding and departmental receipts. This is in keeping with Section 22(1) of the PFMA, which states that provincial legislatures are permitted to retain any monies received (i.e. revenue collected). In accordance with this legislation, the Legislature is allocated any surplus revenue collected in the prior year during the next year's Adjustments Estimate. This explains the surplus own revenue surrendered and surplus own revenue from the prior year reflected in the *Financing* section in Table 2.1 for the period 2008/09 to 2011/12.

Sale of goods and services other than capital assets, which comprises revenue collected from items such as the sale of old printer cartridges, the sale of publications, insurance deductions commission and proceeds from disposal of vehicles, is difficult to accurately predict, and this accounts for the fluctuations over the seven-year period.

The revenue against *Transfers received* in 2008/09 relates to a donation made by Standard Bank toward the official opening of the Legislature. The substantial 2010/11 Audited amount is a sponsorship received from the Association of Public Accounts Committees of South Africa (APAC) toward the APAC conference held in October 2010, which was hosted by the KZN Legislature.

The fairly high revenue collected in respect of *Interest, dividends and rent on land* in 2008/09 relates to higher interest earned on surplus funding in the bank due to the Legislature's slow rate of spending, as well as the receipt of SANLAM dividends. The sharp decline in 2009/10 is due to the amended Provincial Treasury policy of transferring funds to departments in two tranches each month to assist the provincial cash position, which resulted in reduced surplus cash in the bank. This amended policy is in place for the foreseeable future, and the Legislature accordingly reduced revenue anticipated to be collected from interest earned from 2010/11 onward. However, the continued low spending by the Legislature in 2010/11 and in the first half of 2011/12 resulted in more cash in the bank than anticipated, accounting for the high interest reflected in 2010/11 and the 2011/12 Revised Estimate.

The revenue collected against *Transactions in financial assets and liabilities* cannot be accurately estimated, as it relates to the collection of amounts owing from previous financial years, such as debts relating to both staff and Members, and this accounts for the fluctuating trend. The high 2008/09 revenue can be ascribed to several unanticipated debts being collected, mainly relating to overseas study tours undertaken in previous financial years. The 2010/11 Audited amount includes a refund of R1 million, being a deposit/indemnity for the venue in respect of the above-mentioned APAC conference.

Table 2.1 also compares total receipts and total payments. The table clearly shows that, in prior years, the Legislature consistently under-spent its budget allocation, largely due to circumstances beyond its control.

In 2008/09, the Legislature received a provincial roll-over of R5.512 million from 2007/08 for the feasibility study of the proposed new Legislature complex (which was put on hold), as well as provincial cash resources of R35.051 million, largely to cater for the statutory increase in Members' salaries, the increase in road and air transport costs, as well as the Political Parties' Fund. The 2008/09 budget was under-spent by R2.319 million, mainly due to slower than anticipated progress with the implementation of the Enterprise Content Management (ECM) system, which is aimed at streamlining business processes.

In 2009/10, the Legislature received provincial cash resources of R18.612 million, mainly to cater for the statutory increase in Members' salaries and the 2009 wage agreement for staff, as well as a once-off allocation of R4 million toward the cost of observing and monitoring the 2009 elections. The 2009/10 budget was markedly under-spent by R21.658 million, largely as a result of the implementation of cost-cutting in line with the Cabinet-approved Provincial Recovery Plan, delays in the implementation of the Job Evaluation (JE) results due to appeal cases, continued slow implementation of the ECM system, as well as various commitments that could not be paid before year-end.

In 2010/11, the Legislature received a provincial roll-over of R6.657 million from 2009/10 toward the above-mentioned outstanding commitments. The Legislature also received provincial cash resources of R16.311 million, mainly to fund the statutory increase in Members' salaries and the 2010 wage agreement for staff, as well as a once-off R3.162 million, to cater for an outstanding payment for the feasibility study of the proposed new Legislature complex. In 2010/11, the Legislature was again substantially under-spent, by R34.252 million. Of this under-expenditure, R11.721 million related to the Members' remuneration (which forms a direct charge on the Provincial Revenue Fund), which was inadvertently over-provided for. In terms of the operating budget (i.e. excluding the Members' remuneration), the Legislature under-spent by R22.531 million due to cost-cutting, as well as unforeseen circumstances, such as the temporary suspension of the publication of the newspaper supplement, *Iso Elibanzi*, continued slow progress in respect of the ECM system, as well as late claims from service providers.

In the 2011/12 Adjusted Appropriation, the Legislature received provincial cash resources of R22.531 million. This relates to the Legislature's unspent operational budget from 2010/11, which was allocated back in terms of Resolutions 7/2011 and 8/2011 of the Finance Portfolio Committee (FPC). These resolutions state that "support be given by the House that any savings or under-expenditure the Legislature effected in 2010/11 be used to contribute to the funding of critical services and infrastructure

needs of the Legislature”, including the procurement and implementation of an ERP system and the revamping of the Legislature buildings. The surplus of R494 000 in the 2011/12 Revised Estimate relates to the fact that the Legislature is anticipating to over-collect revenue by this amount, largely against *Interest, dividends and rent on land*, as mentioned above.

Over the 2011/12 MTEF, the Legislature received additional funding for the carry-through costs of the 2011 wage agreement for staff. However, as mentioned previously, the Provincial Treasury “un-ringfenced” the amounts that were specifically allocated over the 2011/12 MTEF for the implementation of the KZN Financial Management Bill. In addition, substantial savings, which were identified under the Members’ remuneration (due to the final increase allocated to Members in 2010/11 being far lower than budgeted for), were redirected to the Legislature’s operational budget, with Provincial Treasury’s approval. These savings were also redirected toward the acquisition and implementation of the ERP system and the revamping of the Legislature buildings. Taking these additional and reprioritised funds into account, the Legislature’s budget shows a steady growth over the 2012/13 MTEF.

4.2 Donor funding

Table 2.2 below reflects donor funding received by the Legislature.

Table 2.2: Details of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Donor funding	1 003	-	-	-	-	-	-	-	-
European Union: Legislature Support Programme	1 003	-	-	-	-	-	-	-	-
Total	1 003	-	-	-	-	-	-	-	-

The amount reflected for the period 2008/09 relates to the Legislature Support Programme, which is a programme funded by the European Union (EU), designed to contribute to the strengthening of democracy and good governance. The specific purpose is to support South African Legislatures to fulfil their constitutional mandates in a citizen-oriented manner. From 2009/10 onward, the allocation of any EU funding received and the payment and monitoring thereof was undertaken centrally at a national level on behalf of the nine provinces, hence no amounts are reflected in the table.

It is noted that the latest indications are that this donor funding will no longer be controlled centrally at a national level, and the Legislature will once again receive approximately R2.700 million in EU funding in February 2012 for the Legislature Support Programme. This amount has not been confirmed and is therefore not reflected in the 2011/12 columns in the table. Likewise, no confirmation has yet been received regarding possible EU funding over the 2012/13 MTEF.

5. Payment summary

This section summarises the expenditure and budgeted estimates for the vote in terms of programmes and economic classification. Details of the economic classification per programme are given in *Annexure – Vote 2: Provincial Legislature*.

5.1 Key assumptions

The Legislature applied the following broad assumptions when compiling the budget:

- Provision was made for the carry-through costs of the 2011 wage agreement and an inflationary wage adjustment of 5 per cent for each year of the 2012/13 MTEF.
- Provision was made for the filling of vacant posts in line with the sector oversight model, as well as for the acquisition and roll-out of the new ERP system for the Legislature.
- All inflation related increases are based on CPI projections.

- The cost-cutting measures, as reissued by Provincial Treasury in 2012/13, will be adhered to over the 2012/13 MTEF.
- With regard to public participation, two TLTP sittings were catered for, as well as five sectoral parliaments, the People's Assembly and one symposium. The cost of each of these events will vary slightly, depending on location and the population of the area.

5.2 Additional allocations for the 2010/11 to 2012/13 MTEF

Table 2.3 shows additional funding received by the Legislature over the three MTEF periods: 2010/11, 2011/12 and 2012/13. The purpose of such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the Legislature in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated.

The carry-through allocations for the 2010/11 and 2011/12 MTEF periods (i.e. for the financial year 2014/15) are based on the incremental percentage used in the 2012/13 MTEF.

Table 2.3: Summary of additional provincial allocations for the 2010/11 to 2012/13 MTEF

R thousand	2010/11	2011/12	2012/13	2013/14	2014/15
2010/11 MTEF period	35 502	35 502	47 172	49 227	51 593
Implementation of Job Evaluation (JE) review	9 365	19 778	31 152	32 865	34 837
Carry-through of 2009/10 Adjustments Estimate:	15 410	15 724	16 020	16 362	16 756
2009 increase in salaries of Members	9 800	9 800	9 800	9 800	9 800
2009 wage agreement (staff)	5 610	5 924	6 220	6 562	6 956
2011/12 MTEF period		21 570	20 147	19 625	20 121
Implementation of Financial Management of the KZN Legislature Bill		11 445	11 891	12 466	13 214
Capping of Political Parties Fund at current level i.e. R30m		(5 000)	(6 750)	(7 670)	(8 130)
National Cabinet decision to cut provinces by 0.3 per cent		(197)	(259)	(324)	(343)
Carry-through of 2010/11 Adjustments Estimate:		15 322	15 265	15 153	15 381
2010 increase in salaries of Members		11 353	11 353	11 353	11 353
2010 wage agreement (staff)		3 969	3 912	3 800	4 028
2012/13 MTEF period			1 546	1 624	1 705
Carry-through of 2011 wage agreement			1 546	1 624	1 705
	35 502	57 072	68 865	70 476	73 419

Although not evident in the table, the Legislature received substantial additional funding over the 2009/10 MTEF, in line with Resolution 12/2008 of the FPC. This resolution required that the Legislature, together with Treasury, conduct a comprehensive zero-based budget, to correct the baseline going forward, and to bring it in line with the budget of other provincial legislatures. In addition to this correction of the baseline, additional funding was allocated for the Political Parties' Fund (with carry-through costs), aimed at assisting political parties to carry out their constitutional mandate, in line with the KZN Funding of Political Parties' Act.

In the 2010/11 MTEF, additional funding was allocated for the implementation of the JE review results, as well as for the carry-through costs of the statutory increase in Members' salaries and the 2009 wage agreement for staff.

In the 2011/12 MTEF, the Legislature received additional funding for the carry-through costs of the statutory increase in Members' salaries and the 2010 wage agreement for staff. Also, additional funding was allocated for the implementation of the KZN Financial Management Bill. It is noted that, in line with a Cabinet resolution, the Political Parties' Fund was capped at its 2010/11 level of R30 million over the 2011/12 MTEF. Provincial Cabinet approved that the amounts released from capping the Political Parties' Fund must be utilised toward the implementation of the KZN Financial Management Bill.

It is further noted that the amount allocated for the KZN Financial Management Bill was "un-ringfenced" in the 2011/12 Adjusted Appropriation for redirecting toward other spending pressures, including the acquisition of an ERP system and the revamping of the Legislature buildings. Further detail is given in Section 2 above.

Also in the 2011/12 MTEF, National Cabinet took a decision to cut all national votes and the provincial equitable share by 0.3 per cent. The bulk of this equitable share reduction in KZN was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus of KZN. The balance was sourced proportionately from all 16 votes. The effect of this on the Legislature was a slight reduction over the entire period.

In the 2012/13 MTEF, additional funding was allocated for the carry-through costs of the 2011 wage agreement for staff. It is noted that the MTEF allocations for the KZN Financial Management Bill as reflected in Table 2.3 above are also now “un-ringfenced” for redirecting toward other spending pressures facing the Legislature, as mentioned above.

5.3 Summary by programme and economic classification

Tables 2.4 and 2.5 below provide a summary of the vote’s expenditure and budgeted estimates over the seven-year period, by programme and economic classification, respectively.

The budget structure of Vote 2 consists of the Members’ remuneration, as well as three programmes, in line with the uniform budget and programme structure for all Provincial Legislatures. Note that the Members’ remuneration forms a direct charge on the Provincial Revenue Fund, and so is not included as a programme, but is reflected as *Direct charge on the Provincial Revenue Fund*.

It is noted that the amounts in the 2011/12 Adjusted Appropriation in the tables below include several post adjustments virements undertaken by the Legislature in the December 2011 IYM report. Savings of R3.529 million were moved from Programme 1: Administration to offset spending pressures facing Programme 3: Facilities for Members and Political Parties relating to public participation events and overseas study tours, within *Goods and services*. The virements, which are permissible in terms of the PFMA and Treasury Regulations, will be formalised in the Legislature’s 2011/12 AFS.

The Members’ remuneration fluctuates from 2008/09 to the 2011/12 Adjusted Appropriation. The 2009/10 amount is fairly high as it includes payment of a once-off special allowance of R6.611 million for Members whose tenure of office was affected by the 2009 elections. This once-off payment accounts for the reduction in 2010/11 when compared to 2009/10. The high 2011/12 Main Appropriation can be ascribed to a substantial over-provision in the 2011/12 baseline, due to the final increase allocated to Members in 2010/11 being far lower than budgeted for. This over-provision was corrected in the 2011/12 Adjusted Appropriation, when R7 million was redirected from the statutory Members’ remuneration, to offset areas of spending pressure in respect of the operational budget, such as public participation events and the implementation of the sector oversight model. The balance against the Members’ remuneration in the 2011/12 Adjusted Appropriation remains fairly high when compared to 2012/13, as it includes a once-off amount of R2 million to fund exit payments of Members who resigned from the Legislature. The Members’ remuneration shows a steady increase from 2012/13 onward.

Table 2.4: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Programmes	198 890	221 803	248 228	299 065	332 736	332 736	332 078	346 821	367 614
1. Administration	66 546	78 930	86 606	119 999	139 343	139 343	126 557	134 948	143 481
2. Parliamentary Services	30 421	36 412	41 307	56 770	59 578	59 578	77 415	78 900	83 256
3. Facilities for Members and Political Parties	101 923	106 461	120 315	122 296	133 815	133 815	128 106	132 973	140 877
Direct charge on the Provincial Revenue Fund	48 759	66 435	62 681	75 637	68 637	68 637	70 299	76 050	80 613
Members’ remuneration	48 759	66 435	62 681	75 637	68 637	68 637	70 299	76 050	80 613
Total	247 649	288 238	310 909	374 702	401 373	401 373	402 377	422 871	448 227
Less:									
Departmental receipts not to be surrendered to Provincial Revenue Fund (amount to be financed from revenue collected to S22(1) of the PFMA)	3 828	594	4 076	601	601	1 035	629	663	703
Adjusted total	243 821	287 644	306 833	374 101	400 772	400 338	401 748	422 208	447 524

Note: Programme 1 includes the remuneration of the Speaker and Deputy Speaker: R2 854 000

Table 2.5: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	134 036	142 784	171 234	214 097	235 379	235 379	242 329	257 625	273 068
Compensation of employees	50 123	61 676	75 053	103 917	99 548	99 548	129 938	134 675	141 199
Goods and services	83 913	81 108	96 181	110 180	135 831	135 831	112 391	122 950	131 869
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	61 563	67 593	73 064	75 178	75 467	75 467	77 761	80 157	84 964
Provinces and municipalities	24	25	27	-	29	29	30	32	34
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	1 081	226	410	591	176	176	180	189	198
Public corporations and private enterprises	-	-	18	21	21	21	23	24	25
Non-profit institutions	60 159	67 331	72 355	74 555	74 555	74 555	76 828	79 170	83 920
Households	299	11	254	11	686	686	700	742	787
Payments for capital assets	3 291	11 426	3 930	9 790	21 890	21 890	11 988	9 039	9 582
Buildings and other fixed structures	1 019	136	-	1 509	3 309	3 309	3 300	767	813
Machinery and equipment	2 162	5 431	3 723	5 501	10 001	10 001	4 688	5 085	5 391
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	110	5 859	207	2 780	8 580	8 580	4 000	3 187	3 378
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	198 890	221 803	248 228	299 065	332 736	332 736	332 078	346 821	367 614
Less:									
Departmental receipts not to be surrendered to Provincial Revenue Fund	3 828	594	4 076	601	601	1 035	629	663	703
Adjusted total	195 062	221 209	244 152	298 464	332 135	331 701	331 449	346 158	366 911
Members' remuneration	48 759	66 435	62 681	75 637	68 637	68 637	70 299	76 050	80 613
Adjusted total (incl. Members' remuneration)	243 821	287 644	306 833	374 101	400 772	400 338	401 748	422 208	447 524

Apart from a peak in the 2011/12 Adjusted Appropriation, the Legislature's operational budget (i.e. the three programmes excluding the Members' remuneration) reflects a consistent and substantial increase over the seven-year period. The paragraphs below summarise the trends at programme level, while further detail is given in Section 6.

With regard to Programme 1: Administration, the increase from 2009/10 onward can largely be ascribed to the zero-based budget exercise (from 2009/10 onward), as well as additional funding for the JE review (from 2010/11 onward) and the KZN Financial Management Bill (from 2011/12 onward). As mentioned previously, the KZN Financial Management Bill funding has since been "un-ringfenced" and redirected toward the ERP system and the revamping of the Legislature buildings, both of which fall under Programme 1. There is a peak in the 2011/12 Adjusted Appropriation, mainly due to the once-off amount of R22.531 million, being the Legislature's unspent operational budget from 2010/11, which was allocated back to fund critical services and infrastructure needs, including the ERP system and the revamping of the Legislature buildings. This was marginally offset by the above-mentioned post adjustments virements undertaken in the December 2011 IYM report, where funds were reprioritised from Programme 1 to Programme 3 to cater for spending pressures relating to public participation events and overseas study tours. Programme 1 shows steady growth over the 2012/13 MTEF, largely to provide for the roll-out of the ERP system and the next phases of the revamping project.

Programme 2: Parliamentary Services shows good growth over the seven-year period, again due to the zero-based budget exercise and additional funding for implementing the JE review. The 2011/12 Adjusted Appropriation is high as it includes portion of the savings that were redirected from over-provision on the Members' remuneration to cater for operational spending pressures, including the first phase of implementing the sector oversight model. The increase from the Adjusted Appropriation to 2012/13 onward makes provision for the full implementation of this model.

Again, apart from a peak in the 2011/12 Adjusted Appropriation, Programme 3: Facilities for Members and Political Parties increases markedly over the seven years, partly due to the zero-based budget exercise. Also, this programme includes substantial funding for public participation events, overseas study tours undertaken by the various portfolio committees, as well as the Political Parties' Fund which was established in 2008/09. As mentioned, in line with a Cabinet decision, the Fund was capped at its 2010/11 level of R30 million from 2011/12 onward, accounting for the fairly low growth from 2010/11 to the 2011/12 Main Appropriation. The 2011/12 Adjusted Appropriation is high as it includes a portion of

the savings redirected from over-provision on the Members' remuneration to fund largely once-off operational spending pressures such as commitments from 2010/11 relating to public participation events. Also, as mentioned, the Legislature undertook several post adjustments virements in the December 2011 IYM, reprioritising funds from Programme 1 to Programme 3 to cater for spending pressures.

Compensation of employees shows healthy growth over the seven-year period as a result of additional funding for annual wage agreements, the JE review and the KZN Financial Management Bill. The reduction in the 2011/12 Adjusted Appropriation relates to a virement of R5 million from *Compensation of employees*, in respect of the amount that was ringfenced in the 2011/12 Main Appropriation for the KZN Financial Management Bill. This amount was redirected toward spending pressures relating to public participation events, including outstanding commitments from 2010/11. The *Compensation of employees*' allocation increases substantially over the 2012/13 MTEF, largely to cater for the carry-through of the annual wage agreements and the JE review, as well as the additional capacity required in terms of the sector oversight model.

Goods and services shows healthy growth over the seven-year period, largely due to the zero-based budget exercise, public participation events and overseas study tours. The fluctuations from 2008/09 to 2010/11 relate to prior years' under-spending and subsequent roll-over of committed funds to ensuing financial years, as outlined in Section 4 above. For instance, the 2008/09 amount is high as it includes a once-off roll-over for the Legislature complex feasibility study. The dip in 2009/10 relates to cost-cutting, as well as commitments that could not be paid before year-end. A portion of these commitments was rolled over to 2010/11, accounting for the increase in that year. The 2011/12 Adjusted Appropriation is high as it includes additional/reprioritised funding for the revamping project (current infrastructure), as well as spending pressures relating to public participation events and overseas study tours. As mentioned, the additional funding includes portion of the Legislature's unspent 2010/11 operational budget, which was allocated back in the 2011/12 Adjusted Appropriation to fund critical services, as well as savings redirected from over-provision on the Members' remuneration to fund operational spending pressures.

The category *Transfers and subsidies* increases steadily over the seven-year period, as follows:

- *Provinces and municipalities* caters for the payment of motor vehicle licences. These were previously budgeted for under *Goods and services* but, due to a change in the SCOA classification, they should be paid under *Provinces and municipalities*. This was corrected in the 2011/12 Adjusted Appropriation, and the prior years' figures were restated for comparative purposes.
- *Foreign governments and international organisations* caters for subscription fees in respect of the Commonwealth Parliamentary Association (CPA). The 2008/09 amount is high as it includes the once-off cost of hosting a CPA conference in KZN in that year. The reduction in the 2011/12 Adjusted Appropriation is due to several CPA conferences not taking place, as well as fewer officials being sent to the National Conference of State Legislatures than originally intended. The MTEF allocations are based on the actual fees paid in 2011/12.
- The amounts against *Public corporations and private enterprises* from 2010/11 onward cater for insurance claims for motor vehicle accidents relating to the Legislature's official vehicles.
- *Non-profit institutions*, which comprises the secretarial and constituency allowances, as well as the Political Parties' Fund, shows a steady increase over the seven-year period, despite the capping of the Political Parties' Fund at R30 million from 2011/12 onward, as agreed to by Cabinet.

Buildings and other fixed structures, which relates to renovations undertaken to the Legislature buildings, fluctuates depending on the renovations required. For instance, there is a substantial decrease in 2009/10 as the bulk of the work undertaken was current maintenance and repairs, rather than capital renovations. There was no infrastructure spending in 2010/11, pending the outcome of the infrastructure needs assessment report being compiled by the Department of Public Works. This report was finalised in 2011/12, and the Legislature commenced with the revamping of the buildings, allocating R1.800 million for upgrading the office of the Deputy Speaker, accounting for the increase in the 2011/12 Adjusted Appropriation. Although the revamping project will continue over the MTEF, the MTEF allocations are preliminary, as the extent and nature of the work to be done (i.e. capital/current) is still under review.

Machinery and equipment shows a fluctuating trend due to the once-off and cyclical nature of purchases made under this category. For instance, the 2009/10 amount includes the purchase of laptop computers for all new Members, which are classified as their ‘tools of trade’, following the 2009 general elections. Cost-cutting impacted on the level of spending in 2010/11, while the 2011/12 Main Appropriation provides for the purchase of new computers and furniture for the staff appointed in terms of the JE review. The increase in the 2011/12 Adjusted Appropriation can be ascribed to the provision made for the purchase and installation of a new sound system in the main chamber, as well as the purchase of generators (in view of the frequent power outages in the city centre).

The category *Software and other intangible assets* also reflects marked fluctuations in the prior years, mainly due to ongoing delays with the ECM project and other technological improvements. The amounts reflected from the 2011/12 Adjusted Appropriation onward relate to the acquisition and roll-out of the ERP system in the Legislature, which is anticipated to go live in 2013/14.

5.4 Summary of payments and estimates by district municipal area

Table 2.6 provides a summary of spending by district municipal area. The amounts reflected all pertain to the public participation programme, but exclude the costs of public hearings, public education, multi-party initiatives and the official opening of the Legislature. The table also excludes events held at the Legislature buildings, as the information is distorted by both service delivery and administrative costs.

Table 2.6: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome 2010/11	Revised Estimate 2011/12	Medium-term Estimates		
			2012/13	2013/14	2014/15
eThekweni					
Ugu	1 373	6 044	-	-	-
uMgungundlovu	1 000	622	-	-	-
Uthukela	2 469	-	-	-	-
Umzinyathi	1 962	3 263	-	-	-
Amajuba	63	1 596	-	-	-
Zululand	2 886	2 752	-	-	-
Umkhanyakude	3 211	5 707	-	-	-
uThungulu	-	3 366	-	-	-
Ilembe	3 000	3 716	-	-	-
Sisonke	3 070	4 513	-	-	-
Unallocated	-	-	32 000	32 960	33 949
Total	19 034	31 579	32 000	32 960	33 949

The aim of the public participation programme is for the Legislature to cover as wide an area as possible in conducting its activities, thereby complying with Section 118 of the Constitution. The target population is thus predominantly in remote rural areas, and it is clear that the Legislature is aiming to reach most district municipal areas by hosting public participation events across the province, as explained below.

In 2010/11, the two main TLTP sittings were held in Zululand and Sisonke. The Senior Citizens’ Parliament was held in Ugu, Youth Parliament in Uthukela, Workers’ Parliament in Umzinyathi, Women’s Parliament in Umkhanyakude and People with Disability Parliament in uMgungundlovu. The amount reflected against Ilembe relates to the 2009/10 Ilembe TLTP which was held in March 2010 (after being postponed due to bad weather in November 2010), and so payment was only made in 2010/11.

In 2011/12, the TLTP sittings were held in Umkhanyakude and Ilembe. The Workers’ Parliament was held in Ugu, Youth Parliament in Umzinyathi, People with Disability Parliament in Zululand, Women’s Parliament in Sisonke, and Senior Citizens’ Parliament in uThungulu. The People’s Assembly was held in Amajuba and the first ever Interfaith Symposium was held in uMgungundlovu.

It is noted that the anticipated spending over the 2012/13 MTEF is reflected as unallocated at this stage, because the programme has not yet been finalised. Although the number and nature of events has been planned (see Section 3 above), a decision has not yet been made regarding the venues, and this is dependent on political office-bearers and other stake-holders, as well as available budget.

5.5 Summary of conditional grant payments and estimates – Nil

5.6 Summary of infrastructure payments and estimates

Table 2.7 below provides a summary of infrastructure payments and estimates, reflecting the cost of renovations and repairs to the Legislature buildings over the seven-year period, based on input received from Public Works. Further details are given in *Annexure – Vote 2: Provincial Legislature*.

Table 2.7: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
New and replacement assets									
Existing infrastructure assets	1 504	3 735	2 652	4 454	13 554	13 554	6 917	4 419	4 685
Upgrades and additions	1 019	136	-	1 509	3 309	3 309	3 300	767	813
Rehabilitation, renovations and refurbishments									
Maintenance and repairs	485	3 599	2 652	2 945	10 245	10 245	3 617	3 652	3 872
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Current									
Capital									
<i>Capital infrastructure</i>	<i>1 019</i>	<i>136</i>	<i>-</i>	<i>1 509</i>	<i>3 309</i>	<i>3 309</i>	<i>3 300</i>	<i>767</i>	<i>813</i>
<i>Current infrastructure</i>	<i>485</i>	<i>3 599</i>	<i>2 652</i>	<i>2 945</i>	<i>10 245</i>	<i>10 245</i>	<i>3 617</i>	<i>3 652</i>	<i>3 872</i>
Total	1 504	3 735	2 652	4 454	13 554	13 554	6 917	4 419	4 685

Infrastructure spending fluctuates markedly from 2008/09 to 2010/11, as it was dependent on the nature of the work required to the Legislature buildings, i.e. either current maintenance or capital renovations. With regard to *Maintenance and repairs*, the increase in 2009/10 relates to unanticipated maintenance that had to be carried out to the Legislature buildings, and this accounts for the low spending on *Capital infrastructure* in that year. There was no *Capital infrastructure* spending in 2010/11, pending the outcome of the infrastructure needs assessment report being compiled by Public Works. This needs assessment was necessary in view of the fact that the proposed new Legislature complex was put on hold.

As mentioned, this infrastructure needs assessment report was finalised in 2011/12. Also, an additional R22.531 million, being the Legislature's unspent operational budget from 2010/11, was allocated back in the 2011/12 Adjusted Appropriation to fund, among others, the Legislature's infrastructure needs. Of this amount, R9.100 million was allocated for the revamping of the Legislature buildings, as follows:

- R1.800 million was allocated to *Capital infrastructure: Upgrades and additions* for upgrading the offices of the Deputy Speaker.
- R7.300 million was allocated to *Current infrastructure: Maintenance and repairs* for various repairs to the Legislature buildings, including the foyer area and the Members' parking.

Although the revamping project will continue over the MTEF, the MTEF allocations are preliminary, as the extent and nature of the work to be done (i.e. capital/current) is still under review.

5.7 Summary of Public Private Partnerships – Nil

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.9 Transfers to other entities – Nil

5.10 Transfers to local government – Nil

The Legislature makes no transfer payments to local government. Although the payment of motor vehicle licences now falls under *Transfers and subsidies to: Provinces and municipalities*, in line with changes in the SCOA classification, these funds will not be transferred to any municipality, and therefore the table reflecting transfers to local government is excluded.

5.11 Transfers and subsidies

Table 2.8 below is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a fairly steady increase from 2008/09 to 2014/15 for the category as a whole, details of which are provided below the table.

Table 2.8: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	1 404	262	709	623	912	912	933	987	1 044
Provinces and municipalities	24	25	27	-	29	29	30	32	34
Motor vehicle licences	24	25	27	-	29	29	30	32	34
Foreign government and international organisations	1 081	226	410	591	176	176	180	189	198
Commonwealth Parliamentary Association	1 081	226	410	591	176	176	180	189	198
Public corporations and private enterprises	-	-	18	21	21	21	23	24	25
Insurance companies	-	-	18	21	21	21	23	24	25
Households	299	11	254	11	686	686	700	742	787
Social benefits	299	11	254	11	686	686	700	742	787
2. Parliamentary Services	-	-	-	-	-	-	-	-	-
3. Facilities for Members and Political Parties	60 159	67 331	72 355	74 555	74 555	74 555	76 828	79 170	83 920
Non-profit institutions	60 159	67 331	72 355	74 555	74 555	74 555	76 828	79 170	83 920
Funding for political parties (e.g. const.allowance)	40 159	42 331	42 355	44 555	44 555	44 555	46 828	49 170	53 920
Political Parties Fund	20 000	25 000	30 000	30 000	30 000	30 000	30 000	30 000	30 000
Total	61 563	67 593	73 064	75 178	75 467	75 467	77 761	80 157	84 964

The category *Transfers and subsidies* under Programme 1: Administration includes the following:

- *Provinces and municipalities* reflects the payment of motor vehicle licences. These were previously budgeted for under *Goods and services* but, due to a change in the SCOA classification, are now paid under *Provinces and municipalities*. The prior year figures were restated for comparison purposes.
- *Foreign governments and international organisations* caters for subscription fees in respect of the CPA. The 2008/09 amount is high as it includes the once-off cost of hosting a CPA conference in KZN. The reduction in the 2011/12 Adjusted Appropriation is due to several CPA conferences not taking place as well as fewer officials being sent to the National Conference of State Legislatures than originally intended. The MTEF allocations are based on the actual fees paid in 2011/12.
- The amounts against *Public corporations and private enterprises* from 2010/11 onward cater for insurance claims in respect of motor vehicle accidents relating to the Legislature's official vehicles.
- *Households* caters for donations made as part of the Speaker's Social Responsibility programme, as well as staff exits, both of which are difficult to predict, accounting for the fluctuating trend.

Transfers and subsidies under Programme 3: Facilities for Members and Political Parties comprises transfers to *Non-profit institutions* in respect of funding for political parties (i.e. constituency and secretarial allowances) and the Political Parties' Fund. The constituency and secretarial allowances increase steadily over the seven years, in line with national trends. The Political Parties' Fund was capped at its 2010/11 level of R30 million from 2011/12 onward, in line with a Cabinet decision.

6. Programme description

The services rendered by the Legislature are categorised under three programmes, which largely conform to the budget and programme structure for the Provincial Legislature sector. The payments and budgeted estimates for each of these programmes are summarised in terms of economic classification below, details of which are given in *Annexure – Vote 2: Provincial Legislature*.

6.1 Programme 1: Administration

This programme consists of four sub-programmes, as follows:

- The sub-programme: Office of the Speaker is responsible for policy implementation and the provision of support services to the Speaker and Deputy-Speaker.
- The sub-programme: Office of the Secretary manages and supports the line function components in achieving their goals. The Monitoring and Evaluation component falls under this sub-programme.
- The Financial Management sub-programme caters for the CFO's office, and is responsible for providing expertise and advice in terms of financial management, budget and procurement management. The main purpose is to plan the departmental budget, as well as to monitor and evaluate expenditure and revenue collection. In addition, various costs relating to the vote as a whole are centralised here, such as cell phone costs, land lines and current maintenance costs.
- The sub-programme: Corporate Services is responsible for the provision of support services, human resource management, IT and communication services and procurement (supply chain management). The budget for capital building renovation costs and other major procurement costs is centralised under this sub-programme, accounting for the size of the budget, as well as the fluctuations in trends.

It is noted that the budget structure for the sector reflects Internal Audit and Safety as separate sub-programmes. However, these two components are currently budgeted for under Financial Management and Corporate Services, respectively.

Tables 2.9 and 2.10 below summarise payments and estimates for Programme 1: Administration for the financial years 2008/09 to 2014/15.

As mentioned, Programme 1 shows good growth from 2009/10 onward due to the zero-based budget exercise, as well as additional funding for the JE review and the KZN Financial Management Bill (which has since been “un-ringfenced” and redirected toward the ERP system and the revamping of the Legislature buildings, both of which fall under Programme 1). The programme shows steady growth over the 2012/13 MTEF, largely to provide for the continuation of these two projects.

Table 2.9: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Office of the Speaker	13 678	11 202	13 064	25 838	24 167	24 167	24 567	25 794	26 643
Office of the Secretary	5 432	5 636	6 822	9 787	10 263	10 263	10 982	11 840	12 444
Financial Management	20 194	38 717	46 660	49 557	57 198	57 198	51 052	53 378	57 113
Corporate Services	27 242	23 375	20 060	34 817	47 715	47 715	39 956	43 936	47 281
Total	66 546	78 930	86 606	119 999	139 343	139 343	126 557	134 948	143 481

Table 2.10: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	61 851	67 242	81 967	109 586	116 541	116 541	113 636	124 922	132 855
Compensation of employees	27 368	31 314	40 938	61 054	56 054	56 054	65 010	69 165	73 195
Goods and services	34 483	35 928	41 029	48 532	60 487	60 487	48 626	55 757	59 660
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 404	262	709	623	912	912	933	987	1 044
Provinces and municipalities	24	25	27	-	29	29	30	32	34
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	1 081	226	410	591	176	176	180	189	198
Public corporations and private enterprises	-	-	18	21	21	21	23	24	25
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	299	11	254	11	686	686	700	742	787
Payments for capital assets	3 291	11 426	3 930	9 790	21 890	21 890	11 988	9 039	9 582
Buildings and other fixed structures	1 019	136	-	1 509	3 309	3 309	3 300	767	813
Machinery and equipment	2 162	5 431	3 723	5 501	10 001	10 001	4 688	5 085	5 391
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	110	5 859	207	2 780	8 580	8 580	4 000	3 187	3 378
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	66 546	78 930	86 606	119 999	139 343	139 343	126 557	134 948	143 481

With regard to the sub-programme: Office of the Speaker, the slight dip in 2009/10 relates to unforeseen delays in the filling of critical posts, as well as general cost-cutting. The substantial increase in the 2011/12 Main Appropriation pertains to additional funding allocated for the KZN Financial Management Bill, which includes the building of capacity in the Office of the Speaker for the carrying out of Treasury functions allocated through the Bill. As mentioned, these funds were “un-ringfenced” in the 2011/12 Adjusted Appropriation and were redirected to offset other spending pressures relating to public participation events, etc., accounting for the slight reduction in the Adjusted Appropriation.

The Office of the Secretary sub-programme increases fairly steadily over the period under review.

The sub-programme: Corporate Services reflects fluctuating trends from 2008/09 to 2010/11, mainly because of the roll-over of unspent funds relating to major procurement projects with largely once-off costs. As mentioned, various costs relating to the vote as a whole, including current maintenance costs, are centralised under the Financial Management sub-programme, while the Corporate Services sub-programme caters for capital and other major procurement projects, such as the ECM system and feasibility study costs. The substantial increase from the 2011/12 Main to the Adjusted Appropriation in respect of both of these sub-programmes can be ascribed to the fact that they house the two major projects that are currently being undertaken by the Legislature, namely the building revamping project and the ERP system. As such, the entire R22.531 million, which was the Legislature’s unspent operational budget from 2010/11, was allocated back to these two sub-programmes in the 2011/12 Adjusted Appropriation, accounting for the dip in 2012/13.

Apart from a decrease in the 2011/12 Adjusted Appropriation, *Compensation of employees* increases steadily over the seven-year period, largely due to the costs of the annual wage agreements, as well as additional funding for implementing the JE review. The 2011/12 Adjusted Appropriation reflects a marked decrease as a result of a virement of R5 million (being portion of the “un-ringfenced” funding for the KZN Financial Management Bill) to offset spending pressures under other categories.

Goods and services shows good growth from 2008/09 to 2011/12, largely due to the once-off roll-over of commitments from previous years. The substantial increase in the 2011/12 Adjusted Appropriation can be ascribed to portion of the 2010/11 unspent operational budget, that was allocated back to the Legislature in terms of Resolution 7/2011 and Resolution 8/2011 of the FPC, to be used for current costs relating to the ERP system, as well as for the revamping of the Legislature buildings (current infrastructure). This amount was once-off, accounting for the reduction from 2011/12 to 2012/13.

The category *Transfers and subsidies* includes the following:

- *Provinces and municipalities* reflects the payment of motor vehicle licences, as already explained.
- *Foreign governments and international organisations* caters for subscription fees in respect of the CPA, as mentioned previously.
- *Public corporations and private enterprises* from 2010/11 onward caters for insurance claims in respect of motor vehicle accidents relating to the Legislature’s official vehicles.
- *Households* caters for donations made as part of the Speaker’s Social Responsibility programme, as well as staff exits, both of which are difficult to predict, accounting for the fluctuating trend.

There is a substantial decrease in *Buildings and other fixed structures* in 2009/10 as the bulk of the work undertaken was current maintenance and repairs, rather than capital renovations. There was no infrastructure spending in 2010/11, pending the outcome of the infrastructure needs assessment report being compiled by Public Works. This report was finalised in 2011/12, and the Legislature commenced with the revamping of the buildings, accounting for the increase in the 2011/12 Adjusted Appropriation. As mentioned, although the revamping project will continue over the MTEF, the MTEF allocations are preliminary, as the extent and nature of the work to be done (i.e. capital/current) is still under review.

Machinery and equipment shows a fluctuating trend due to the once-off and cyclical nature of purchases made under this category. For instance, the 2009/10 amount includes the purchase of laptop computers for all new Members, which are classified as their ‘tools of trade’, following the 2009 general elections. Cost-cutting impacted on the level of spending in 2010/11, while the 2011/12 Main Appropriation provides for

the purchase of new computers and furniture for staff appointed in terms of the JE review results. The increase in the 2011/12 Adjusted Appropriation can be ascribed to provision for the purchase and installation of a new sound system in the main chamber as well as the purchase of generators.

The category *Software and other intangible assets* also reflects marked fluctuations in the prior years, mainly due to ongoing delays with the implementation of the ECM project and other technological improvements. The amounts reflected from the 2011/12 Adjusted Appropriation onward relate to the acquisition and roll-out of the ERP system in the Legislature, which is anticipated to go live in 2013/14.

Service delivery measures – Programme 1: Administration

Table 2.11 illustrates the main service delivery measures pertaining to Programme 1: Administration. Following a comprehensive strategic planning session in January 2012, the Legislature introduced several new performance indicators from 2012/13 onward. These are indicated by the term “new” in the 2011/12 Estimated performance column.

Table 2.11: Service delivery measures – Programme 1: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
1. Improved financial management in respect of constitutional independence	• % implementation of the new financial management framework	4 progress reports on preparatory work	40%	40%	20%
2. Improved compliance to SCM, HR and Finance regulations	• No. of compliance reports	4	4	4	4
3. Improved operational efficiency (SAP implementation)	• % achievement against SAP implementation plan	New	40%	40 %	20%
4. Strengthened organisational design	• Organisational structure formalised by target date	Research and committees units restructured	30 June 2012	-	-
5. Improved HR management and development	• % implementation of an adopted HR strategy and plan (including equity and training plan)	Adopted HR strategy/plan	90%	100%	100%
	• % implementation of performance management and development system	Performance management development policy adopted	90%	100%	100%
6. Improved risk management and compliance	• % implementation of the risk strategy	New	100%	100%	100%
7. Improved security arrangements for the Legislature	• % implementation of the security policy	Approved policy	100%	100%	100%
8. Improved SCM planning	• % implementation of SCM plan	New	100%	100%	100%
9. Improved asset management planning	• % implementation of asset management plan	New	100%	100%	100%
10. Improved facilities management planning	• % implementation of facilities management plan	New	100%	100%	100%
11. Improved institutional performance and capacity on performance planning and reporting	• No. of compliance and feedback reports on performance planning, monitoring and evaluation prescripts	4	4	4	4
12. Improved public image and profile of the Legislature	• No. of survey reports on the image and profile of the Legislature	9	1 district	1 district	1 district
	• No. of public displays marketing the image and profile of the Legislature	4	4	4	4
	• Approved logo and branding for the Legislature	1	Approved brand and logo	Promoted brand	Promoted brand
13. Implemented communication strategy	• % implementation of the communication strategy	New	100%	100%	100%

6.2 Programme 2: Parliamentary Services

This programme consists of six sub-programmes, largely conforming to the customised budget structure for the sector. The main objectives and services of these sub-programmes are as follows:

- To provide library, research and archive services.

- To provide services with regard to legislation, petitions and legislative procedure, etc.
- To facilitate public involvement in the legislative and policy formulation process of the Legislature.
- The provision of secretarial services to the Legislature Committees.
- The reporting and translating of debates.
- The production of Legislature publications.

Tables 2.12 and 2.13 give a summary of payments and estimates for the period 2008/09 to 2014/15.

Table 2.12: Summary of payments and estimates - Programme 2: Parliamentary Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Library, Research and Information Services	2 449	3 033	3 662	5 388	5 403	5 403	10 203	10 495	10 900
House Proceedings	7 776	9 666	10 277	14 333	14 333	14 333	15 274	15 481	16 453
Committee Services	9 923	11 400	13 953	14 779	15 772	15 772	26 632	26 956	27 340
Legal Services	1 751	3 882	3 835	5 546	5 546	5 546	6 582	6 812	8 687
Public Participation and Awareness	2 974	3 341	4 452	8 456	10 256	10 256	9 708	9 929	10 242
Hansard and Language Services	5 548	5 090	5 128	8 268	8 268	8 268	9 016	9 227	9 634
Total	30 421	36 412	41 307	56 770	59 578	59 578	77 415	78 900	83 256

Table 2.13: Summary of payments and estimates by economic classification - Programme 2: Parliamentary Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	30 421	36 412	41 307	56 770	59 578	59 578	77 415	78 900	83 256
Compensation of employees	22 755	30 362	34 115	42 863	43 494	43 494	64 928	65 510	68 004
Goods and services	7 666	6 050	7 192	13 907	16 084	16 084	12 487	13 390	15 252
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	30 421	36 412	41 307	56 770	59 578	59 578	77 415	78 900	83 256

Programme 2 as a whole shows healthy growth over the seven-year period, with all six sub-programmes showing a generally steady increase due to the zero-based budget exercise, as well as additional funding for the JE review and the KZN Financial Management Bill, which was redirected toward other spending pressures. It is noted that the implementation of the sector oversight model impacts mainly on this programme, particularly the sub-programme: Committee Services.

In the 2011/12 Adjusted Appropriation, the sub-programmes Library, Research and Information Services, Committee Services and Public Participation and Awareness increase slightly as a result of additional funding of R2.177 million, being a portion of the savings that were redirected from over-provision on the Members' remuneration, as mentioned. This funding was redirected to offset spending pressures under *Goods and services*, including increased library costs (Library and Research Services), the oversight model (Committee Services), and to pay for radio slots that are no longer offered free of charge by *uKhozi* FM radio (Public Participation and Awareness). In addition, the entire R631 000 that was allocated toward the higher than anticipated 2011 wage agreement was allocated to Committee Services, where there is pressure under *Compensation of employees* due to the oversight model. Similarly, the substantial increase from 2011/12 to 2012/13 relates to provision made for the oversight model.

Apart from the above-mentioned increase in the 2011/12 Adjusted Appropriation, *Compensation of employees* shows substantial growth, particularly over the 2012/13 MTEF, due to additional funding

allocated for the carry-through costs of the annual wage agreements, the JE review, as well as provision for the full implementation of the oversight model.

Goods and services shows a generally steady upward trend over the seven-year period. The 2009/10 amount is slightly lower than 2008/09, due to the Legislature's undertaking to cut-back spending in terms of the Provincial Recovery Plan. The 2011/12 Adjusted Appropriation is higher than the Main Appropriation due to the redirection of Members' remuneration funds, as explained above, and a healthy growth is shown over the 2012/13 MTEF.

Service delivery measures – Programme 2: Parliamentary Services

Table 2.14 below illustrates the main service delivery measures relating to Programme 2. As mentioned, following a comprehensive strategic planning session, the Legislature reworded some existing measures and also introduced several new performance indicators from 2012/13 onward. These are indicated by the term “new” in the 2011/12 Estimated performance column.

Table 2.14: Service delivery measures – Programme 2: Parliamentary Services

Table 2.14: Service delivery measures – Programme 2: Parliamentary Services						
Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2011/12	2012/13	2013/14	2014/15
1.	Improved governance	<ul style="list-style-type: none"> Updated Members' Guide on procedure 	New	31 March 2013	-	-
2.	An appropriate mechanism developed for reviewing subordinate legislation	<ul style="list-style-type: none"> Enacted legislation approved/amendment to Standing Rules 	New	31 March 2013	-	-
3.	Compliance with legislative programme	<ul style="list-style-type: none"> No. of provincial and NCOP Bills processed 	5	10	5	5
4.	Improved level of oversight over enacted legislation	<ul style="list-style-type: none"> Framework (guideline) for the oversight legislation and implementation 	New	31 March 2013	50% implementation	100% implementation
5.	Increased sectoral engagements and symposiums	<ul style="list-style-type: none"> No. of sectoral engagements 	7	7	7	7
6.	Feedback reports on resolutions taken during sector parliaments	<ul style="list-style-type: none"> No. of feedback reports 	7	7	7	7
7.	Improved engagements with community structures (ward committees)	<ul style="list-style-type: none"> No. of engagements 	New	2	2	2
8.	Improved utilisation of constituency offices	<ul style="list-style-type: none"> Verified database for constituency offices and utilisation thereof 	New	31 May 2012	50% utilisation	100% utilisation
		<ul style="list-style-type: none"> No. of capacity building workshops for constituency offices administrators 	New	1	1	1
9.	Provide support in the oversight process through public involvement	<ul style="list-style-type: none"> No. of events 	2	2	2	2
10.	Increased levels of awareness and knowledge of the Legislature and its core business	<ul style="list-style-type: none"> No. of districts covered by public education 	New	11	11	11
11.	Increased levels of awareness and knowledge of the Legislature through community radio slots	<ul style="list-style-type: none"> No. of community radio slots 	24	24	24	24
12.	Improved levels of control over the Appropriation Bill	<ul style="list-style-type: none"> No. of Committee reports on departmental budgets 	New	14	14	14
13.	Increased sectoral engagements and symposiums	<ul style="list-style-type: none"> No. of reports on concluded resolutions 	New	7	7	7
14.	Improved quality of oversight monitoring and reporting	<ul style="list-style-type: none"> No. of quarterly oversight review reports 	New	4	4	4
15.	Improved monitoring of the implementation of departmental fraud and corruption plans	<ul style="list-style-type: none"> No. of Committee reports on fraud risk plans 	New	5	5	5
16.	Improved monitoring of implementation of laws passed	<ul style="list-style-type: none"> No. of Committee reports on implementation of laws 	New	2	2	2
		<ul style="list-style-type: none"> No. of Committee reports on conventions 	New	1 report on MDGs	1	1
		<ul style="list-style-type: none"> No. of capacity building sessions for depts. and agencies on KZN oversight model 	New	1 workshop	1	1

Table 2.14: Service delivery measures – Programme 2: Parliamentary Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
17. Improved levels of oversight through strategic partnerships	• No. of structured (MOUs) partnerships with Chapter 9 and 10 institutions	4	2	2	2
18. Improved research on legislative gaps	• No. of research reports completed by target date	New	1	1	1
19. Conducted surveys to determine levels of service delivery in KZN	• No. of service delivery analysis reports presented to relevant portfolio committees	2	2	2	2
20. Implemented programme/event management policy and procedure manual	• No. of reports on the levels of implementation of the programme/event management policy and procedure manual	Approved policy and procedure manual	4	4	4

6.3 Programme 3: Facilities for Members and Political Parties

This programme consists of two sub-programmes, namely Facilities and Benefits to Members and Political Support Services. The purpose of this programme is to render administrative support services to political office-bearers and other Members of the Legislature with regard to facilities and benefits.

The sub-programme: Facilities and Benefits to Members caters for items such as telephone allowances, flights, travel and subsistence costs and other items relating to public participation events, hence the budget falls under *Goods and services*. The sub-programme: Political Support Services makes provision for funding for political parties, including the constituency and secretarial allowances, with the entire budget allocated to *Transfers and subsidies to: Non-profit institutions*.

Tables 2.15 and 2.16 reflect a summary of payments and estimates for the period 2008/09 to 2014/15.

Programme 3 as a whole increases markedly over the seven-year period due to the zero-based budget exercise, the Political Parties' Fund, as well as public participation events and overseas study tours undertaken by the various portfolio committees.

Table 2.15: Summary of payments and estimates - Programme 3: Facilities for Members and Political Parties

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Facilities and Benefits to Members	41 764	39 130	47 960	47 741	59 260	59 260	51 278	53 803	56 956
Political Support Services	60 159	67 331	72 355	74 555	74 555	74 555	76 828	79 170	83 921
Total	101 923	106 461	120 315	122 296	133 815	133 815	128 106	132 973	140 877

Table 2.16: Summary of payments & estimates by economic classification - Programme 3: Facilities for Members and Political Parties

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	41 764	39 130	47 960	47 741	59 260	59 260	51 278	53 803	56 957
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	41 764	39 130	47 960	47 741	59 260	59 260	51 278	53 803	56 957
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	60 159	67 331	72 355	74 555	74 555	74 555	76 828	79 170	83 920
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	60 159	67 331	72 355	74 555	74 555	74 555	76 828	79 170	83 920
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	101 923	106 461	120 315	122 296	133 815	133 815	128 106	132 973	140 877

With regard to the sub-programme: Facilities and Benefits to Members and *Goods and services*, the 2009/10 amount is low compared to 2008/09 due to cost-cutting, including the hosting of several public participation events at the Legislature building. The increase in 2010/11 relates to a roll-over from 2009/10 in respect of the Ilembe TLTP, which took place in March 2010. The high 2011/12 Adjusted Appropriation includes a portion of the “un-ringfenced” KZN Financial Management Bill funding and a portion of the savings redirected from over-provision on the Members’ remuneration to fund operational spending pressures, including commitments from 2010/11 relating to public participation events. Also, as mentioned, the Legislature undertook several post adjustments virements in the December 2011 IYM, moving savings from Programme 1 to Programme 3 to fund public participation events and overseas study tours. This accounts for the 2011/12 Adjusted Appropriation being higher than the 2012/13 allocation.

The sub-programme: Political Support Services makes provision for funding for political parties, with the entire budget allocated to *Transfers and subsidies to: Non-profit institutions*. The budget caters for the constituency and secretarial allowances payable to political parties, with annual increases that are in line with National Parliament’s guidelines. In 2008/09, the Political Parties’ Fund was established, aimed at assisting political parties to carry out their constitutional mandate, in line with the KZN Funding of Political Parties’ Act. As mentioned, in line with a Cabinet decision, the Political Parties’ Fund was capped at its 2010/11 level of R30 million in 2011/12 and over the 2012/13 MTEF. This accounts for the fact that this sub-programme and category increase at a fairly low rate over the MTEF.

Service delivery measures – Programme 3: Facilities for Members and Political Parties

Table 2.17 below illustrates the main service delivery measure pertaining to Programme 3: Facilities for Members and Political Parties.

Table 2.17: Service delivery measures – Programme 3: Facilities for Members and Political Parties

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
Improved capacity of Members in relation to law-making	<ul style="list-style-type: none"> No. of Members trained on provincial guidelines on law-making 	69 Members	69 Members	69 Members	69 Members	

7. Other programme information

7.1 Personnel numbers and costs

Tables 2.18 and 2.19 below illustrate personnel numbers and estimates pertaining to the Legislature for the seven-year period.

Table 2.18: Personnel numbers and costs per programme

Personnel numbers	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
1. Administration	91	85	93	96	107	107	107
2. Parliamentary Services	55	59	62	120	137	137	137
3. Facilities for Members and Political Parties							
Total	146	144	155	216	244	244	244
Total personnel cost (R thousand)	50 123	61 676	75 053	99 548	129 938	134 675	141 199
Unit cost (R thousand)	343	428	484	461	533	552	579

Table 2.19: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Total for department									
Personnel numbers (head count)	146	144	155	214	214	216	244	244	244
Personnel cost (R thousand)	50 123	61 676	75 053	103 917	99 548	99 548	129 938	134 675	141 199
Human resources component									
Personnel numbers (head count)	6	5	5	8	8	10	10	10	10
Personnel cost (R thousand)	2 470	2 085	2 779	3 386	4 231	4 231	4 523	4 772	5 058
Head count as % of total for department	4.11	3.47	3.23	3.74	3.74	4.63	4.10	4.10	4.10
Personnel cost as % of total for department	4.93	3.38	3.70	3.26	4.25	4.25	3.48	3.54	3.58
Finance component									
Personnel numbers (head count)	18	20	18	22	22	22	23	24	24
Personnel cost (R thousand)	6 586	10 052	9 146	10 203	12 053	12 053	11 816	12 914	13 689
Head count as % of total for department	12.33	13.89	11.61	10.28	10.28	10.19	9.43	9.84	9.84
Personnel cost as % of total for department	13.14	16.30	12.19	9.82	12.11	12.11	9.09	9.59	9.69
Full time workers									
Personnel numbers (head count)	136	134	141	200	200	202	223	223	223
Personnel cost (R thousand)	47 701	59 156	68 241	96 655	88 905	88 905	122 175	126 485	132 518
Head count as % of total for department	93.15	93.06	90.97	93.46	93.46	93.52	91.39	91.39	91.39
Personnel cost as % of total for department	95.17	95.91	90.92	93.01	89.31	89.31	94.03	93.92	93.85
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	10	10	14	14	14	14	21	21	21
Personnel cost (R thousand)	2 422	2 520	6 812	7 262	10 643	10 643	7 763	8 190	8 681
Head count as % of total for department	6.85	6.94	9.03	6.54	6.54	6.48	8.61	8.61	8.61
Personnel cost as % of total for department	4.83	4.09	9.08	6.99	10.69	10.69	5.97	6.08	6.15

There is a substantial increase in personnel numbers from 2011/12 onward, which can be attributed to the anticipated full implementation of the JE results, the ongoing review of the organisational structure and the implementation of the sector oversight model, coupled with the allocation of additional resources.

The lengthy restructuring and JE process was finalised toward the end of 2008/09. Although the Legislature commenced with the implementation of the JE results in 2009/10, progress was slow due to financial constraints. Additional funding was allocated over the 2010/11 MTEF for the full implementation of the JE review results, particularly the upgrading of filled posts and the once-off payment of back-pay. This accounts for the unit cost in 2010/11 being higher than the outer years in Table 2.18.

In addition to the implementation of the JE results, in 2011/12, the Legislature continued with a review of the existing organisational structure to make provision for additional posts, in line with the new strategic business processes for the planning and monitoring of delivery, and this accounts for the substantial increase in personnel numbers from 2011/12 onward. Many of the critical posts were advertised and interviews were conducted in 2011/12. Also taken into account is the phasing in of additional posts required as a result of the implementation of the sector oversight model.

The information provided in Table 2.19 in respect of contract workers relates to the officials that work in the offices of the Speaker and the Deputy Speaker. These offices were expanded in 2008/09 in terms of the new structure at the time, accounting for the increase in numbers. There is a further increase in numbers over the 2012/13 MTEF to build capacity for the performance of several new functions, such as internal audit functions, in line with the proposed financial management policies which are currently being drafted (in place of the KZN Financial Management Bill which will not be enacted). It is noted that the contract of these employees is aligned to the political term of office of political office-bearers (i.e. these officials are on contract for a period of five years).

7.2 Training

Tables 2.20 and 2.21 give a summary of departmental spending and information on training for the period 2008/09 to 2011/12 and budgeted expenditure for the period 2012/13 to 2014/15 (which is now

centralised under Programme 1: Administration). It is noted that the Skills Development Act (Act No. 97 of 1998) is not applicable to provincial legislatures.

The amounts reflected relate mainly to computer training, as well as other specific training courses that will assist in capacitating the various components of the Legislature. The increase in 2011/12 and over the 2012/13 MTEF (although to a lesser extent) compared to prior years relates to the training that will be conducted to ensure the smooth implementation of the ERP system and oversight model.

Table 2.20: Payments and estimates on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	547	766	516	1 350	1 721	1 721	1 844	2 538	2 792
2. Parliamentary Services	173	300	278	1 493	1 493	1 493	-	-	-
3. Facilities for Members and Political Parties	68	204	135	396	386	386	-	-	-
Total	788	1 270	929	3 239	3 600	3 600	1 844	2 538	2 792

Table 2.21 below illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

Table 2.21: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Number of staff	146	144	155	214	214	216	244	244	244
Number of personnel trained	145	50	108	140	140	140	137	166	176
of which									
Male	67	26	50	65	65	65	68	83	88
Female	78	24	58	75	75	75	69	83	88
Number of training opportunities	48	60	62	60	60	60	38	38	41
of which									
Tertiary	27	10	30	20	20	20	12	12	13
Workshops	21	50	13	20	20	20	15	15	16
Seminars	-	-	2	5	5	5	-	-	-
Other	-	-	17	15	15	15	11	11	12
Number of bursaries offered	32	10	30	20	20	20	17	20	21
External	27	-	20	10	10	10	-	-	-
Internal	5	10	10	10	10	10	17	20	21
Number of interns appointed	-	3	15	5	5	5	3	3	3
Number of learnerships appointed									
Number of days spent on training	68	149	87	80	80	80	80	85	90

ANNEXURE – VOTE 2: PROVINCIAL LEGISLATURE

Table 2.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	39	40	68	42	42	73	44	46	49
Sale of goods and services produced by dept. (excl. capital assets)	-	-	-	-	-	-	-	-	-
Sales by market establishments									
Administrative fees									
Other sales	-	-	-	-	-	-	-	-	-
Of which									
Other									
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	39	40	68	42	42	73	44	46	49
Transfers received from:	300	-	1 255	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises	300	-	1 255	-	-	-	-	-	-
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land	2 502	296	1 632	354	354	856	370	390	413
Interest	2 502	293	1 632	350	350	852	370	390	413
Dividends	-	3	-	4	4	4	-	-	-
Rent on land									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets									
Other capital assets									
Transactions in financial assets and liabilities	987	258	1 121	205	205	166	215	227	241
Total	3 828	594	4 076	601	601	1 095	629	663	703

Table 2.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	134 036	142 784	171 234	214 097	235 379	235 379	242 329	257 625	273 068
Compensation of employees	50 123	61 676	75 053	103 917	99 548	99 548	129 938	134 675	141 199
Salaries and wages	43 622	54 281	66 361	90 483	85 483	85 483	114 071	117 595	122 415
Social contributions	6 501	7 395	8 692	13 434	14 065	14 065	15 867	17 080	18 784
Goods and services	83 913	81 108	96 181	110 180	135 831	135 831	112 391	122 950	131 869
of which									
Administrative fees	351	224	351	692	282	282	271	286	304
Advertising	4 774	3 287	5 546	4 081	11 017	11 017	8 618	8 836	9 519
Assets <R5000	719	620	156	731	1 431	1 431	1 055	1 648	1 747
Audit cost: External	945	1 657	2 022	2 000	2 000	2 000	2 010	2 121	2 248
Bursaries (employees)	240	254	185	802	554	554	480	941	997
Catering: Departmental activities	870	266	430	990	1 425	1 425	1 100	1 266	1 417
Communication	5 634	8 154	8 215	9 174	8 865	8 865	9 363	9 813	10 302
Computer services	1 634	1 488	3 756	3 137	5 054	5 054	3 602	3 848	4 139
Cons/prof: Business & advisory services	1 689	3 743	4 010	1 842	3 355	3 355	3 393	4 372	4 814
Cons/prof: Infrastructure & planning	2 995	-	-	-	1 100	1 100	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	258	127	106	225	225	250	265	281
Contractors	6 282	7 024	8 390	12 047	9 674	9 674	9 374	9 982	10 761
Agency & support/outourced services	9 992	6 470	8 599	9 947	12 311	12 311	10 425	10 759	11 405
Entertainment	280	133	147	469	558	558	495	522	556
Fleet services (incl. GMT)	34	65	497	331	936	936	870	922	977
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	378	298	1	226	87	87	105	251	266
Inventory: Fuel, oil and gas	-	5	1	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	246	296	274	364	364	340	360	382
Inventory: Materials and supplies	-	18	29	35	115	115	115	122	129
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	4	-	5	5	5	5	5	5
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	352	264	320	353	353	325	344	364
Inventory: Stationery and printing	663	801	763	968	829	829	1 102	1 165	1 235
Lease payments	4 575	4 866	4 980	3 609	4 633	4 633	3 700	3 926	4 162
Rental and hiring	-	-	-	-	8	8	-	-	-
Property payments	2 212	2 914	3 262	3 083	3 550	3 550	3 400	3 632	3 850
Transport provided: Departmental activity	3 807	1 686	2 777	2 927	5 929	5 929	3 185	3 269	3 465
Travel and subsistence	20 266	19 654	28 060	33 345	39 495	39 495	31 838	33 993	35 959
Training and development	788	1 270	929	3 239	3 600	3 600	1 844	2 538	2 792
Operating expenditure	8 580	7 537	5 295	9 822	6 524	6 524	6 528	7 932	8 948
Venues and facilities	6 205	7 814	7 093	5 978	11 552	11 552	8 598	9 832	10 845
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	61 563	67 593	73 064	75 178	75 467	75 467	77 761	80 157	84 964
Provinces and municipalities	24	25	27	-	29	29	30	32	34
Provinces	24	25	27	-	29	29	30	32	34
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	24	25	27	-	29	29	30	32	34
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	1 081	226	410	591	176	176	180	189	198
Public corporations and private enterprises	-	-	18	21	21	21	23	24	25
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	18	21	21	21	23	24	25
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	18	21	21	21	23	24	25
Non-profit institutions	60 159	67 331	72 355	74 555	74 555	74 555	76 828	79 170	83 920
Households	299	11	254	11	686	686	700	742	787
Social benefits	299	11	254	11	686	686	700	742	787
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	3 291	11 426	3 930	9 790	21 890	21 890	11 988	9 039	9 582
Buildings and other fixed structures	1 019	136	-	1 509	3 309	3 309	3 300	767	813
Buildings	1 019	136	-	1 509	3 309	3 309	3 300	767	813
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 162	5 431	3 723	5 501	10 001	10 001	4 688	5 085	5 391
Transport equipment	783	1 363	1 550	1 408	1 700	1 700	1 418	1 560	1 654
Other machinery and equipment	1 379	4 068	2 173	4 093	8 301	8 301	3 270	3 525	3 737
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	110	5 859	207	2 780	8 580	8 580	4 000	3 187	3 378
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	198 890	221 803	248 228	299 065	332 736	332 736	332 078	346 821	367 614
Less: Departmental receipts not to be surrendered to Provincial Revenue Fund	3 828	594	4 076	601	601	1 035	629	663	703
Adjusted total	195 062	221 209	244 152	298 464	332 135	331 701	331 449	346 158	366 911
Members' remuneration	48 759	66 435	62 681	75 637	68 637	68 637	70 299	76 050	80 613
Adjusted total (incl. Members' remuneration)	243 821	287 644	306 833	374 101	400 772	400 338	401 748	422 208	447 524

Table 2.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	61 851	67 242	81 967	109 586	116 541	116 541	113 636	124 922	132 855
Compensation of employees	27 368	31 314	40 938	61 054	56 054	56 054	65 010	69 165	73 195
Salaries and wages	23 820	27 490	36 261	52 737	47 737	47 737	56 144	59 399	62 843
Social contributions	3 548	3 824	4 677	8 317	8 317	8 317	8 866	9 766	10 352
Goods and services	34 483	35 928	41 029	48 532	60 487	60 487	48 626	55 757	59 660
of which									
Administrative fees	3	223	351	660	250	250	235	250	265
Advertising	2 241	479	2 371	572	4 050	4 050	2 150	2 279	2 416
Assets <R5000	719	620	156	731	1 431	1 431	1 055	1 648	1 747
Audit cost: External	945	1 657	2 022	2 000	2 000	2 000	2 010	2 121	2 248
Bursaries (employees)	240	254	168	352	504	504	150	391	414
Catering: Departmental activities	573	266	430	990	1 425	1 425	1 100	1 266	1 417
Communication	2 720	3 547	3 581	4 180	3 571	3 571	4 210	4 431	4 597
Computer services	1 634	1 488	3 756	3 060	4 977	4 977	3 602	3 848	4 139
Cons/prof: Business & advisory services	426	601	3 867	-	2 097	2 097	2 373	3 291	3 668
Cons/prof: Infrastructure & planning	2 995	-	-	-	1 100	1 100	-	-	-
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	2 524	6 565	4 094	9 557	5 544	5 544	6 200	6 417	6 982
Agency & support/outourced services	1 605	1 016	1 142	3 681	1 692	1 692	3 200	3 392	3 596
Entertainment	269	132	42	343	312	312	362	382	407
Fleet services (incl. GMT)	34	65	497	331	936	936	870	922	977
Housing									
Inventory: Food and food supplies	378	298	1	226	87	87	105	251	266
Inventory: Fuel, oil and gas	-	5	1	-	-	-	-	-	-
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	-	18	29	35	115	115	115	122	129
Inventory: Medical supplies									
Inventory: Medicine	-	4	-	5	5	5	5	5	5
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	253	241	262	295	295	305	323	342
Inventory: Stationery and printing	522	755	608	765	626	626	770	816	865
Lease payments	4 270	3 406	4 952	3 501	4 633	4 633	3 700	3 926	4 162
Rental and hiring									
Property payments	2 212	2 914	3 262	3 080	3 550	3 550	3 400	3 632	3 850
Transport provided: Departmental activity	-	-	10	62	297	297	75	80	85
Travel and subsistence	3 089	4 722	5 015	5 450	14 702	14 702	5 572	6 386	6 769
Training and development	547	766	516	1 350	1 721	1 721	1 844	2 538	2 792
Operating expenditure	5 470	5 599	3 882	6 090	3 630	3 630	4 368	5 300	5 678
Venues and facilities	1 067	275	35	1 249	937	937	850	1 740	1 844
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	1 404	262	709	623	912	912	933	987	1 044
Provinces and municipalities	24	25	27	-	29	29	30	32	34
Provinces	24	25	27	-	29	29	30	32	34
Provincial Revenue Funds									
Provincial agencies and funds	24	25	27	-	29	29	30	32	34
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations	1 081	226	410	591	176	176	180	189	198
Public corporations and private enterprises	-	-	18	21	21	21	23	24	25
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	18	21	21	21	23	24	25
Subsidies on production									
Other transfers	-	-	18	21	21	21	23	24	25
Non-profit institutions									
Households	299	11	254	11	686	686	700	742	787
Social benefits	299	11	254	11	686	686	700	742	787
Other transfers to households									
Payments for capital assets	3 291	11 426	3 930	9 790	21 890	21 890	11 988	9 039	9 582
Buildings and other fixed structures	1 019	136	-	1 509	3 309	3 309	3 300	767	813
Buildings	1 019	136	-	1 509	3 309	3 309	3 300	767	813
Other fixed structures									
Machinery and equipment	2 162	5 431	3 723	5 501	10 001	10 001	4 688	5 085	5 391
Transport equipment	783	1 363	1 550	1 408	1 700	1 700	1 418	1 560	1 654
Other machinery and equipment	1 379	4 068	2 173	4 093	8 301	8 301	3 270	3 525	3 737
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	110	5 859	207	2 780	8 580	8 580	4 000	3 187	3 378
Payments for financial assets									
Total	66 546	78 930	86 606	119 999	139 343	139 343	126 557	134 948	143 481

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	30 421	36 412	41 307	56 770	59 578	59 578	77 415	78 900	83 256
Compensation of employees	22 755	30 362	34 115	42 863	43 494	43 494	64 928	65 510	68 004
Salaries and wages	19 802	26 791	30 100	37 746	37 746	37 746	57 927	58 196	59 572
Social contributions	2 953	3 571	4 015	5 117	5 748	5 748	7 001	7 314	8 432
Goods and services	7 666	6 050	7 192	13 907	16 084	16 084	12 487	13 390	15 252
of which									
Administrative fees	-	-	-	32	32	32	36	36	39
Advertising	296	8	17	63	2 921	2 921	2 188	2 220	2 294
Assets <R5000									
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	297	-	-	-	-	-	-	-	-
Communication	438	981	1 110	1 194	1 194	1 194	1 200	1 306	1 384
Computer services	-	-	-	77	77	77	-	-	-
Cons/prof: Business & advisory services	1 263	88	138	1 835	1 035	1 035	800	848	899
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	-	258	127	106	225	225	250	265	281
Contractors	-	-	-	-	40	40	-	-	-
Agency & support/outsourced services	17	20	-	130	-	-	-	-	-
Entertainment	1	1	4	57	57	57	60	63	67
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	-	246	296	274	364	364	340	360	382
Inventory: Materials and supplies									
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	99	23	58	58	58	20	21	22
Inventory: Stationery and printing	-	6	2	84	84	84	212	225	239
Lease payments									
Rental and hiring									
Property payments	-	-	-	3	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	25	25	-	-	-
Travel and subsistence	4 099	2 826	4 164	5 679	5 657	5 657	5 881	6 114	7 117
Training and development	173	300	278	1 493	1 493	1 493	-	-	-
Operating expenditure	1 063	1 014	1 033	2 553	2 553	2 553	1 500	1 932	2 528
Venues and facilities	19	203	-	269	269	269	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	-	-	-	-	-	-	-	-	-
Social benefits									
Other transfers to households									
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment									
Other machinery and equipment									
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	30 421	36 412	41 307	56 770	59 578	59 578	77 415	78 900	83 256

Table 2.E: Details of payments and estimates by economic classification - Programme 3: Facilities for Members and Political Parties

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	41 764	39 130	47 960	47 741	59 260	59 260	51 278	53 803	56 957
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages									
Social contributions									
Goods and services	41 764	39 130	47 960	47 741	59 260	59 260	51 278	53 803	56 957
of which									
Administrative fees	348	1	-	-	-	-	-	-	-
Advertising	2 237	2 800	3 158	3 446	4 046	4 046	4 280	4 337	4 809
Assets <R5000									
Audit cost: External									
Bursaries (employees)	-	-	17	450	50	50	330	550	583
Catering: Departmental activities									
Communication	2 476	3 626	3 524	3 800	4 100	4 100	3 953	4 076	4 321
Computer services									
Cons/prof: Business & advisory services	-	3 054	5	7	223	223	220	233	247
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	3 758	459	4 296	2 490	4 090	4 090	3 174	3 565	3 779
Agency & support/outourced services	8 370	5 434	7 457	6 136	10 619	10 619	7 225	7 367	7 809
Entertainment	10	-	101	69	189	189	73	77	82
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies									
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables									
Inventory: Stationery and printing	141	40	153	119	119	119	120	124	131
Lease payments	305	1 460	28	108	-	-	-	-	-
Rental and hiring	-	-	-	-	8	8	-	-	-
Property payments									
Transport provided: Departmental activity	3 807	1 686	2 767	2 865	5 607	5 607	3 110	3 189	3 380
Travel and subsistence	13 078	12 106	18 881	22 216	19 136	19 136	20 385	21 493	22 073
Training and development	68	204	135	396	386	386	-	-	-
Operating expenditure	2 047	924	380	1 179	341	341	660	700	742
Venues and facilities	5 119	7 336	7 058	4 460	10 346	10 346	7 748	8 092	9 001
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	60 159	67 331	72 355	74 555	74 555	74 555	76 828	79 170	83 920
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions	60 159	67 331	72 355	74 555	74 555	74 555	76 828	79 170	83 920
Households	-	-	-	-	-	-	-	-	-
Social benefits									
Other transfers to households									
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment									
Other machinery and equipment									
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	101 923	106 461	120 315	122 296	133 815	133 815	128 106	132 973	140 877

Table 2.F: Details of payments of infrastructure by category

No.	Project name	Municipality/ Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Project cost	Payments to date from previous years	Total available	MTEF forward estimates	
			Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish						2012/13	2013/14	2014/15
R thousand														
New and replacement assets									-	-	-	-	-	-
Upgrades and additions									-	-	-	-	-	-
1.	Installation of generator Legislature building	Msunduzi	Legislature building	1	1 Apr 2012	1 Mar 2013	Equitable share	Programme 1	-	682	528	154	-	-
2.	Installation of generator administrative building	Msunduzi	Administrative building	1	1 Apr 2012	1 Mar 2013	Equitable share	Programme 1	-	1 293	731	562	-	-
3.	Capital revamping of Legislature building	Msunduzi	Legislature building	1	1 Apr 2012	1 Mar 2013	Equitable share	Programme 1	-	-	-	2 584	767	813
Other	Fire alarm, PA system, facade & airconditioners	Msunduzi	Legislature & admin	2	1 Apr 2012	Ongoing	Equitable share	Programme 1	-	-	-	-	-	-
Total Upgrades and additions									-	1 975	1 259	3 300	767	813
Rehabilitation, renovations and refurbishments									-	-	-	-	-	-
Maintenance and repairs									-	-	-	-	-	-
1.	Ground maintenance	Msunduzi	Legislature building	1	1 Apr 2012	1 Mar 2015	Equitable share	Programme 1	-	346	26	107	120	93
2.	Fumigation - Legislature building	Msunduzi	Legislature building	1	1 Apr 2012	1 Mar 2015	Equitable share	Programme 1	-	270	-	80	90	100
3.	Fumigation - administrative building	Msunduzi	Administration building	1	1 Apr 2012	1 Mar 2015	Equitable share	Programme 1	-	369	153	96	92	112
4.	Lift maintenance - Legislature building	Msunduzi	Legislature building	1	1 Apr 2012	1 Mar 2015	Equitable share	Programme 1	-	43	24	19	15	18
5.	Lift maintenance - administrative building	Msunduzi	Administration building	2	1 Apr 2012	1 Mar 2015	Equitable share	Programme 1	-	367	50	49	54	-
6.	Maintenance contract fire alarms	Msunduzi	Legislature & admin	2	1 Apr 2012	1 Mar 2015	Equitable share	Programme 1	-	146	60	28	33	38
7.	Maintenance contract for generators	Msunduzi	Legislature & admin	2	1 Apr 2012	1 Mar 2015	Equitable share	Programme 1	-	104	-	-	30	34
8.	Maintenance contract of airconditioners	Msunduzi	Legislature & admin	2	1 Apr 2012	1 Mar 2015	Equitable share	Programme 1	-	968	-	300	320	348
9.	Day-to-day maintenance - unforeseen items	Msunduzi	Legislature & admin	2	1 Apr 2012	1 Mar 2015	Equitable share	Programme 1	-	1 500	-	1 500	2 200	2 400
10.	Painting - Legislature and administrative building	Msunduzi	Legislature & admin	2	1 Apr 2012	1 Mar 2015	Equitable share	Programme 1	-	750	-	750	-	-
Other	Pigeon protection, roof paint & replace waterproof	Msunduzi	Legislature & admin	2	1 Apr 2012	1 Mar 2015	Equitable share	Programme 1	-	645	260	688	698	729
Total Maintenance and repairs									-	5 508	573	3 617	3 652	3 872
Infrastructure transfers - current									-	-	-	-	-	-
Infrastructure transfers - capital									-	-	-	-	-	-
Total Infrastructure									-	7 483	1 832	6 917	4 419	4 685

VOTE 3

Agriculture, Environmental Affairs and Rural Development

Operational budget	R 2 652 267 911
MEC remuneration	R 1 566 089
Total amount to be appropriated	R 2 653 834 000
Responsible MEC	Dr. B. M. Radebe, MEC for Agriculture, Environmental Affairs and Rural Development
Administering department	Agriculture, Environmental Affairs and Rural Development
Accounting officer	Head: Agriculture, Environmental Affairs and Rural Development

1. Overview

Vision

The vision of the Department of Agriculture, Environmental Affairs and Rural Development (DAEARD) is: *Optimum agricultural land use, sustainable food security, sound environmental management and comprehensive, integrated rural development.*

Mission statement

The department's mission is that: *The department, together with its partners and communities, champions quality agricultural, environmental and conservation services, and drives integrated comprehensive rural development for all the people of KZN.*

Strategic objectives

Strategic policy direction: The department seeks to align its operations and strategic position with the overall aim of government to achieve accountability and effective service delivery for all citizens of the province. By working in partnership with other government departments and key stakeholders, the department will strive to address poverty and food insecurity through maximising the use and management of natural resources, and will explore strategies to improve social and economic livelihoods of rural communities to fulfil its new mandate, rural development.

The department has set the following goals and strategic objectives in order to achieve this:

Rural development, agrarian reform and social and economic infrastructure development

- Provide technical support, extension, specialist advisory services and progressive training and mentorship to households and farmers.
- Provide and develop support systems and infrastructure for sustainable land use, agricultural development and comprehensive rural development.
- Ensure the prevention, control and/or eradication of animal diseases.
- Create and facilitate improved access to a stable and diversified food supply for improved nutritional well-being and improvement in household income.
- Undertake appropriate adaptive agricultural research and technology development and transfer, to advance agriculture.

Sustainable natural resource management

- Ensure environmentally sustainable development.
- Mitigate impact on and promote a safe, healthy environment.
- Ensure the management of invasive alien species.
- Conserve the indigenous biodiversity of KZN.

Creation of decent work opportunities and ensuring economic growth and infrastructure development

- Create access to local and international markets for local agricultural products.
- Develop commercial farming entrepreneurs and agri-business.
- Enhance linkages with international entities, partners, stakeholders and all spheres of government.

Core functions

In order to achieve the above strategic objectives, the department is responsible for carrying out the following core functions:

- Crop production.
- Livestock production.
- Rural development.
- Environmental management.
- Conservation services.

Legislative mandate

The core functions are governed by various Acts and regulations, falling under the following categories:

- Transversal legislation.
- Agricultural development services legislation.
- Environmental management legislation.
- Conservation legislation.

Because the Acts, rules and regulations are too expansive to include here, a comprehensive list is given in the *Annexure – Vote 3: Agriculture, Environmental Affairs and Rural Development* (Table 3.(iv)).

2. Review of the 2011/12 financial year

Section 2 provides a review of 2011/12, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

Organisational structure

The department has not yet implemented the new organisational structure that was finalised in 2010/11 and was anticipated to be implemented in 2011/12. The continued engagement with organised labour unfortunately led to ongoing delays in the implementation thereof and also resulted in a temporary moratorium on the filling of posts in the department. Furthermore, the revised structure which provided for three regions has been reviewed and, to improve management, it is proposed that the department should have five regional offices. This proposal is being discussed at the appropriate levels, and consultation has commenced with the relevant stakeholders. It is envisaged that the refined organisational structure will be finalised during 2012/13.

Crop massification

The mechanisation programme, which was successfully launched in 2010/11, provides ploughing and planting services to communities in KZN. Based on demand for the services offered, the programme was expanded in 2011/12 with the purchase of additional tractors and implements to reach more communities.

The programme is mainly intended for indigent households and subsistence farmers, where the department provides the ploughing, planting and production inputs. The programme is, however, also geared to assist larger scale farmers, where the department provides the ploughing and planting service only (the beneficiary has to secure the required production inputs).

The department successfully implemented the first phase of the liming programme, with the liming of more than hectares of land. The aim is to improve soil fertility and increase the level of crop production.

In line with a Cabinet supported programme, and with additional funding received over the 2011/12 MTEF, the department appointed nearly 450 assistant extension officers in 2011/12. The intention is to appoint further assistant extension officers in 2012/13, bringing the total to approximately 800. These assistant extension officers comprise under-graduates who will work hand-in-hand with experienced extension officers. The appointment of these assistant extension officers will allow the department to reach a larger proportion of the population, especially regarding the food security drive through its One Home, One Garden campaign. In addition, the department will assist these under-graduates to upgrade their qualifications, which will enable them to qualify for extension officer posts.

Livestock development

The implementation of the livestock intervention programme commenced in 2011/12, aimed at ensuring sound breeding practices and building strategic partnerships with communities and relevant stakeholders. In view of the fact that the livestock production contribution in KZN is severely curtailed by diseases, primary animal health care received particular attention, with the focus on vaccination against diseases, deworming and treatment of wounds. Also, training of livestock associations commenced. Another focus area was agricultural infrastructure, in terms of which the department established small dams/water holes, as well as boreholes, thereby improving the access of livestock to water.

Land reform

The department continued to provide post settlement support to commercial farms transferred to new farmers. This assistance was provided by departmental officials, as well as through the implementing agency, the Agri-business Development Agency (ADA), a public entity established under the auspices of the Department of Economic Development and Tourism to support land reform farmers in KZN.

Rural development

Although no additional funding was forthcoming for this new mandate, the department was able to reprioritise funding toward the establishment of a Rural Development component, which now provides a co-ordination role for rural development activities in KZN, involving provincial departments and local government. However, the above-mentioned delay in implementing the new organisational structure, as well as limited funding, impacted negatively on the proposed expansion of the co-ordination function.

Development of the Makhathini Flats

The department continued implementing the Makhathini Integrated Master Development Plan (IMDP) through its own operations, as well as through the public entity Mjindi Farming (Pty) Ltd (henceforth referred to as Mjindi). Many of the projects that commenced in 2010/11 were successfully finalised by year-end such as the livestock centre, maintenance and repair of water canals, etc., and the department is confident that the development and unlocking of the potential of this area is now well on track.

Environmental management

The department continued to focus on environmental issues including the following areas:

- The department assisted with compiling four Environmental Management Frameworks (EMFs) at local government level. The aim was to identify environmentally sensitive areas and ensure that development does not impact negatively on them.
- The KZN Coastal Management Programme was developed and implemented, and the KZN action plan for land-based pollution impacts on the coast is in the process of being developed.
- The department conducted campaigns to raise awareness around climate change and also held a successful climate change summit ahead of the international Conference of Parties (COP 17) which was held in KZN in November 2011.

- Using the Invasive Alien Species Programme (IASP) as a conduit, the targeted number of 5 000 jobs created using EPWP principles will be exceeded by year-end, with approximately 106 000 hectares of invasive alien plants being cleared. In 2011/12, the department was allocated funding from the EPWP Integrated Grant for Provinces based on its performance in 2010/11.

Ezemvelo KZN Wildlife (EKZNW)

The public entity EKZNW continued to realise cost-savings in line with the Provincial Recovery Plan, redirecting any savings to areas of spending pressures. A resource review task team was established in 2010/11 to look at what scope there is for increasing own revenue collected by the entity, and to identify cost-saving areas and ways of improving efficiency. Based on the task team's findings, the entity focused on introducing various interventions in 2011/12. For instance, due to the current slump in the economy, the entity reviewed its tariffs for the lower seasons, and introduced special rates in January and February 2012 in an attempt to boost revenue. While the roll-out of the real-time, on-line booking service *via* the entity's website enabled visitors to transact more easily with the reservations system, the entity also updated its website to have more visual appeal.

EKZNW continued to focus on community levy projects, implementing projects using EPWP principles, which are expected to benefit the communities greatly and contribute to rural development. The entity also continued with the successful management of the two World Heritage sites that it is responsible for, namely the iSimangaliso Wetland Park and the Ukhahlamba Drakensberg Park.

The entity successfully implemented Phase 1 of the Systems, Applications and Products (SAP) integrated financial system in 2010/11. However, it became clear that staff did not master the financial modules of SAP, and it was therefore decided to focus on this area, rather than continue with implementing Phase 2.

The entity embarked on an audit of assets and priorities in terms of new facilities, upgrades and maintenance, which will inform its infrastructure plans going forward. Having learnt from experience that many minor repairs have a smaller return on investment than a few major projects, the entity focussed on two major upgrading projects in 2011/12, namely the Hilltop Camp in the Hluhluwe-Imfolozi Game Park, and Cape Vidal in the iSimangaliso Wetland Park. In terms of its roads strategy, the entity worked closely with the Department of Transport. The aim is for the two institutions to work together, upgrading roads in the same vicinity, the Department of Transport outside the reserves, and EKZNW inside the reserves.

EKZNW participated fully in COP 17 held in November 2011, establishing several positive partnerships. These include an agreement with Europcar to provide the entity with 17 rental vehicles at a reduced rate. This agreement is expected to realise significant cost savings for the six-month period.

As a labour intensive organisation, one of the main challenges facing EKZNW continued to be the ever increasing personnel budget, although additional funding allocated over the 2011/12 MTEF assisted the entity in addressing the ongoing increases in labour costs, as well as obligations from labour agreements.

Rhino poaching remained a serious challenge. However, the entity implemented some anti-poaching risk management initiatives that yielded results, leading to a slight decrease in poaching incidents in 2011/12. Also, community-focussed conservation efforts were increased with the successful implementation of several environmental education programmes, such as the *Sfundisimvelo* and Greening projects.

Mjindi Farming (Pty) Ltd (Mjindi)

For the first time in many years, the public entity Mjindi had a full complement of senior management staff to provide the needed leadership and guidance to three newly established sections, namely Finance and Human Resource Management, Infrastructure and Farmer Development Support Sections.

The main focus in 2011/12 was on effective farmer development initiatives. These included the training of farmers on various aspects of crop production, bookkeeping and marketing. Both theoretical and practical demonstrations in farming were conducted by extension officers. Particular attention was also given to the Mjindi Women's Co-operative, which has 257 members. Mjindi assisted this group by supplying farming inputs such as seeds, seedlings, fertiliser, etc., and by giving guidance and training on various aspects of vegetable farming.

The availability of markets remains a serious problem. Mjindi approached a number of vegetable off-takers, and several organisations such as Freshmark, Pick and Pay, Spar, Frimax and McCain Foods expressed an interest in Makhathini vegetable produce. A long-term marketing contract was discussed, which is expected to come into operation in 2012/13.

The productivity of the farmers in the area depends on the availability of services such as water, and therefore a proper functioning irrigation scheme is critical. Accordingly, the entity focussed on ongoing infrastructure maintenance during the year, including the water reticulation system, electrical installations and the canal system. Attention was also paid to reducing any inefficiencies in the system, such as timeous identification of water leaks and the prompt repair of faults.

3. Outlook for the 2012/13 financial year

Section 3 looks at the key focus areas of 2012/13, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

Crop massification

The department will continue in its quest to unlock the potential of agricultural land through the mechanisation programme, with the aim of ploughing and planting more than 15 000 hectares. The second phase of the liming programme will be rolled out, with a further 4 900 hectares of land to be limed. The department received additional funding over the 2012/13 MTEF for establishing reliable irrigation production sites in rural areas of the province, mainly in the districts of Ugu, Sisonke, Ilembe and uThungulu. The rehabilitation of existing, as well as new irrigation schemes, will therefore be a focus point for 2012/13, aimed at improving crop production.

Livestock development

The livestock intervention programme will focus on addressing the numerous challenges that are stifling livestock development in communal/traditional areas, such as low reproduction rate, high mortality rate, parasites, insufficient health and grazing management, stock theft and insufficient marketing infrastructure. The department will use additional funding allocated over the MTEF to fence communal/traditional agricultural land to ensure that livestock does not gain access and destroy crops, and to reduce the risk of theft. The department's diptank rehabilitation programme will link into this programme.

Land reform

The department will continue to provide post settlement support to commercial farms transferred to new farmers. It is envisaged that the approved data base of service providers for infrastructure development which was established toward the end of 2011/12 will assist the department to expedite the construction of agricultural infrastructure on land reform farms. Also, the department will continue to use the services of ADA as an implementing agency to assist the department in this regard.

Rural development

The department will continue to co-ordinate and champion provincial activities to ensure comprehensive rural development throughout the province, within the funds reprioritised by the department. The focus is on establishing, by 2014, 10 District Rural Development Forums and 61 Agricultural and Rural Development Committees, representing farmer co-operatives and livestock associations.

Environmental management

The department will focus on the following areas, among others, to promote sound environmental management practices:

- The department will continue to strive for further improvement in the number of applications for environmental authorisation finalised within legislated timeframes.
- Using IASP as a conduit, the department aims to create a further 5 000 jobs in terms of EPWP principles to clear a further 130 000 hectares of invasive alien plants.
- The department will encourage municipalities to develop their Integrated Waste Management Plans (IWMPs) in order to improve waste management. It is expected that a further two municipalities will have IWMPs by year-end.

Ezemvelo KZN Wildlife (EKZNW)

In order to increase revenue generation, the entity's road network needs to be well maintained. Due to a history of neglect, as well as natural disasters, the road network within the entity's reserves is currently in a state of disrepair. Any improvements to the roads will have the dual benefit of attracting more visitors to the entity's parks (there are currently many complaints from tourists about the condition of the roads) and also reducing the wear-and-tear on its vehicles. To this end, additional funding has been allocated, particularly in the two outer years of the MTEF, to assist the entity to repair the roads within its reserves. The entity will work with the Department of Transport, and will source retired engineers, to assist with the planning and upgrading of the road network at a cheaper cost.

The entity will continue to focus on community levy projects, and will continue to implement projects using EPWP principles, which are expected to benefit the communities greatly and contribute to rural development, because of employment creation.

EKZNW will also continue with the successful management of the World Heritage sites, iSimangaliso Wetland Park and the Ukhahlamba Drakensberg Park. In relation to the Ukhahlamba Drakensberg Park, the entity will seek to address a funding gap with the national Department of Environmental Affairs, as no additional funding was provided to manage this site at the implementation of the management agreement.

Despite additional funding received to fund the ever increasing personnel budget, the continued unsustainable wage demands of labour pose a serious threat to the viability of the entity, as other infrastructure and operational expenditure is usually compromised in order to accede to these demands.

Mjindi Farming (Pty) Ltd (Mjindi)

There are 4 570 hectares under the Makhathini irrigation scheme, all serviced with pressurised water. However, there are a number of plots (hectares) lying fallow. The challenge is to ensure that each hectare of land in the irrigation scheme is put into productive use. Mjindi will work closely with the farmers to ensure that this is accomplished.

Food security remains a priority. In this regard, Mjindi will continue to support vulnerable groups in the production of food. In 2012/13, in addition to women groups, the youth will be assisted with the farming of vegetables. The possibility of including a group for the disabled will also be explored.

Market negotiations with chain stores and other big off-takers will be finalised, aimed at providing a reliable market to the farmers. There is also a need to explore the overseas vegetable market. In this regard, Mjindi will assist farmers to explore the possibility of using the Dube TradePort, which provides an opportunity for farmers to export fresh produce.

The entity will focus on increasing the number of extension officers, so that each extension officer has a manageable number of farmers to service. This will ensure regular contact with farmers, and access to the most recent information on agricultural production.

The cost of electricity is the main cost driver, constituting almost 45 per cent of Mjindi's budget. With the ever increasing price of electricity, this is likely to rise to more than 60 per cent by the end of 2012/13. Mjindi, assisted by DAEARD, will commission an investigation into the feasibility of hydro-power, using irrigation water to drive turbines to produce electricity. It is believed that co-generation will reduce the cost of electricity to the entity and the farmers. Also in 2012/13, the maintenance of the irrigation infrastructure will continue to receive attention, and old and unserviceable pumps will be replaced.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 3.1 indicates the sources of funding for Vote 3 for the period 2008/09 to 2014/15. The department will receive a budget of R2.654 billion for 2012/13, including conditional grants of R276.738 million made up of the Land Care Programme grant, the Comprehensive Agricultural Support Programme (CASP), the Ilima/Letsema Projects grant, and the EPWP Integrated Grant for Provinces.

The department received no additional funding for the rural development function which became its responsibility in 2009/10 as a result of the reconfiguration of state departments after the 2009 general elections. Nevertheless, as mentioned, the department reprioritised funding from 2010/11 onward for the establishment of a Rural Development component that will provide a co-ordination role in the province.

The total receipts allocated to the department increase substantially from R1.694 billion in 2008/09 to R3.019 billion in 2014/15.

Table 3.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Provincial allocation	1 570 370	1 834 592	2 032 821	2 226 650	2 239 262	2 239 262	2 377 096	2 570 961	2 726 394
Conditional grants	123 890	138 489	174 525	233 935	242 251	242 251	276 738	287 036	292 579
Land Care Programme grant	7 345	8 227	8 721	9 244	9 244	9 244	20 304	18 746	10 854
Comprehensive Agricultural Support Programme	100 545	117 762	135 804	164 691	164 691	164 691	183 726	202 522	212 632
Agricultural Disaster Management grant	5 000	5 000	-	-	-	-	-	-	-
Ilima/Letsema Projects grant	11 000	7 500	30 000	60 000	60 000	60 000	63 000	65 768	69 093
EPWP Integrated Grant for Provinces	-	-	-	-	8 316	8 316	9 708	-	-
Total receipts	1 694 260	1 973 081	2 207 346	2 460 585	2 481 513	2 481 513	2 653 834	2 857 997	3 018 973
Total payments	1 752 824	1 970 012	2 045 856	2 460 585	2 481 989	2 481 989	2 653 834	2 857 997	3 018 973
Surplus/(Deficit) before financing	(58 564)	3 069	161 490	-	(476)	(476)	-	-	-
Financing									
of which									
Provincial roll-overs	177 983	26 220	20 494	-	476	476	-	-	-
Provincial cash resources	7 292	-	1 000	-	-	-	-	-	-
Surplus/(deficit) after financing	126 711	29 289	182 984	-	-	-	-	-	-

The table clearly shows that, in prior years, the department consistently under-spent its budget allocation, largely due to circumstances beyond its control.

In 2008/09, the surplus of R126.711 million was partly due to the Provincial Treasury intervention in 2007/08 and 2008/09 as a result of over-spending and forensic investigations in 2005/06 and 2006/07. This resulted in cautious spending, as the focus was on stabilising the department and implementing proper procurement and financial management procedures.

In 2009/10, the surplus of R29.289 million can largely be ascribed to the Cabinet-approved Provincial Recovery Plan, whereby the department pledged to cut-back spending by R26.154 million. It is noted that the actual under-spending was in fact far higher, but the department used the bulk of the surplus to repay unauthorised expenditure of R84.974 million relating to 2004/05, 2005/06 and 2006/07, which became a first charge against the 2009/10 budget, as explained in further detail in Section 5.3 below.

The 2010/11 surplus of R182.984 million is made up of both the department's pledge of R67.026 million toward the Provincial Recovery Plan, as well as several factors beyond the department's control. For instance, several lengthy tender appeals delayed the implementation of food security and fencing projects. The onset of late rains had a negative impact on seasonal agricultural projects, such as the planting of summer crops. Also, progress on some agricultural infrastructure projects was slower than anticipated, largely due to capacity constraints and slow procurement processes.

As at the end of December 2011, the department was projecting to fully spend its 2011/12 allocation. The department's budget shows a steady increase over the 2012/13 MTEF period.

In Table 3.1 above, the provincial roll-over of R177.983 million from 2007/08 to 2008/09 is mainly in respect of unspent national conditional grants, while the bulk of the roll-over of R26.220 million from 2008/09 to 2009/10 relates to committed infrastructure projects. The roll-over of R20.494 million from 2009/10 to 2010/11 caters for the back-pay portion of the OSD for artisans, engineers, environmental officers, scientists, researchers and technicians (of which the first phase was implemented in 2010/11, backdated to July 2009), as well as outstanding commitments in respect of CASP. The roll-over of R476 000 from 2010/11 to 2011/12 is in respect of the Land Care Programme grant.

With regard to provincial cash resources, the amount in 2008/09 comprises additional funds allocated to EKZNW for the annual wage agreement, and the 2010/11 amount relates to additional funding for the SA Association for Marine Biological Research (SAAMBR).

Over the 2012/13 MTEF, the department is responsible for four national conditional grants, namely the Land Care Programme grant, CASP, the Ilima/Letsema Projects grant and the EPWP Integrated Grant for Provinces, details of which are provided in Section 5.5 below. It is noted that there are no allocations against the EPWP Integrated Grant for Provinces in the two outer years of the MTEF at this stage.

4.2 Departmental receipts collection

The estimated departmental receipts for Vote 3 are reflected in Table 3.2 below. Further details are provided in *Annexure – Vote 3: Agriculture, Environmental Affairs and Rural Development*.

Table 3.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	16 179	14 623	13 716	12 444	12 444	13 288	13 066	13 785	14 543
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	797	715	1 487	188	188	161	197	208	219
Interest, dividends and rent on land	885	60	24	71	71	25	75	79	84
Sale of capital assets	4 713	3 792	733	2 941	2 941	6 004	3 088	3 258	3 437
Transactions in financial assets and liabilities	22 526	10 030	2 574	1 629	1 629	1 079	1 710	1 804	1 903
Total	45 100	29 220	18 534	17 273	17 273	20 557	18 136	19 134	20 186

The bulk of the department's revenue is collected under *Sale of goods and services other than capital assets*. This category comprises student fees at the colleges, soil and veterinary analytical services offered at the department's laboratories, as well as the levy collected in respect of the oil pipeline that runs through the department's property. The 2008/09 amount is considerably higher than the ensuing years, as it includes student fees collected for the period 2006 to 2008, together with the accumulated interest. Cedara Agricultural College is responsible for the collection and deposit of student fees into an approved bank account, before paying over the fees into the departmental revenue account. This pay-over was inadvertently not done from 2006 to 2008. The department undertook a lengthy reconciliation of fees, commencing in 2008/09, which resulted in the high 2008/09 collection, continuing in 2009/10. The fairly high 2010/11 revenue collection and 2011/12 Revised Estimate are due to revenue from soil and veterinary analytical services being higher than anticipated. This revenue is difficult to project, as it depends on demand for these services. The category shows a consistent increase over the 2012/13 MTEF.

The fluctuations against *Fines, penalties and forfeits* can be ascribed to the payment of once-off fines by companies/individuals that contravene the Environmental Impact Assessment (EIA) regulations. Such fines are nearly impossible to predict, and hence the department budgets conservatively for this category.

The revenue collected against *Interest, dividends and rent on land* declines significantly from 2008/09 to 2009/10. The department administered and collected rental on state land on behalf of the Department of Land Affairs. Such rental was, up until 2008/09, retained by the department, but should have been paid over to Land Affairs. This procedure was corrected from 2009/10, and this category now comprises mainly interest on outstanding debts collected.

Sale of capital assets caters for the sale of redundant items such as farming equipment, official vehicles, etc. The fluctuations relate to the type of items sold at the auction sales, as well as the demand at the time.

The peak in 2008/09 against *Transactions in financial assets and liabilities* relates to receipts that were allocated to claims recoverable in the department's suspense accounts. As part of the finance turnaround strategy implemented in 2008/09 following the Provincial Treasury intervention, the department cleared several suspense accounts that reflected a credit balance. Also, in 2009/10, departmental banking accounts held at Ithala Development Finance Corporation (Ithala) and Standard Bank (relating to previous financial years) were closed, and the remaining balances were deposited into the revenue account and surrendered to Provincial Treasury. The 2011/12 Main Appropriation, as well as the MTEF estimates, are based on the anticipated number of staff debts recovered, and the recovery of prior years' expenditure.

4.3 Donor funding

Tables 3.3 and 3.4 below reflect information relating to donor funding that the department receives. In 2011/12, the department had agreements with the Flemish government (Flanders) and the World Health Organisation (WHO). Only the WHO funding continues into the 2012/13 MTEF.

Table 3.3: Details of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Donor funding	11 509	19 474	22 276	19 349	19 349	33 619	1 315	1 315	-
Danish government (Danida)	-	-	2 950	-	-	-	-	-	-
Dutch funding (NUFFIC)	-	812	-	-	-	-	-	-	-
Flemish government	11 509	16 402	16 131	16 131	16 131	31 414	-	-	-
World Health Organisation (Rabies project)	-	2 049	3 195	3 218	3 218	2 205	1 315	1 315	-
EU - Gijima project	-	211	-	-	-	-	-	-	-
Total	11 509	19 474	22 276	19 349	19 349	33 619	1 315	1 315	-

Table 3.4: Details of payments and estimates of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Donor funding	15 400	27 320	22 276	19 349	19 349	33 619	1 315	1 315	-
Danish government (Danida)	500	829	2 950	-	-	-	-	-	-
Dutch funding (NUFFIC)	386	227	-	-	-	-	-	-	-
Flemish government	14 514	26 053	16 131	16 131	16 131	31 414	-	-	-
World Health Organisation (Rabies project)	-	-	3 195	3 218	3 218	2 205	1 315	1 315	-
EU - Gijima project	-	211	-	-	-	-	-	-	-
Total	15 400	27 320	22 276	19 349	19 349	33 619	1 315	1 315	-

In prior years, the department received Danida funding for urban environmental management programmes, including a study on norms and standards for sugar-cane burning, and the development of IWMPs in various districts. Although the funding commenced in 2006/07 (not evident in the tables), project implementation was very slow at first. The department fully utilised these funds by the end of 2010/11, when the funding came to an end.

From 2007/08 (not evident in the tables) to 2009/10, the department received funds from a Dutch donor organisation called NUFFIC (Netherlands Organisation for International Co-operation in Higher Education) for capacity building at Cedara Agricultural College.

The Flemish government co-funded two programmes with the department, namely the Sustainable Natural Resource Management programme which ended in 2009/10, and the Empowerment for Food Security programme which is a five-year programme ending in 2011/12.

Although the Sustainable Natural Resource Management programme got off to a slow start, (again, with funding commencing in 2006/07, not evident in the tables), progress was made from 2008/09 onward, accounting for the peak in 2009/10. In terms of this project, communities were fully involved in the erection of fences for veld management camps, to ensure ownership of this infrastructure. In addition, community members took ownership of the production of crops, and were able to save some of the money made to plant a second round of crops.

Also contributing to the peak in 2009/10 is funding for the second phase of the Empowerment for Food Security programme, which aims to improve livelihoods for poor families through improved food security. The focus is on increased integration with other role-players, in order to ensure a collective effort in reducing food insecurity and increasing food production in KZN.

The agreement with WHO provides funding over a five-year period, commencing in 2009/10, aimed at human rabies prevention through dog rabies control and eventual elimination in the province. This funding has been made available by the Bill and Melinda Gates Foundation. The project got off to a slow start, with spending only commencing in 2010/11. The lower projected 2011/12 expenditure compared to the amount available is due to the different financial years of the donor and department. The donor will transfer funds in January 2012 which, according to the agreement, will be spent by December 2012.

The funds received from the European Union (EU) – Gijima project relate to an environmental study on improving the EIA process, which was jointly funded by the department and the EU. The study was finalised in 2009/10 and the amount of R211 000 was received to partly fund this project.

5. Payment summary

Section 5 reflects payments and budgeted estimates in terms of programmes and economic classification. Details are given in *Annexure – Vote 3: Agriculture, Environmental Affairs and Rural Development*.

5.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- Provision was made for the carry-through costs of the 2011 wage agreement and an inflationary wage adjustment of 5 per cent for each of the three years of the 2012/13 MTEF.
- Provision was made for an annual 1.5 per cent pay progression.
- Provision was made for the filling of vacant posts.
- All inflation related increases are based on CPI projections.
- The cost-cutting measures, as reissued by Provincial Treasury in 2012/13, will be adhered to over the 2012/13 MTEF.

5.2 Additional allocations for the 2010/11 to 2012/13 MTEF

Table 3.5 shows additional funding received by the department over the three MTEF periods: 2010/11, 2011/12 and 2012/13. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants. The purpose of 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 carry-through allocations for the 2010/11 and 2011/12 MTEF periods (i.e. for the financial year 2014/15) are based on the incremental percentage used in the 2012/13 MTEF.

Table 3.5: Summary of additional provincial allocations for the 2010/11 to 2012/13 MTEF

R thousand	2010/11	2011/12	2012/13	2013/14	2014/15
2010/11 MTEF period	31 339	34 335	37 323	39 376	41 738
Carry-through of 2009/10 Adjustments Estimate:	31 339	34 335	37 323	39 376	41 738
2009 wage agreement	20 199	22 574	24 974	26 348	27 928
2009 wage agreement (EKZNW)	10 700	11 299	11 864	12 517	13 268
Policy on Incapacity Leave and Ill Health Retirement (PILIR)	440	462	485	512	542
2011/12 MTEF period		94 303	89 899	106 156	112 525
Provincial allocation (carry through of 2010/11 Adjustments Estimate)		24 122	26 451	30 955	32 812
2010 wage agreement		13 712	13 761	13 367	14 169
2010 wage agreement (EKZNW)		8 910	10 690	15 088	15 993
SAAMBR - Additional funding provided		1 500	2 000	2 500	2 650
Occupation Specific Dispensation		16 926	18 348	19 633	20 811
Additional capacity for extension officers		20 880	29 589	39 261	41 617
EKZNW - Leave pay liability		17 850	-	-	-
EKZNW - Cost of improved terms and conditions		15 698	17 016	18 208	19 300
National Cabinet decision to cut provinces by 0.3 per cent		(1 173)	(1 505)	(1 901)	(2 015)
2012/13 MTEF period			46 961	101 356	108 613
Carry-through of 2011 wage agreement			9 408	9 878	10 371
Fencing programme			11 000	12 000	13 000
Irrigation scheme programme			9 000	10 000	11 000
EKZNW - Road maintenance and protected area expansion			-	50 000	60 000
EKZNW - Road maintenance			12 513	14 186	8 685
Carry-through of 2011/12 Adjustments Estimate - EKZNW - 2011 wage agreement			5 040	5 292	5 557
Total	31 339	128 638	174 183	246 888	262 877

In the 2010/11 MTEF period, DAEARD received additional funding for the carry-through costs of the 2009 wage agreement in respect of both the department and EKZNW, as well as funds for the implementation of PILIR.

In the 2011/12 MTEF, additional funds were allocated for the carry-through costs of the 2010 wage agreement for both the department and EKZNW, and carry-through costs of additional funding allocated to SAAMBR in the 2010/11 Adjustments Estimate. Furthermore, DAEARD received additional funding for the previously mentioned OSD and for additional capacity in the field of extension officers. EKZNW received additional funding for the improved terms and conditions of employment negotiated with organised labour, aimed at ensuring that field rangers receive adequate compensation for the dangers they face in performing their daily duties, and includes increases in danger, overtime and nightshift allowances. EKZNW also received a once-off amount of R17.850 million in 2011/12 to enable it to reduce its high leave liability accumulated from prior years.

Also in the 2011/12 MTEF, National Cabinet took a decision to cut all national votes and the provincial equitable share by 0.3 per cent. The bulk of this reduction in KZN was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus. The balance was sourced proportionately from all 16 provincial votes. The effect of this on the department was a slight reduction in budget over the entire period.

In the 2012/13 MTEF, additional funds were allocated for the carry-through of the 2011 wage agreement for both the department and EKZNW. The department also received additional funding for its fencing and irrigation scheme programmes. The fencing programme is aimed at addressing the backlog in fencing communal/traditional agricultural areas in KZN, while the irrigation scheme programme is aimed at establishing reliable irrigation production sites in rural areas. EKZNW received additional funding for protected area expansion, in line with the SA Protected Area Expansion Strategy (PAES) which aims to safeguard land for the present and future socio-economic needs of the people. The entity also received additional funds for road maintenance, aimed at improving the condition of the roads in its reserves.

5.3 Summary by programme and economic classification

The department's budget structure, in particular Programme 1: Administration and Programme 2: Agricultural Development Services, largely conforms to the uniform programme structure prescribed for the Agriculture sector, which was revised in 2011. In terms of the recently revised structure, the rural development function has now been incorporated into Programme 2 as a separate sub-programme. However, as DAEARD only provides a rural development co-ordination function in the province at this stage, it has opted not to make use of this sub-programme. This might change in the future, depending on the progress made with consolidating the rural development function under a single department.

Programme 3: Environmental Management largely conforms to the uniform programme structure for the Environmental Affairs sector, incorporating name changes to sub-sub-programmes, as revised in 2011.

The department's budget structure remains with four programmes as in previous budget documentation, with Programmes 2 and 3 giving the required information by sub-programme and sub-sub-programme, because of the level of detail required by the two sectors.

Tables 3.6 and 3.7 reflect a summary per programme and per economic classification for the vote, details of which are given in *Annexure – Vote 3: Agriculture, Environmental Affairs and Rural Development*.

It is noted that 2009/10 includes unauthorised expenditure of prior years which was charged to the department's vote in terms of S34 (2) of the PFMA. In this regard, SCOPA did not approve additional funding for unauthorised expenditure of R84.974 million relating to 2004/05 to 2006/07. At the time, there was an agreement that the unauthorised expenditure should be charged against the 2007/08 under-expenditure of the department. As this was technically difficult to do, the Office of the Accountant-General instructed that the R84.974 million must become a charge against the department's 2009/10 budget, and this is reflected as a footnote in Tables 3.6 and 3.7 below. It is noted that the R84.974 million is included under *Payments for financial assets* against Programme 1: Administration.

Table 3.6: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	252 701	354 587	249 324	299 577	276 776	276 776	288 869	306 938	325 354
2. Agricultural Development Services	988 108	1 027 086	1 158 970	1 452 517	1 483 213	1 483 213	1 610 238	1 709 566	1 801 042
3. Environmental Management	169 355	188 772	203 094	217 584	226 693	226 693	238 185	241 141	255 609
4. Conservation	342 660	399 567	434 468	490 907	495 307	495 307	516 542	600 352	636 968
Total	1 752 824	1 970 012	2 045 856	2 460 585	2 481 989	2 481 989	2 653 834	2 857 997	3 018 973
Unauth. exp. (1 st charge) not available for spending	-	(84 974)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	1 752 824	1 885 038	2 045 856	2 460 585	2 481 989	2 481 989	2 653 834	2 857 997	3 018 973

Note: Programme 1 includes MEC remuneration: Salary: R1 566 089

Table 3.7: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	1 215 853	1 284 185	1 309 684	1 699 377	1 585 419	1 585 419	1 710 646	1 957 551	2 064 681
Compensation of employees	548 192	605 191	673 107	806 273	770 302	770 302	862 035	923 226	978 620
Goods and services	667 661	678 994	636 534	893 104	815 117	815 117	848 611	1 034 325	1 086 061
Interest and rent on land	-	-	43	-	-	-	-	-	-
Transfers and subsidies to:	405 961	455 495	639 291	612 984	650 562	650 562	643 132	722 524	765 868
Provinces and municipalities	2 618	6 085	7 268	1 030	1 402	1 402	1 415	1 472	1 533
Departmental agencies and accounts	340 829	397 598	535 454	562 317	592 078	592 078	571 942	658 125	697 893
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	52 666	36 067	86 370	34 157	35 465	35 465	48 949	51 435	54 285
Non-profit institutions	1 831	2 004	3 086	10 210	14 200	14 200	15 290	5 627	5 940
Households	8 017	13 741	7 113	5 270	7 417	7 417	5 536	5 865	6 217
Payments for capital assets	123 967	142 322	96 881	148 224	246 008	246 008	300 056	177 922	188 424
Buildings and other fixed structures	80 282	80 991	44 738	98 782	90 523	90 523	116 985	124 868	132 187
Machinery and equipment	43 685	59 849	51 616	48 633	139 676	139 676	182 089	52 017	55 138
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	360	138	354	15 354	15 354	523	553	586
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	1 122	389	455	455	455	459	484	513
Payments for financial assets	7 043	88 010	-	-	-	-	-	-	-
Total	1 752 824	1 970 012	2 045 856	2 460 585	2 481 989	2 481 989	2 653 834	2 857 997	3 018 973
Unauth. exp. (1 st charge) not available for spending	-	(84 974)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	1 752 824	1 885 038	2 045 856	2 460 585	2 481 989	2 481 989	2 653 834	2 857 997	3 018 973

All four programmes show a steady increase, with a few minor fluctuations, particularly in Programme 1: Administration, as explained below.

With regard to Programme 1: Administration, the sharp increase from 2008/09 to 2009/10 is due to the first charge of R84.974 million, as explained above, as well as once-off expenditure relating to the implementation of the finance turnaround strategy. The decrease from the 2011/12 Main to Adjusted Appropriation relates to the number of vacant budgeted posts which could not be filled due to the department's moratorium on the filling of posts. The resultant savings were moved to Programme 2 for the mechanisation programme. The budget of Programme 1 increases steadily over the 2012/13 MTEF.

Programme 2: Agricultural Development Services shows healthy growth, largely due to substantial additional funding allocated in prior years (with carry-through costs) for the agrarian revolution, developing the Makhathini Flats area, agricultural infrastructure, CASP and the Ilima/Letsema Projects grant. Also included from 2011/12 are the bulk of the additional funds allocated for the above-mentioned OSD, as well as the assistant extension officer and fencing and irrigation scheme programmes. Programme 2 was most affected by the department's consistent under-spending from 2008/09 to 2010/11, explaining the slightly lower growth in that period. The increase from the 2011/12 Main to Adjusted Appropriation relates to savings moved from Programme 1 for the mechanisation programme, additional funds for the 2011 wage agreement, and a roll-over of R476 000 for the Land Care Programme grant.

Programme 3: Environmental Management shows steady growth over the seven years, partly due to the funding allocated for IASP, which is continued in the baseline. The increase in the 2011/12 Adjusted Appropriation and in 2012/13 relates mainly to funding allocated for the EPWP Integrated Grant for Provinces, as explained in Section 5.5. As mentioned, there are no allocations for this grant in the two outer years of the MTEF at this stage.

The bulk of Programme 4: Conservation comprises the subsidy paid to EKZNW. The strong growth from 2008/09 to 2009/10 relates to additional funding of R40 million (with carry-through costs) allocated to EKZNW in the 2008/09 MTEF (commencing in 2009/10) to improve its infrastructure. The 2011/12 Main Appropriation is high as it includes additional funding for the improved terms and conditions of employment negotiated with organised labour, as well as a once-off allocation of R17.850 million to enable the entity to reduce its high leave liability. The increase in the 2011/12 Adjusted Appropriation caters for the entity's higher than anticipated 2011 wage agreement. The increase over the 2012/13 MTEF relates to additional funding for protected area expansion and road maintenance, particularly from 2013/14 onward. Also included under Programme 4 is the grant-in-aid to SAAMBR, which was increased by R1 million in the 2010/11 Adjusted Appropriation, with carry-through costs over the outer years.

Compensation of employees shows a steady increase from 2008/09 to 2010/11, and then rises sharply in the 2011/12 Main Appropriation, in line with the anticipated filling of vacant posts, as well as additional funding allocated for assistant extension officers. The decrease in the 2011/12 Adjusted Appropriation is due to the department's moratorium on the filling of posts. As mentioned, these savings were reprioritised to *Machinery and equipment* in Programme 2 to fund the mechanisation programme. The 2012/13 MTEF provides for the filling of vacant posts in 2012/13, as well as higher than anticipated wage agreements.

Goods and services shows good growth, largely due to substantial additional funding allocated in prior years (with carry-through costs) as mentioned under Programme 2. The low 2010/11 amount relates to the department's pledge toward the Provincial Recovery Plan, as well as under-spending due to lengthy tender appeals and the onset of late rains which impacted on seasonal agricultural projects. Also, R100 million was shifted from *Goods and services* to *Transfers and subsidies to: Departmental agencies and accounts* for transfer to ADA. The decrease in the 2011/12 Adjusted Appropriation is due to a further transfer to ADA, as well as funds reprioritised to *Machinery and equipment* for the mechanisation programme. Further funds were moved to *Machinery and equipment* in 2012/13 for the mechanisation programme, accounting for the decrease in 2012/13 compared to the 2011/12 Main Appropriation. The category shows healthy growth over the 2012/13 MTEF due to additional funding for the fencing and irrigation scheme programmes, as well as national conditional grants.

The bulk of *Transfers and subsidies to: Provinces and municipalities*, especially from 2011/12 onward, relates to the Greenest Municipality Competition. In addition, the department enters into agreements with selected municipalities on an annual basis for IWMPs, EMFs and Strategic Environmental Assessments (SEAs), as explained in Section 5.10. Apart from the Greenest Municipality Competition, these transfers are of a once-off nature. This accounts for the high spending in 2009/10 and 2010/11, and the decrease in the 2011/12 Main Appropriation. The increase from the 2011/12 Main to Adjusted Appropriation relates to the payment of motor vehicle licences, in line with a change in the SCOA classification.

The growth in *Transfers and subsidies to: Departmental agencies and accounts* relates to the transfers made to the public entities EKZNW and ADA (which commenced in 2010/11). The rise from the 2011/12 Main to Adjusted Appropriation pertains to an increase in the transfer to ADA for specific land reform projects, as well as an increase in the transfer to EKZNW for the higher than anticipated 2011 wage agreement. The 2012/13 MTEF shows good growth due to additional funding allocated to EKZNW, particularly in 2013/14 and 2014/15, for road maintenance. The decrease from the 2011/12 Revised Estimate to 2012/13 relates to a reduction in the transfer to ADA, taking into account the planned projects to be implemented by ADA over the MTEF at this stage.

Transfers and subsidies to: Public corporations and private enterprises shows high spending in 2008/09 due to the once-off transfer of R10 million to Ithala, to assist farmers that suffered losses during the 2007 and 2008 veld fires. In addition, funding was transferred to the Tongaat-Hulett and Illovo sugar mills, to assist emerging sugar-cane farmers. The success of this agreement resulted in the department continuing with these partnerships in 2009/10. From 2010/11, however, the department started to make use of ADA to implement land reform projects. The significant increase in 2010/11 relates to additional funding allocated to Mjindi to enable the entity to become fully functional. Also, a once-off R57.463 million was transferred to the SA Sugar Association to assist small-scale farmers affected by the drought, accounting for the reduction from 2010/11 to the 2011/12 Main Appropriation. Over the MTEF, this category is

largely made up of increased transfers to Mjindi, as well as smaller transfer payments to other entities, as explained in Section 5.11 below.

The significant increase in *Transfers and subsidies to: Non-profit institutions* in the 2011/12 Main Appropriation and 2012/13 relates to a two-year partnership with the Pietermaritzburg SPCA relating to the rabies control programme. These funds were earmarked for transfer to the Animal Anti-Cruelty League in the 2011/12 Main Appropriation but, due to capacity problems within the organisation, the department redirected the funds to the Pietermaritzburg SPCA in the 2011/12 Adjusted Appropriation. The further increase in the 2011/12 Adjusted Appropriation relates to the correct placement of the grant-in-aid to SAAMBR. Previously, this grant-in-aid was incorrectly allocated to *Transfer and subsidies to: Public corporations and private enterprises*. This grant-in-aid is now catered for under *Transfers and subsidies to: Non-profit institutions*. Prior years' expenditure was restated for comparative purposes.

Transfers and subsidies to: Households caters for payments in respect of staff exits. It is not possible to accurately forecast the expenditure due to the number of unexpected exits, hence the fluctuating trend.

Buildings and other fixed structures shows a sharp decrease from 2009/10 to 2010/11 reflective of the procurement delays and other challenges that the department experienced in implementing agricultural related infrastructure. This included late receipt of claims and late delivery of goods by service providers, as well as tender appeals. The slight decrease in the 2011/12 Adjusted Appropriation relates to funds that were shifted to *Transfers and subsidies to: Public corporations and private enterprises* for transfer to Mjindi for project implementation. This category shows a steady increase over the 2012/13 MTEF, with the bulk of the funding relating to the Makhathini development project.

Machinery and equipment is high in 2009/10 as it includes approximately R17 million for the purchase of tractors and farming implements for the mechanisation programme. The category was substantially under-spent in 2010/11, largely due to cost-cutting on office furniture and equipment, as well as the fact that suppliers were not able to deliver all the farming implements that were ordered for the mechanisation programme. The increase in the 2011/12 Adjusted Appropriation relates to reprioritisation of savings from *Compensation of employees* to fund commitments from 2010/11, as well as to fund additional tractors and implements for the mechanisation programme. The significant increase in 2012/13 is to cater for 200 additional tractors and implements for the mechanisation programme, as well as the purchase of vehicles to provide transport for assistant extension officers. This accounts for the decrease from 2012/13 onward.

The category *Biological assets* increases sharply in the 2011/12 Adjusted Appropriation, to make provision for the department's Nguni breed initiative, aimed at revitalising the Nguni breed in KZN.

Software and other intangible assets is particularly high in 2009/10 as it caters for the purchase of software for environmental purposes, accounting for the decrease from 2009/10 onward.

In 2009/10, *Payments for financial assets* includes the repayment of the first charge of R84.974 million, as explained above, as well as the approved write-off of thefts and losses.

5.4 Summary of payments and estimates by district municipal area

Table 3.8 provides a summary of spending within district municipal areas, excluding administrative costs. The department continues to focus on recording spending against the municipal area where each project takes place, and hopes to improve the quality of the spatial distribution of the budget moving forward.

As with the total budget allocation, the estimates for service delivery show a steady increase over the 2012/13 MTEF across all district municipal areas. The bulk of the funds are spent in uMgungundlovu, because CASP and other agrarian revolution projects are centralised at head office which is situated in this district municipal area. Also, the public entity EKZNW and the south region are based in this area.

The north region is situated in uThungulu, and this accounts for the fairly high spending in this district municipal area. The fairly high spending against the Umkhanyakude district relates to the additional funding allocated for Makhathini development project.

Table 3.8: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome 2010/11	Revised Estimate 2011/12	Medium-term Estimates		
			2012/13	2013/14	2014/15
eThekweni	28 320	30 779	32 630	34 649	36 554
Ugu	33 271	38 229	39 433	41 831	46 323
uMgungundlovu	1 265 278	1 657 313	1 745 573	1 862 651	1 956 630
Uthukela	22 875	30 703	32 429	34 248	36 132
Umkhanyathi	47 619	49 283	52 210	54 978	58 002
Amajuba	21 393	40 451	41 796	45 116	47 597
Zululand	48 413	59 745	63 673	66 945	70 627
Umkhanyakude	62 227	88 526	92 601	99 243	104 604
uThungulu	141 876	145 331	152 703	161 706	170 599
Ilembe	29 651	30 781	32 558	34 524	36 423
Sisonke	53 800	39 812	41 889	43 985	46 404
Total	1 754 723	2 210 953	2 327 495	2 479 876	2 609 895

5.5 Summary of conditional grant payments and estimates

Tables 3.9 and 3.10 illustrate conditional grant payments and estimates from 2008/09 to 2014/15. Further details are given in *Annexure – Vote 3: Agriculture, Environmental Affairs and Rural Development*. Note that the conditional grant figures reflected in Table 3.1 for the period 2008/09 to 2011/12 indicate the actual receipts for each grant as well as other technical adjustments, and therefore should not be compared to the figures reflected in Table 3.9 below.

Table 3.9: Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Land Care Programme grant	13 505	8 227	8 245	9 244	9 720	9 720	20 304	18 746	10 854
CASP	107 906	106 197	147 369	164 691	164 691	164 691	183 726	202 522	212 632
Agricultural Disaster Management grant	10 000	5 000	-	-	-	-	-	-	-
Ilima/Letsema Projects grant	8 896	7 500	30 000	60 000	60 000	60 000	63 000	65 768	69 093
EPWP Integrated Grant for Provinces	-	-	-	-	8 316	8 316	9 708	-	-
Total	140 307	126 924	185 614	233 935	242 727	242 727	276 738	287 036	292 579

Table 3.10: Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	91 546	96 795	74 718	151 370	134 801	134 801	209 143	216 441	218 519
Compensation of employees	-	-	-	-	13 000	13 000	13 845	14 745	15 703
Goods and services	91 546	96 795	74 718	151 370	121 801	121 801	195 298	201 696	202 816
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	40 576	25 424	104 072	75 400	100 761	100 761	60 000	63 000	66 465
Provinces and municipalities	-	-	104 072	75 400	100 761	100 761	60 000	63 000	66 465
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	40 576	25 424	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	8 185	4 705	6 824	7 165	7 165	7 165	7 595	7 595	7 595
Buildings and other fixed structures	2 079	-	-	-	-	-	-	-	-
Machinery and equipment	6 106	4 705	6 824	7 165	7 165	7 165	7 595	7 595	7 595
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	140 307	126 924	185 614	233 935	242 727	242 727	276 738	287 036	292 579

The department is responsible for the following five national conditional grants, of which four have been allocated funding over the 2012/13 MTEF:

- The Land Care Programme grant is aimed at optimising the sustainable use of natural resources to ensure greater productivity, food security, job creation, and better quality of life for all. The high 2008/09 amount is due to the roll-over of unspent funds from 2007/08, which also accounts for the dip in 2009/10. The 2011/12 Adjusted Appropriation includes a roll-over of R476 000 from 2010/11.

The significant increase in 2012/13 and 2013/14 (although to a lesser extent) is in respect of additional funding for fencing which ends in 2013/14, hence the drop in the outer year of the MTEF.

- CASP is aimed at enhancing the capacity of the Agriculture sector by providing support to beneficiaries of land and agrarian reform programmes. This programme also focuses on the revival of agricultural extension services. The 2008/09 amount includes a roll-over from 2007/08 and hence there is no growth to 2009/10. This grant increases significantly from 2010/11 onward, continuing over the 2012/13 MTEF. As mentioned, with effect from 2010/11, the department transfers a portion of CASP funding to ADA, who assists the department to implement land reform projects.
- The Ilima/Letsema Projects grant was introduced in 2008/09. This grant, which falls under the Ilima/Letsema campaign, driven by the national Department of Agriculture, Forestry and Fisheries, is aimed at unlocking the potential of currently 'dead' land and other assets, particularly in communal areas. In KZN, this grant is utilised for various projects, including the food security and mechanisation programme and the Makhathini development project. The allocations show a significant increase in 2010/11 and again in 2011/12, and then a steady increase over the MTEF.
- The Agricultural Disaster Management grant was allocated in 2008/09 and 2009/10 to assist farmers affected by veld fires that occurred through-out the province in 2007 and 2008. This grant is allocated on a needs basis, and hence there is no MTEF allocation at this stage.
- The department received funds for the EPWP Integrated Grant for Provinces for the first time in the 2011/12 Adjusted Appropriation, with a further allocation in 2012/13. The grant funding will be used for the department's Greening Programme which is undertaken in partnership with the Wildlands Trust, as well as for other projects undertaken using EPWP principles. As mentioned, there are no allocations for this grant in the two outer years of the MTEF at this stage.

All grant funding for the Land Care Programme grant, Ilima/Letsema Projects grant, Agricultural Disaster Management grant and the EPWP Integrated Grant for Provinces is allocated to *Goods and services*. While the bulk of CASP funding is also allocated to *Goods and services*, smaller amounts are allocated to *Machinery and equipment* and *Buildings and other fixed structures* (in 2008/09 only). Also, in 2008/09 and 2009/10, some CASP funding was transferred to the Tongaat-Hulett, Illovo, Umfolozi and TSB sugar mills, reflected against *Transfers and subsidies to: Public corporations and private enterprises*. The department entered into agreements with these sugar mills to assist land reform beneficiaries. From 2010/11, the department makes use of ADA to implement land reform projects, reflected against *Transfers and subsidies to: Departmental agencies and accounts*. A portion of CASP funding is allocated to *Compensation of employees* from the 2011/12 Adjusted Appropriation onward for the extension recovery plan, aimed at the revival of extension services.

5.6 Summary of infrastructure payments and estimates

Table 3.11 below illustrates infrastructure payments and estimates for the period 2008/09 to 2014/15. Further details of the department's infrastructure payments and estimates are presented in *Annexure – Vote 3: Agriculture, Environmental Affairs and Rural Development*.

Table 3.11: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
New and replacement assets	54 298	46 744	16 002	43 553	43 553	43 553	45 740	48 096	50 981
Existing infrastructure assets	38 131	52 815	48 363	75 837	67 578	67 578	92 884	99 601	105 405
Upgrades and additions									
Rehabilitation, renovations and refurbishments	25 984	34 247	28 736	55 229	46 970	46 970	71 245	76 772	81 206
Maintenance and repairs	12 147	18 568	19 627	20 608	20 608	20 608	21 639	22 829	24 199
Infrastructure transfers	-	-	-	-	8 259	8 259	-	-	-
Current	-	-	-	-	8 259	8 259	-	-	-
Capital									
Capital infrastructure	80 282	80 991	44 738	98 782	90 523	90 523	116 985	124 868	132 187
Current infrastructure	12 147	18 568	19 627	20 608	28 867	28 867	21 639	22 829	24 199
Total	92 429	99 559	64 365	119 390	119 390	119 390	138 624	147 697	156 386

The category *Current infrastructure (Maintenance and repairs)* increases steadily over the seven-year period. On the other hand, *Capital infrastructure* fluctuates from 2008/09 to the 2011/12 Revised Estimate, as a result of previously mentioned procurement challenges and subsequent poor spending.

With regard to *Capital infrastructure*, the 2008/09 and 2009/10 amounts relate to various infrastructure projects, including the construction of the mushroom bases, agricultural infrastructure projects, as well as the upgrading of office buildings in the district offices. The decrease in 2010/11 in *New infrastructure assets and Rehabilitation, renovations and refurbishments* is due to the reprioritisation of funds, resulting from slow spending on certain infrastructure projects, to offset spending pressures in other priority areas, such as the mechanisation programme. Also, in the 2011/12 Adjusted Appropriation, R8.259 million was moved from *Capital infrastructure* to *Infrastructure transfers: Current*, for transfer to Mjindi, to enable the entity to buy irrigation pipes and new pumps, undertake repairs to centre pivots, etc. The increase over the 2012/13 MTEF is largely in respect of several high priority projects, such as the repair of the Makhathini Flats infrastructure, particularly the irrigation scheme.

5.7 Summary of Public Private Partnerships – Nil

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA

Table 3.12 shows transfers made by the department to public entities that are listed in terms of Schedule 3 of the PFMA. Only two of these public entities currently fall under the auspices of the department, namely EKZNW and Mjindi. The department also transfers funds to two public entities that fall under the auspices of the Department of Economic Development and Tourism, namely ADA and Ithala.

The financial summaries received from EKZNW and Mjindi are provided in *Annexure – Vote 3: Agriculture, Environmental Affairs and Rural Development*.

It is noted that, with effect from 2010/11, EKZNW assumed responsibility for the annual grant-in-aid to the KZN Section of Mountain Club SA, in view of the close co-operation of these two organisations. The prior year spending was adjusted accordingly, for comparative purposes.

Table 3.12: Summary of departmental transfers to public entities listed in terms of Schedule 3 of the PFMA

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
EKZNW	340 829	397 598	431 382	486 917	491 317	491 317	511 942	595 125	631 428
Mjindi	9 572	10 146	26 470	24 922	33 181	33 181	45 000	47 250	49 849
Ithala	10 000	-	-	-	-	-	-	-	-
ADA	-	-	104 072	75 400	100 761	100 761	60 000	63 000	66 465
Total	360 401	407 744	561 924	587 239	625 259	625 259	616 942	705 375	747 742

The largest share of funding is allocated to EKZNW, a public entity that undertakes the nature conservation function on behalf of the province. The transfers to this entity show a steady increase over the seven-year period. The noticeable increase in 2009/10 relates to additional funding of R40 million allocated in the 2008/09 MTEF (commencing in 2009/10) for infrastructure improvements, with carry-through costs. The 2011/12 Main Appropriation is high as it includes additional funding for the improved terms and conditions of employment negotiated with organised labour, as well as a once-off allocation of R17.850 million to reduce the entity's high leave liability. The increase in the 2011/12 Adjusted Appropriation caters for EKZNW's higher than anticipated 2011 wage agreement. The increase over the 2012/13 MTEF relates to additional funding for protected area expansion and for road maintenance, particularly from 2013/14 onward, aimed at improving the condition of the roads in the entity's reserves.

Mjindi, which is listed as a provincial government business enterprise, was to have closed down at the end of 2007/08 in line with a Finance Portfolio Committee resolution. However, in 2008/09, Cabinet approved that this entity should continue and would form an integral part of the Makhathini development project. After several years of uncertainty, during which the province continued to fund the basic operational costs of the entity, Mjindi was finally reconstituted in 2010/11 with a new Board of Directors and Board members and a new mandate. Accordingly, the increase from the 2011/12 Adjusted Appropriation onward is to provide for increased operational costs to assist the entity to become fully

functional, as well as some funding for specific projects that the entity will be implementing. Once Mjindi becomes fully operational, further funding will be transferred for project implementation.

In 2008/09, the department made use of Ithala for the facilitation of assistance to farmers affected by the 2007 and 2008 veld fires.

As mentioned previously, with effect from 2010/11, the department also commenced transferring funds to ADA, a public entity that was established under the control of the Department of Economic Development and Tourism, in line with a Cabinet decision to implement land reform projects and provide post settlement support to land reform beneficiaries in the province. The increase in the 2011/12 Adjusted Appropriation relates to additional funds given to ADA for the implementation of specific projects. The decrease from the 2011/12 Revised Estimate to 2012/13 relates to a reduction in the transfer to ADA, taking into account the planned projects to be implemented by ADA over the MTEF.

5.9 Transfers to other entities

Table 3.13 below indicates departmental transfers to other entities. As mentioned, with effect from 2010/11, EKZNW assumed responsibility for the annual grant-in-aid to the KZN Section of Mountain Club SA, and therefore this entity is excluded from Table 3.13.

Table 3.13: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
						2011/12				
Soil conservation subsidy	2.1. Sust. Resource	150	-	-	1 455	-	-	1 550	1 657	1 756
Agricultural Show Societies	2.2. Farmer Supp.	442	297	100	1 022	1 022	1 022	1 074	1 133	1 201
Cotton SA	2.2. Farmer Supp.	-	200	-	-	-	-	-	-	-
Ikusasaletu Association	2.2. Farmer Supp.	22	-	-	-	-	-	-	-	-
Illovo Sugar Mill	2.2. Farmer Supp.	12 313	4 384	-	-	-	-	-	-	-
KwaHlangani District Farmers	2.2. Farmer Supp.	35	-	-	-	-	-	-	-	-
KWANALU	2.2. Farmer Supp.	1 869	-	1 369	1 506	-	-	-	-	-
KZN Spice-Growers' Association	2.2. Farmer Supp.	-	35	-	-	-	-	-	-	-
SA Sugar Association	2.2. Farmer Supp.	-	-	57 463	-	-	-	-	-	-
SA Sugarcane Research Institute	2.2. Farmer Supp.	-	-	968	1 262	1 262	1 262	1 325	1 395	1 479
Tonga-Hulett Sugar	2.2. Farmer Supp.	18 263	12 082	-	-	-	-	-	-	-
TSB Sugar Mill Pty (Ltd)	2.2. Farmer Supp.	-	4 258	-	-	-	-	-	-	-
Umfolozi Sugar Mill	2.2. Farmer Supp.	-	4 700	-	-	-	-	-	-	-
SPCA - Pietermaritzburg	2.3. Veterinary Serv.	-	-	-	9 810	9 810	9 810	10 290	-	-
WESSA	3.5. Enviro. Empower	-	-	-	400	400	400	400	400	400
SAAMBR	4.1. Grant-in-aid	1 831	1 969	3 086	3 990	3 990	3 990	4 600	5 227	5 540
Total		34 925	27 925	62 986	19 445	16 484	16 484	19 239	9 812	10 376

The soil conservation subsidy is a provision to business and farming enterprises for sub-surface drainage works, and is a national initiative in response to the Conservation of Agricultural Resources Act (CARA). The demand for this service has been well below expectation in recent years, with very few applications made. This trend continued in 2011/12, and hence the reduction in the Adjusted Appropriation.

The department makes an annual contribution to various agricultural show societies, which are aimed at show-casing the latest developments in agriculture. This transfer shows a fairly steady increase from 2011/12 onward, but is dependent on the number of applications received from agricultural societies.

As mentioned, in 2008/09 and 2009/10, the department formed a partnership with various sugar mills in the province to provide the necessary support and assistance to land reform beneficiaries. These included the Illovo, Umfolozi, TSB and Tongaat-Hulett sugar mills. No provision was made from 2010/11 onward, as ADA is now used to implement land reform projects.

The department transferred funds to the KwaZulu-Natal Agricultural Union (KWANALU) in 2008/09 for the hosting of the KWANALU Black Economically Empowered and Emerging Farmers' Information Day. The department also reached an agreement with KWANALU to facilitate the development of a helpdesk, and agreed to provide ongoing funding for this purpose. The 2008/09 payment included the department's contribution for 2009/10 and hence no payments are reflected for 2009/10. This agreement was cancelled by the department in 2011/12, following a review of the helpdesk by the department, and hence there are no allocations from the 2011/12 Adjusted Appropriation onward.

The partnership with the SA Sugarcane Research Institute, which was formed in 2010/11, continues over the three years of the new MTEF. This partnership ensures the provision of specialist extension services to assist small scale extension farmers.

The two-year partnership with the Pietermaritzburg SPCA, in terms of which the entity will provide assistance in implementing the rabies control programme in KZN, commenced in 2011/12.

In the 2011/12 Main Appropriation, a new transfer of R400 000 per annum was introduced to the Wildlife and Environmental Society of South Africa (WESSA), relating to environmental education programmes.

In prior years, the department paid an annual inflationary linked grant-in-aid to SAAMBR. Additional funding was allocated to this entity in 2010/11, continued over the MTEF, as explained previously.

The department transferred funds to the SA Sugar Association in 2010/11 to assist small-scale farmers affected by the drought. This was a once-off assistance programme.

In addition to the above, the department made several once-off transfers to various entities in prior years, such as Cotton SA and the KZN Spice-Growers' Association in 2009/10 for the development of the small-scale cotton farming sector and small-scale spice-growers, respectively.

5.10 Transfers to local government

Tables 3.14 and 3.15 illustrate transfers to local government, by category and by grant name. Details are given in *Annexure – Vote 3: Agriculture, Environmental Affairs and Rural Development*. It is noted that, although the payment of motor vehicle licences now falls under *Transfers and subsidies to: Provinces and municipalities*, in line with changes in the SCOA classification, these funds are not transferred to any municipality, and hence are excluded from the tables.

Table 3.14: Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Category A	-	-	-	-	-	-	-	-	-
Category B	1 105	5 100	960	1 030	1 030	1 030	-	-	-
Category C	1 310	600	6 000	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	1 000	1 000	1 000
Total	2 415	5 700	6 960	1 030	1 030	1 030	1 000	1 000	1 000

Table 3.15: Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Upgrading of Khanya Village	1.3. Corporate Services	-	2 000	-	-	-	-	-	-	-
Dev. of EMFs, SEAs and IWMPs	3.1. & 3.3. Enviro Manag.	1 310	2 000	6 000	-	-	-	-	-	-
Waste Management for 2010	3.2. Compliance & Enforce	-	800	-	-	-	-	-	-	-
Greenest Municipality Competition	3.3. Enviro Quality Manag.	1 105	900	960	1 030	1 030	1 030	1 000	1 000	1 000
Total		2 415	5 700	6 960	1 030	1 030	1 030	1 000	1 000	1 000

Each year, the department presents awards to municipalities in terms of the Greenest Municipality Competition, and this largely accounts for the fluctuating trends over the seven-year period, across Categories B and C. This competition is based on business plans submitted by municipalities in the year prior to funding. Accordingly, it is not possible to identify the recipient municipalities for ensuing years, and hence the allocation is classified against *Unallocated/unclassified* over the 2012/13 MTEF.

The department also enters into agreements with selected municipalities on an annual basis for the development of IWMPs, EMFs and SEAs (Category C), as well as various other projects, such as addressing waste management readiness in time for the 2010 World Cup (Categories B and C), and to uMngeni Municipality for urgent upgrading and repairs at Khanya Village at Cedara (Category B). All of these were once-off allocations, and hence no provision has been made in 2011/12 and the 2012/13 MTEF, aside from the Greenest Municipality Competition.

5.11 Transfers and subsidies

Table 3.16 gives a summary of spending on *Transfers and subsidies* by programme and main category. The total amount transferred shows a generally steady increase from 2008/09 to 2014/15.

Table 3.16: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	1 168	6 295	554	-	1 851	1 851	290	307	323
Provinces and municipalities	203	2 214	263	-	276	276	290	307	323
Municipalities - Khanya Village, Cedara	-	2 000	-	-	-	-	-	-	-
Motor vehicle licences	203	214	263	-	276	276	290	307	323
Public corporations and private enterprises	-	5	-	-	-	-	-	-	-
Other (e.g. claims against the state)	-	5	-	-	-	-	-	-	-
Households	965	4 076	291	-	1 575	1 575	-	-	-
Social benefits	965	4 076	291	-	1 575	1 575	-	-	-
2. Agricultural Development Services	59 687	45 605	197 296	120 647	151 974	151 974	124 900	120 465	127 177
Provinces and municipalities	-	171	45	-	96	96	125	165	210
Motor vehicle licences	-	171	45	-	96	96	125	165	210
Departmental agencies and accounts	-	-	104 072	75 400	100 761	100 761	60 000	63 000	66 465
ADA	-	-	104 072	75 400	100 761	100 761	60 000	63 000	66 465
Public corporations and private enterprises	52 666	36 062	86 370	30 167	35 465	35 465	48 949	51 435	54 285
Agric Show Societies	442	292	100	1 022	1 022	1 022	1 074	1 133	1 201
Cotton SA	-	200	-	-	-	-	-	-	-
Ikusasaletlu Association	22	-	-	-	-	-	-	-	-
Illovo Sugar Mill	12 313	4 384	-	-	-	-	-	-	-
Ithala	10 000	-	-	-	-	-	-	-	-
KwaHlangani District Farmers	35	-	-	-	-	-	-	-	-
KWANALU	1 869	-	1 369	1 506	-	-	-	-	-
Mjindi	9 572	10 146	26 470	24 922	33 181	33 181	45 000	47 250	49 849
SA Sugarcane Research Institute	-	-	968	1 262	1 262	1 262	1 325	1 395	1 479
Soil conservation subsidy	150	-	-	1 455	-	-	1 550	1 657	1 756
Tongaat-Hulett Sugar	18 263	12 082	-	-	-	-	-	-	-
TSB Sugar Mill Pty (Ltd)	-	4 258	-	-	-	-	-	-	-
Umfolozu Sugar Mill	-	4 700	-	-	-	-	-	-	-
SA Sugar Association	-	-	57 463	-	-	-	-	-	-
Non-profit institutions	-	35	-	9 810	9 810	9 810	10 290	-	-
SPCA - Pietermaritzburg	-	-	-	9 810	9 810	9 810	10 290	-	-
KZN Spice-Growers' Association	-	35	-	-	-	-	-	-	-
Households	7 021	9 337	6 809	5 270	5 842	5 842	5 536	5 865	6 217
Social benefits	7 021	9 337	6 809	5 270	5 842	5 842	5 536	5 865	6 217
3. Environmental Management	2 446	4 028	6 973	1 430	1 430	1 430	1 400	1 400	1 400
Provinces and municipalities	2 415	3 700	6 960	1 030	1 030	1 030	1 000	1 000	1 000
Development of EMFs, SEAs and IWMPs	1 310	2 000	6 000	-	-	-	-	-	-
Greenest Municipality Competition	1 105	900	960	1 030	1 030	1 030	1 000	1 000	1 000
Waste Management for 2010	-	800	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	400	400	400	400	400	400
WESSA	-	-	-	400	400	400	400	400	400
Households	31	328	13	-	-	-	-	-	-
Social benefits	31	328	13	-	-	-	-	-	-
4. Conservation	342 660	399 567	434 468	490 907	495 307	495 307	516 542	600 352	636 968
Departmental agencies and accounts	340 829	397 598	431 382	486 917	491 317	491 317	511 942	595 125	631 428
EKZNW	340 829	397 598	431 382	486 917	491 317	491 317	511 942	595 125	631 428
Public corporations and private enterprises	-	-	-	3 990	-	-	-	-	-
SAAMBR	-	-	-	3 990	-	-	-	-	-
Non-profit institutions	1 831	1 969	3 086	-	3 990	3 990	4 600	5 227	5 540
SAAMBR	1 831	1 969	3 086	-	3 990	3 990	4 600	5 227	5 540
Total	405 961	455 495	639 291	612 984	650 562	650 562	643 132	722 524	765 868

The category *Transfers and subsidies* under Programme 1 fluctuates over the seven-year period, largely due to the nature of transfers made. For example:

- *Provinces and municipalities* reflects a transfer of R2 million in 2009/10 for the upgrade of Khanya Village situated at Cedara. With effect from the 2011/12 Adjusted Appropriation, the payment of vehicle licences is included in this category, and prior years were restated for comparative purposes.
- *Households* caters for staff exits, which are difficult to predict, accounting for the fluctuations from 2008/09 to the 2011/12 Adjusted Appropriation.

Transfers and subsidies under Programme 2 again fluctuates markedly over the seven-year period, as a result of the following:

- *Provinces and municipalities* provides for the payments of vehicle licences with effect from the 2011/12 Adjusted Appropriation (specifically tractor licences in respect of Programme 2), and prior years were restated for comparative purposes.
- *Departmental agencies and accounts* reflects the new transfer payment from 2010/11 onward to ADA, as mentioned previously. The fluctuations take into account the projects undertaken by ADA at the time.
- *Public corporations and private enterprises* relates to transfers made by the department to two public entities, Mjindi and Ithala (in 2008/09 only), as explained in more detail in Section 5.8 above. This category also includes transfers to various other entities as detailed in Section 5.9 above, such as several sugar mills in 2008/09 and 2009/10. From 2010/11 onward, this category provides for increased transfers to Mjindi, as well as transfers for the soil conservation subsidy scheme, agricultural show societies, KWANALU and the SA Sugarcane Research Institution. As mentioned previously, the agreement with KWANALU was cancelled in 2011/12, following a review of the effectiveness of the help-desk. A once-off allocation was made in 2010/11 to the SA Sugar Association to assist small-scale farmers affected by the drought.
- The R35 000 against *Non-profit institutions* in 2009/10 relates to once-off financial assistance to the KZN Spice-Growers' Association for the development of small-scale spice-growers in KZN. The 2011/12 and 2012/13 amounts provide for a two-year agreement with the Pietermaritzburg SPCA for the rabies control programme.
- *Households* caters for staff exits, which are often unplanned and therefore difficult to predict, accounting for the fluctuations in trend.

With regard to Programme 3, the fluctuations against *Transfers and subsidies* relate to the following:

- *Provinces and municipalities* reflects transfers to various municipalities in respect of the Greenest Municipality Competition, to address waste management and to develop IWMPs, EMFs and SEAs.
- *Non-profit institutions* reflects a new transfer of R400 000 per annum that was introduced in 2011/12 to WESSA, relating to environmental education programmes.
- *Households* caters for staff exits, which are difficult to predict, as mentioned above.

Programme 4 includes *Transfers and subsidies* made to the following entities:

- *Departmental agencies and accounts* reflects the annual subsidy made to the public entity EKZNW, which shows a substantial increase over the seven-year period, as explained in Section 5.8 above.
- *Non-profit institutions* relates to the annual grant-in-aid paid to SAAMBR. As mentioned previously, this grant-in-aid was incorrectly catered for under *Public corporations and private enterprises*. This has now been corrected, and prior years' transfers were restated for comparative purposes.

6. Programme description

The services rendered by the department are categorised under four programmes, which largely conform to the uniform budget and programme structures of the Agriculture and the Environmental Affairs sectors, as explained previously.

6.1 Programme 1: Administration

Tables 3.17 and 3.18 below summarise payments and estimates relating to Programme 1 for the financial years 2008/09 to 2014/15. The primary role of Programme 1 is to support the line function components of the department in achieving their goals.

Table 3.17: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Office of the MEC	14 629	11 320	13 606	14 539	14 777	14 777	15 380	16 273	17 249
Senior Management	32 982	61 068	26 075	45 715	33 415	33 415	46 715	50 216	53 229
Corporate Services	107 166	207 740	134 311	151 119	144 296	144 296	133 608	142 059	150 582
Financial Management	66 321	57 230	60 455	70 930	67 078	67 078	74 957	79 194	83 946
Communication Services	31 603	17 229	14 877	17 274	17 210	17 210	18 209	19 196	20 348
Total	252 701	354 587	249 324	299 577	276 776	276 776	288 869	306 938	325 354
Unauth. exp. (1 st charge) not available for spending	-	(84 974)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	252 701	269 613	249 324	299 577	276 776	276 776	288 869	306 938	325 354

Table 3.18: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	205 869	234 891	224 802	262 453	236 787	236 787	248 822	264 541	280 506
Compensation of employees	75 277	93 037	102 392	137 234	121 545	121 545	128 619	136 330	144 510
Goods and services	130 592	141 854	122 410	125 219	115 242	115 242	120 203	128 211	135 996
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 168	6 295	554	-	1 851	1 851	290	307	323
Provinces and municipalities	203	2 214	263	-	276	276	290	307	323
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	5	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	965	4 076	291	-	1 575	1 575	-	-	-
Payments for capital assets	45 664	28 427	23 968	37 124	38 138	38 138	39 757	42 090	44 525
Buildings and other fixed structures	26 489	19 348	17 230	14 848	14 848	14 848	16 628	17 980	18 969
Machinery and equipment	19 175	8 884	6 590	22 209	23 223	23 223	23 059	24 037	25 479
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	195	148	67	67	67	70	73	77
Payments for financial assets	-	84 974	-	-	-	-	-	-	-
Total	252 701	354 587	249 324	299 577	276 776	276 776	288 869	306 938	325 354
Unauth. exp. (1 st charge) not available for spending	-	(84 974)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	252 701	269 613	249 324	299 577	276 776	276 776	288 869	306 938	325 354

Programme 1 fluctuates from 2008/09 to 2011/12. The sharp increase in 2009/10 relates to unauthorised expenditure from prior years that was approved without funding. As mentioned, SCOPA did not approve additional funding for unauthorised expenditure of R84.974 million relating to 2004/05, 2005/06 and 2006/07, and this became a first charge against the 2009/10 budget, as reflected in the footnote to the two tables. This once-off amount, included in the sub-programme: Corporate Services and *Payments for financial assets*, explains the subsequent decrease from 2009/10 to 2010/11. The decrease from the 2011/12 Main to Adjusted Appropriation is due to the reprioritisation of savings relating to the departmental moratorium on the filling of posts to Programme 2 for the mechanisation programme. This reduction affected the sub-programmes Senior Management, Corporate Services and Financial Management. The budget of Programme 1 increases steadily over the 2012/13 MTEF.

The sub-programme: Office of the MEC is high in 2008/09 due to several once-off projects undertaken during the year, and thereafter there is steady growth.

The significant increase in 2009/10 in the sub-programme: Senior Management can be ascribed to the funding of the department's finance turnaround strategy, and high legal costs relating to prior years. This explains the peak in 2009/10 in respect of this sub-programme, as well as *Goods and services*.

The Corporate Services sub-programme shows strong growth over the seven-year period, with the peak in 2009/10 relating to the unauthorised expenditure from prior years that was approved without funding and became a first charge against the 2009/10 budget, as mentioned above.

The fluctuating trend against Financial Management in the prior years is mainly due to several once-off amounts largely relating to infrastructure projects (office accommodation), and the provision for official vehicles. In this regard, funds were rolled over to both 2008/09 and 2009/10, also accounting for the fluctuations in *Buildings and other fixed structures* and *Machinery and equipment* in those years.

The high spending in 2008/09 against the sub-programme: Communication Services can be ascribed to various departmental project launches and other departmental events. From 2009/10 onward, these launches are catered for together with the relevant agricultural project that is being launched (generally under Programme 2). The department was unable to restate the prior year's expenditure, hence the apparent dip from 2008/09 to 2009/10. The further reduction in 2010/11 relates to cost-cutting.

Compensation of employees shows steady growth, apart from a reduction from the 2011/12 Main to Adjusted Appropriation. In this regard, savings identified due to the internal moratorium on the filling of posts were reprioritised and shifted to Programme 2 for the mechanisation programme, as mentioned.

Goods and services shows a reduction from the 2011/12 Main to Adjusted Appropriation due to savings associated with the moratorium on the filling of posts and cost-cutting. Again, these savings were reprioritised to *Machinery and equipment* in Programme 2 for the mechanisation programme.

The R2 million reflected against *Transfers and subsidies to: Provinces and municipalities* in 2009/10 relates to a once-off transfer to the uMngeni Municipality for the upgrading of Khanya Village at Cedara. As mentioned, the increase from the 2011/12 Main to Adjusted Appropriation relates to motor vehicle licences which are now paid under this category, in line with a change in the SCOA classification.

Machinery and equipment fluctuates due to the cyclical nature of purchases made. For instance, the increase from 2011/12 is to provide for the purchase of additional vehicles and equipment linked to the filling of budgeted vacant posts.

6.2 Programme 2: Agricultural Development Services

Programme 2: Agricultural Development Services has two main core functions, namely Agriculture and Veterinary Services. Agriculture encompasses crop production, livestock farming, land use and land reform (a national priority run by DAEARD at provincial level). Veterinary Services entails animal disease control, prevention of zoonotic diseases, and ensuring safety of food products of animal origin.

Tables 3.19 and 3.20 summarise payments and estimates relating to Programme 2, providing detail at sub-sub-programme level, largely conforming to the uniform budget and programme structure for the Agriculture sector. As mentioned, the department is not yet in a position to report on Rural Development as a separate sub-programme, as it is only performing a co-ordination role at this stage.

Programme 2 shows healthy growth, largely due to substantial additional funding allocated in prior MTEF periods for the agrarian revolution, agricultural infrastructure, CASP and Ilima/Letsema Projects grant, and the Makhathini development project. The fairly low growth in prior years relates to the department's consistent under-spending in that period. The increase from the 2011/12 Main to Adjusted Appropriation relates to the higher than anticipated 2011 wage agreement and the reprioritisation of funds from Programme 1 for the mechanisation programme. The 2012/13 MTEF includes additional funding for the OSD, extension services, as well as the fencing and irrigation scheme programmes.

Table 3.19: Summary of payments and estimates - Programme 2: Agricultural Development Services

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Sustainable Resource Management	79 618	89 037	61 465	103 696	86 767	86 767	95 753	98 518	95 305
Engineering Services	63 877	58 637	27 815	74 988	57 583	57 583	55 012	58 211	61 704
Land Care	15 741	30 400	33 650	28 708	29 184	29 184	40 741	40 307	33 601
Farmer Support and Development	647 288	653 326	810 895	992 048	1 003 014	1 003 014	1 107 034	1 182 573	1 251 805
Farmer-settlement and Development	43 518	71 065	136 066	137 472	137 472	137 472	144 485	146 182	152 314
Extension and Advisory Services	603 770	545 191	626 602	793 363	804 329	804 329	898 206	968 511	1 027 538
Food Security	-	37 070	48 227	61 213	61 213	61 213	64 343	67 880	71 953
Veterinary Services	91 331	106 173	119 086	130 740	130 740	130 740	136 326	133 569	141 583
Animal Health	91 331	106 173	119 086	130 740	130 740	130 740	136 326	133 569	141 583
Research and Technology Development Services	111 796	118 056	113 535	143 671	143 671	143 671	147 357	156 201	165 607
Research	111 796	118 056	113 535	143 671	143 671	143 671	147 357	156 201	165 607
Agricultural Economic Services	1 734	2 277	1 498	2 971	2 971	2 971	3 120	3 315	3 476
Agri-Business Support and Development	1 734	2 277	1 498	2 971	2 971	2 971	3 120	3 315	3 476
Structured Agricultural Education and Training	56 341	58 217	52 491	79 391	116 050	116 050	120 648	135 390	143 266
Higher Education and Training	56 341	58 217	52 491	79 391	116 050	116 050	120 648	135 390	143 266
Total	988 108	1 027 086	1 158 970	1 452 517	1 483 213	1 483 213	1 610 238	1 709 566	1 801 042

Table 3.20: Summary of payments and estimates by economic classification - Programme 2: Agricultural Development Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	846 575	867 939	891 522	1 222 802	1 125 401	1 125 401	1 226 917	1 455 199	1 532 012
Compensation of employees	427 377	453 849	506 267	589 184	574 433	574 433	648 623	697 047	738 870
Goods and services	419 198	414 090	385 212	633 618	550 968	550 968	578 294	758 152	793 142
Interest and rent on land	-	-	43	-	-	-	-	-	-
Transfers and subsidies to:	59 687	45 605	197 296	120 647	151 974	151 974	124 900	120 465	127 177
Provinces and municipalities	-	171	45	-	96	96	125	165	210
Departmental agencies and accounts	-	-	104 072	75 400	100 761	100 761	60 000	63 000	66 465
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	52 666	36 062	86 370	30 167	35 465	35 465	48 949	51 435	54 285
Non-profit institutions	-	35	-	9 810	9 810	9 810	10 290	-	-
Households	7 021	9 337	6 809	5 270	5 842	5 842	5 536	5 865	6 217
Payments for capital assets	74 803	110 506	70 152	109 068	205 838	205 838	258 421	133 902	141 853
Buildings and other fixed structures	51 283	61 293	27 237	83 934	75 675	75 675	100 357	106 888	113 218
Machinery and equipment	23 520	48 624	42 683	24 392	114 421	114 421	157 152	26 050	27 613
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	360	138	354	15 354	15 354	523	553	586
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	229	94	388	388	388	389	411	436
Payments for financial assets	7 043	3 036	-	-	-	-	-	-	-
Total	988 108	1 027 086	1 158 970	1 452 517	1 483 213	1 483 213	1 610 238	1 709 566	1 801 042

The Sustainable Resource Management sub-programme fluctuates from 2009/10 to the 2011/12 Adjusted Appropriation due to the once-off nature of infrastructure projects undertaken by Engineering Services. In the 2011/12 Adjusted Appropriation, funds were shifted from Engineering Services to the sub-programme: Farmer Support and Development: Extension and Advisory Services for various agricultural projects such as fencing and poultry. Although the project planning is undertaken by Engineering Services, the actual project implementation is undertaken by Extension and Advisory Services. The reduction in the Land Care sub-programme over the 2012/13 MTEF, particularly in 2014/15, relates to the reduction in the Land Care Programme grant funding, as mentioned previously.

The Farmer Support and Development sub-programme houses the bulk of the conditional grants, as well as additional provincial funding for the agrarian revolution, the Makhathini development project, extension services, the fencing and irrigation scheme programmes, as well as the above-mentioned OSD, and this accounts for the steady growth over the 2012/13 MTEF. The sub-sub-programme: Food Security was introduced with effect from 2009/10, but the department was unable to restate the 2008/09 amount, hence the fluctuations across the various sub-sub-programmes in that year. The increase in Extension and Advisory Services in the 2011/ 12 Adjusted Appropriation can be ascribed to the focus on extension services, as well as the mechanisation programme. This increase was offset, to an extent, by the shifting of funds from this sub-sub-programme to Structured Agricultural Education and Training to correct the placement of the assistant extension officer programme and the CASP mentorship programme.

Veterinary Services: Animal Health shows healthy growth over the period under review. The substantial growth from the 2011/12 Main Appropriation relates to the previously mentioned two-year partnership with the Pietermaritzburg SPCA, aimed at implementing a rabies control programme in the province. This agreement comes to an end in 2012/13, accounting for the reduction in 2013/14.

The sub-programme: Research and Technology Development Services and the category *Buildings and other fixed structures* fluctuate in the prior years, due to once-off spending on various infrastructure projects, including the construction of the mushroom bases.

The substantial increase in the sub-programme: Structured Agricultural Education and Training in the 2011/12 Adjusted Appropriation and over the MTEF relates to funds shifted from Farmer Support and Development: Extension and Advisory Services in respect of the assistant extension officer and CASP mentorship programmes, as mentioned above.

Compensation of employees indicates a marked increase over the seven-year period, due to the filling of posts in terms of the revised structure, as well as additional funding for the implementation of the above-mentioned OSD and annual wage agreements. The sharp increase in the 2011/12 Main Appropriation relates to additional funding allocated for the assistant extension officer programme. The decrease in the

2011/12 Adjusted Appropriation is a result of savings due to the departmental moratorium on the filling of posts. These savings were reprioritised to *Machinery and equipment* and *Biological assets* within Programme 2 to cater for the mechanisation programme and Nguni project.

Goods and services includes the bulk of the conditional grant and agrarian revolution funding, as well as portion of the Makhathini funding. The low 2010/11 amount relates to the department's pledge toward the Provincial Recovery Plan, as well as under-spending due to lengthy tender appeals and the onset of late rains. Also, R100 million was shifted to *Transfers and subsidies to: Departmental agencies and accounts* for transfer to ADA. In the 2011/12 Adjusted Appropriation, further funds were shifted to *Transfers and subsidies to: Departmental agencies and accounts* for transfer to ADA. The healthy growth over the 2012/13 MTEF relates to additional funding for the fencing and irrigation scheme programmes, as well as national conditional grants.

As mentioned, the increase from the 2011/12 Main to Adjusted Appropriation in respect of *Transfer and subsidies to: Provinces and municipalities* relates to motor vehicle licences, particularly in respect of tractors, which are now paid under this category, in line with a change in the SCOA classification.

Transfers and subsidies to: Departmental agencies and accounts comprises the transfers made to ADA, dependent on the projects to be undertaken by the entity each year, as mentioned above.

Transfers and subsidies to: Public corporations and private enterprises is high in 2008/09 due to the once-off transfer of R10 million to Ithala to assist farmers that suffered losses during the 2007 and 2008 veld fires. In addition, funds were transferred to the Tongaat-Hulett and Illovo sugar mills, to assist emerging farmers. The success of this agreement resulted in the department continuing with these partnerships in 2009/10. From 2010/11, the department started to make use of ADA to implement land reform projects. The increase in 2010/11 relates to additional funding for Mjindi. Also, a once-off transfer was made to the SA Sugar Association to assist small-scale farmers affected by the drought, accounting for the reduction from 2010/11 to the 2011/12 Main Appropriation. Over the 2012/13 MTEF, this category is largely made up of increased transfers to Mjindi, as well as transfers to other entities, as explained in Section 5.11 below.

The significant increase in *Transfers and subsidies to: Non-profit institutions* in the 2011/12 Main Appropriation and 2012/13 relates to a two-year partnership with the Pietermaritzburg SPCA who will assist the department in implementing a rabies control programme in KZN, as mentioned previously.

The spending against *Transfers and subsidies to: Households* caters for the payment of social benefits in respect of staff exits, which are difficult to predict with any accuracy due to unplanned exits.

Buildings and other fixed structures shows a sharp drop in 2010/11, reflective of the procurement delays and other challenges that the department experienced with regard to agricultural infrastructure. The decrease in the 2011/12 Adjusted Appropriation relates to funds shifted to *Transfers and subsidies to: Public corporations and private enterprises* for transfer to Mjindi and for the mechanisation and livestock intervention programmes. This category shows a steady increase over the 2012/13 MTEF, with the bulk of the funding relating to Makhathini infrastructure, particularly the upgrading of the irrigation system.

The fluctuations in *Machinery and equipment*, particularly the significant increase in the 2011/12 Adjusted Appropriation and in 2012/13, can largely be ascribed to the department's focus on the mechanisation programme, and the increasing demand for this service, as mentioned previously. The peak in 2012/13 includes provision for vehicles required for the assistant extension officer programme.

Biological assets increases sharply in the 2011/12 Adjusted Appropriation to fund the department's Nguni breed initiative, which is aimed at revitalising the Nguni breed in KZN. *Software and other intangible assets* fluctuates in the prior years, as this category is dependent on the need for updated software.

In the prior years, *Payments for financial assets* includes the approved write-off of thefts and losses.

Service delivery measures – Programme 2: Agricultural Development Services

Table 3.21 shows service delivery measures pertaining to Programme 2, which are largely aligned to the customised measures prescribed for the Agriculture sector. It is noted that the department reports on only those customised measures that are relevant and quantifiable. In addition, the department has introduced several new measures which are not prescribed by the sector. In the 2011/12 Estimated performance column, the term “new” indicates new reviewed sector and departmental specific measures, while the term “n/a” indicates that the indicators were not applicable to the department in that year.

Table 3.21: Service delivery measures – Programme 2: Agricultural Development Services

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2011/12	2012/13	2013/14	2014/15
1. Sustainable Resource Management						
1.1	Engineering services	<ul style="list-style-type: none">No. of agricultural engineering advisory reports preparedNo. of designs with specification for agricultural engineering solutions providedNo. of clients provided with engineering advice in official visitsNo. of final certificates issued for infrastructure constructed	12 105 142 n/a	12 75 200 20	12 75 200 20	12 75 200 20
1.2	Infrastructure	<ul style="list-style-type: none">No. of diptanks rehabilitatedNo. of new diptanks establishedNo. of new agricultural structures establishedNo. of boreholes established	54 new new new	24 16 200 60	100 20 220 80	150 25 240 100
1.3	Land use	<ul style="list-style-type: none">No. of recommendations made on subdivision/rezoning/change of agricultural land use	195	280	200	200
1.4	Disaster risk management	<ul style="list-style-type: none">No. of early warning advisory reports issuedNo. of disaster relief schemes managed	new new	12 3	12 3	12 3
1.5	Land care	<ul style="list-style-type: none">No. of awareness campaigns conducted on land careNo. of capacity building exercises conducted within approved land care projectsNo. of beneficiaries trained within capacity building skills transferNo. of farm land hectares improved through conservation measuresNo. of beneficiaries adopting/practicing sustainable production technologies and practicesNo. of degraded hectares rehabilitatedNo. of green jobs created through land careNo. of km of fencing erected under land care	10 7 351 50 110 2 179 5 785 new	10 5 650 50 95 4 400 2 000 430	10 6 650 30 100 2 500 7 500 430	10 6 650 30 100 2 500 7 500 440
2. Farmer Support and Development						
2.1	Farmer-settlement and development	<ul style="list-style-type: none">No. of farm assessments completedNo. of farm plans completed	5 12	55 22	55 25	60 30
2.2	Specialist agricultural advisory services	<ul style="list-style-type: none">No. of scientific evaluation reports on commodity based projectsNo. of cultivar trials conductedNo. of scientific value adding reports on diversified cropsNo. of commodity business plans supported	new new new new	33 22 22 110	35 35 25 110	40 40 30 110
2.3	Mentorship	<ul style="list-style-type: none">No. of projects mentored (constant)	55	50	55	55
2.4	Value adding and product handling	<ul style="list-style-type: none">No. of new processing user manuals developedNo. of user manuals updatedNo. of agri-processing courses presentedNo. of clients trained in agri-processing	- 2 new new	2 8 28 420	4 10 30 420	4 10 30 420
2.5	Extension and advisory services	<ul style="list-style-type: none">No. of agricultural demonstrations facilitatedNo. of farmers' days heldNo. of functional commodity groups supported (constant)No. of consultations to farmersNo. of farmers reached through consultationNo. of existing smallholder farmers supported (constant)No. of new smallholder farmers supported	4 359 796 93 27 738 n/a new new	8 650 180 38 46 200 50 000 38 240 2 750	9 320 150 30 30 000 40 000 38 500 3 000	9 320 150 30 30 000 40 000 38 500 3 000
2.6	Crop production	<ul style="list-style-type: none">No. of hectares of maize established under the mechanisation prog.No. of hectares of beans established under the mechanisation prog.No. of hectares of sugarcane rehabilitatedNo. of hectares of other crops establishedNo. of hectares limed	6 202 7 743 1 200 286 3 574	11 500 4 100 820 1 260 4 900	4 000 2 000 700 300 350	4 000 2 000 700 300 350
2.7	Infrastructure	<ul style="list-style-type: none">No. of km fencing erected	103	430	450	450
2.8	Irrigation	<ul style="list-style-type: none">No. of irrigation schemes establishedNo. of irrigation schemes revitalised	new new	48 23	50 30	55 40

Table 3.21: Service delivery measures – Programme 2: Agricultural Development Services

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
2.9	Food security	<ul style="list-style-type: none"> No. of verified food insecure households supported No. of food security status reports compiled No. of community gardens established No. of household gardens established No. of tunnels established No. of institutional gardens supported No. of people trained within the Food Security programme No. of perma-culture gardens established No. of jobs created through agro-industries 	644 508 n/a 52 202 490 new 59 850 40 new	1 000 000 4 88 80 000 350 212 40 000 150 1 000	1 000 000 4 90 80 000 350 200 40 000 150 1 000	1 000 000 4 100 80 000 350 200 40 000 150 1 000
3. Veterinary Services						
3.1	Animal health	<ul style="list-style-type: none"> No. of animal vaccinations against controlled animal diseases No. of animals vaccinated against Anthrax No. of animals vaccinated against Rabies No. of cattle vaccinated against Brucellosis No. of poultry vaccinated against New Castle Disease No. of primary animal health care (PAHC) interactions held No. of animals attended to during PAHC sessions No. of official veterinary movement documents issued No. of animals surveyed for diseases No. of animal health information days held (knowledge transfer) No. of animals tested with skin TB test No. of CA samples collected No. of dipping sessions No. of inspections for regulatory purposes 	681 608 286 623 325 430 9 322 60 233 1 094 247 319 1 417 6 129 172 6 737 21 116 8 494 246 609	1 200 000 380 000 530 000 15 700 237 000 1 100 127 000 16 000 20 000 500 40 000 66 000 18 000 200 000	1 300 000 400 000 500 000 20 000 200 000 2 000 130 000 15 000 20 000 500 40 000 60 000 18 000 200 000	1 300 000 400 000 500 000 20 000 200 000 2 000 130 000 15 000 20 000 500 40 000 60 000 18 000 200 000
3.2	Primary animal health care	<ul style="list-style-type: none"> No. of cattle dewormed No. of sheep/goats dewormed 	56 380 58 873	210 000 122 300	300 000 100 000	300 000 100 000
3.3	Export control	<ul style="list-style-type: none"> No. of veterinary export certificates issued No. of export establishments registered 	1 100 31	1 500 50	1 500 60	1 500 60
3.4	Veterinary public health	<ul style="list-style-type: none"> No. of abattoir inspections conducted No. of facilities processing animal product and by-product inspected No. of public awareness sessions held No. of illegal slaughtering investigations held No. of contact sessions (days) held with all role-players 	783 233 30 17 44	1 120 500 8 22 10	1 300 500 10 24 20	1 300 500 10 24 25
3.5	Veterinary laboratory services	<ul style="list-style-type: none"> No. of control audit reports No. of external quality control reports No. of specimens tested No. of food safety specimens tested No. of abattoir hygiene monitoring specimens tested No. of specimens tested for controlled/notifiable diseases No. of specimens tested for non-controlled/non-notifiable diseases No. of tests performed No. of epidemiological studies conducted No. of necropsy specimens processed 	7 28 145 857 729 62 62 323 82 743 201 362 4 1 094	8 31 155 000 80 80 72 500 71 500 215 000 6 1 600	6 30 180 000 200 50 80 000 175 000 400 000 4 2 500	6 30 180 000 200 50 80 000 175 000 400 000 4 2 500
3.6	Animal identification	<ul style="list-style-type: none"> No. of animals subjected to identification measures 	new	60 000	62 000	64 000
3.7	Veterinary empowerment	<ul style="list-style-type: none"> No. of farmers supported in veterinary matters No. of veterinary facilities supported 	new new	20 000 40	21 000 50	22 000 60
4. Research and Technology Development Services						
4.1	Research and technology development services	<ul style="list-style-type: none"> No. of research projects plans approved which address specific commodity's production constraints No. of research projects implemented which address specific commodity's production constraints No. of research projects completed which address specific commodity's production constraints No. of scientific papers published No. of presentations made at scientific events No. of samples analysed No. of mushroom packs produced 	7 85 9 6 new 32 644 261 476	18 75 7 9 4 33 000 200 000	10 90 10 7 n/a 44 000 220 000	11 95 12 7 n/a 46 000 220 000
4.2	Infrastructure and support services	<ul style="list-style-type: none"> No. of research infrastructure provided No. of research infrastructure maintained 	5 145	5 134	5 150	5 155
4.3	Technology transfer services	<ul style="list-style-type: none"> No. of presentations made at technology transfer events No. of demonstration trials conducted No. of articles in popular media No. of information packs disseminated (developed) No. of technology transfer events conducted 	4 23 9 9 35	4 21 6 10 26	4 23 9 9 11	4 23 9 9 11

Table 3.21: Service delivery measures – Programme 2: Agricultural Development Services

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
5. Agricultural Economic Services						
5.1 Agri-business support and development	<ul style="list-style-type: none"> No. of agri-businesses supported with agricultural economics advice toward accessing markets No. of agricultural economic studies conducted No. of clients supported with agricultural economic advice No. of smallholder farmers accessing marketing information No. of new enterprise budgets developed No. of enterprise budgets updated No. of marketing/statistical reports developed 	71 30 931 new 1 36 4	48 40 1 400 200 3 96 5	58 45 1 400 300 3 96 5	58 50 1 400 400 3 96 5	
5.2 Macro-economic support	<ul style="list-style-type: none"> No. of macro-economic information requests responded to No. of macro-economic reports developed 	- -	1 000 3	1 000 4	1 000 4	
6. Structured Agricultural Education and Training						
6.1 Further education and training	<ul style="list-style-type: none"> No. of trained farmers receiving certification No. of learners completing accredited skills programmes No. of learners completing accredited short courses No. of learners completing non-accredited short courses 	3 889 new new new	4 000 20 300 300	5 500 30 400 400	5 500 40 450 450	
6.2 Higher education and training (HET)	<ul style="list-style-type: none"> No. of students registered into accredited HET qualifications No. of students completing accredited HET qualifications 	352 120	310 90	350 150	350 150	

6.3 Programme 3: Environmental Management

This programme aims to ensure effective compliance and governance in respect of environmental management. The strategic objectives as per the department's revised APP are as follows:

- To ensure integrated sustainable environmental planning.
- To mitigate the impact of and manage waste and pollutants.
- To empower communities with regard to sustainable resource utilisation.
- To prevent and control the spread of invasive alien species.

Tables 3.22 and 3.23 summarise payments and estimates for Programme 3, providing detail at sub-sub-programme level to largely conform to the uniform budget structure for the Environmental Affairs sector. It is noted that, in prior years, the department found it difficult to provide consistent information for all of the sub-sub-programmes prescribed by the sector. Accordingly, the department reviewed and rationalised the use of the various sub-sub-programmes and, from 2011/12, only reports on the sub-sub-programmes listed in Table 3.22, for which reliable information is readily available. As such, the programme as a whole shows steady growth in the prior years, but there are fluctuations across sub-programme and sub-sub-programme due to the above-mentioned difficulty in complying with the structure for the sector.

It is also noted that the names of several sub-programmes and sub-sub-programmes were amended in the revised 2011 budget structure for the sector, and these changes are incorporated below.

Table 3.22: Summary of payments and estimates - Programme 3: Environmental Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Environmental Policy Planning and Co-ordination	2 152	4 920	9 332	5 212	7 806	7 806	5 486	5 799	6 147
Intergovt. Co-ordination, Spatial and Dev Planning	2 152	4 920	9 332	4 393	3 975	3 975	4 612	4 872	5 164
Climate Change Management	-	-	-	819	3 831	3 831	874	927	983
Compliance and Enforcement	41 756	39 265	48 279	29 204	28 100	28 100	30 436	32 276	34 212
Enviro. Quality Managemt Compliance and Enforcemt	41 756	39 265	48 279	29 204	28 100	28 100	30 436	32 276	34 212
Environmental Quality Management	7 864	15 468	14 410	38 953	33 126	33 126	40 973	43 494	46 104
Impact Management	769	6 387	5 303	18 345	14 879	14 879	19 188	20 436	21 662
Air Quality Management	1 253	3 373	3 577	3 040	3 037	3 037	3 241	3 362	3 564
Pollution and Waste Management	5 842	5 708	5 530	17 568	15 210	15 210	18 544	19 696	20 878
Biodiversity Management	112 872	118 087	123 836	120 991	128 557	128 557	136 748	133 566	141 580
Biodiversity and Protected Area Plan. and Managemt	111 186	116 094	122 378	117 710	125 870	125 870	133 303	129 927	137 723
Coastal Management	1 686	1 993	1 458	3 281	2 687	2 687	3 445	3 639	3 857
Environmental Empowerment Services	4 711	11 032	7 237	23 224	29 104	29 104	24 542	26 006	27 566
Environmental Capacity Development and Support	4 711	11 032	7 237	23 224	29 104	29 104	24 542	26 006	27 566
Total	169 355	188 772	203 094	217 584	226 693	226 693	238 185	241 141	255 609

Table 3.23: Summary of payments and estimates by economic classification - Programme 3: Environmental Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	163 409	181 355	193 360	214 122	223 231	223 231	234 907	237 811	252 163
Compensation of employees	45 538	58 305	64 448	79 855	74 324	74 324	84 793	89 849	95 240
Goods and services	117 871	123 050	128 912	134 267	148 907	148 907	150 114	147 962	156 923
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	2 446	4 028	6 973	1 430	1 430	1 430	1 400	1 400	1 400
Provinces and municipalities	2 415	3 700	6 960	1 030	1 030	1 030	1 000	1 000	1 000
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	400	400	400	400	400	400
Households	31	328	13	-	-	-	-	-	-
Payments for capital assets	3 500	3 389	2 761	2 032	2 032	2 032	1 878	1 930	2 046
Buildings and other fixed structures	2 510	350	271	-	-	-	-	-	-
Machinery and equipment	990	2 341	2 343	2 032	2 032	2 032	1 878	1 930	2 046
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	698	147	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	169 355	188 772	203 094	217 584	226 693	226 693	238 185	241 141	255 609

Programme 3 shows steady growth over the seven years, partly due to the funding allocated for IASP, as well as the above-mentioned OSD, both of which are continued over the MTEF.

The sub-programme: Biodiversity Management: Biodiversity and Protected Area Planning and Management houses the IASP, and the additional funding allocated in this regard (with carry-through costs) accounts for the increase in this sub-programme. The increase from the 2011/12 Main to Adjusted Appropriation largely relates to the allocation of R8.316 million for the EPWP Integrated Grant for Provinces, to be used for the department's Greening Programme which is undertaken in partnership with the Wildlands Trust, as well as for other EPWP projects. As mentioned, a further amount of R9.708 million was allocated for this grant in 2012/13 (but no funding yet in the two outer years of the MTEF), accounting for the reduction from 2012/13 to 2013/14. The EPWP Integrated Grant for Provinces is housed under two sub-sub-programmes, namely Biodiversity and Protected Area Planning and Management and Environmental Capacity Development and Support.

As mentioned, the department found it extremely difficult to report expenditure accurately at the level required, and this accounts for the fluctuating trend across sub-programmes in 2010/11. In the 2011/12 Adjusted Appropriation, most sub-programmes reflect savings, largely due to the department's moratorium on the filling of posts. These savings were moved to *Goods and services* in the sub-programmes: Environmental Policy Planning and Co-ordination: Climate Change Management and Environmental Empowerment Services: Environmental Capacity Development and Support, to offset spending pressures relating to the events leading up to the COP 17 climate change conference. This accounts for the reduction in *Compensation of employees* in the 2011/12 Adjusted Appropriation.

Goods and services shows a healthy increase over the seven-year period, largely due to additional funding for IASP. The 2011/12 Adjusted Appropriation is high as it includes the above-mentioned reprioritisation of funds from *Compensation of employees* to cater for the events leading up to the COP 17 climate change conference, as well as funding allocated for the EPWP Integrated Grant for Provinces. The peak in 2012/13 relates to further allocation for the EPWP Integrated Grant for Provinces, as mentioned above, which is not yet continued in the outer years, accounting for the reduction from 2012/13 to 2013/14.

Transfers and subsidies to: Provinces and municipalities fluctuates between 2008/09 and 2010/11. In addition to the annual Greenest Municipality Competition, the department introduced several once-off new transfers in the prior years. In 2008/09, the department transferred funds to municipalities for the development of IWMPs. In 2009/10, the department provided assistance to municipalities to address waste management readiness in time for the 2010 World Cup, as well as to develop an EMF at Newcastle and a SEA at uMuziwabantu. The 2010/11 amount provides for further transfers for waste management to municipalities that were granted the rights to provide public viewing areas during the 2010 World Cup. The 2012/13 MTEF allocations pertain to the Greenest Municipality Competition only.

Transfers and subsidies to: Non-profit institutions reflects a new transfer of R400 000 per annum that was introduced in 2011/12 to WESSA, relating to environmental education programmes.

The fairly high 2008/09 amount against *Buildings and other fixed structures* relates to the construction of the IASP laboratory. The 2009/10 and 2010/11 amounts include provision for the acquisition of shipping containers that are required for storing the inputs (such as herbicide chemicals) for IASP.

The fluctuations in *Machinery and equipment* in the prior years are directly linked to the filling of vacant posts and the related purchase of office and computer equipment.

The amounts against *Software and other intangible assets* relate to the purchase of critical environmental software, particularly in 2009/10.

Service delivery measures: Programme 3: Environmental Management

Table 3.24 shows service delivery pertaining to Programme 3. The information reflected largely complies with the customised measures prescribed for the Environmental Affairs sector, as revised in 2011. It is noted that the department reports on only those customised measures that are relevant and quantifiable, but has introduced several new measures which are not prescribed by the sector. In the 2011/12 Estimated performance column, the term “new” indicates new reviewed sector and departmental specific measures.

Table 3.24: Service delivery measures – Programme 3: Environmental Management

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
1. Environmental Policy Planning and Co-ordination						
1.1 Environmental policy planning and co-ordination	<ul style="list-style-type: none"> No. of engagements conducted on environmental implementation plan (EIP) implementation No. of IDPs reviewed for environmental content as per legislative requirements No. of research projects toward enhancing environmental legislation No. of specialist inputs/recommendations No. of compliance reports against EIP Publish outlook report on the state of the environment No. of district IDPs reviewed for air quality No. of IDPs reviewed containing IWMPs No. of IDPs with integrated coastal management plans No. of EMFs developed 	7 65 2 5 1 2 10 10 - 1	4 61 2 8 1 1 11 61 5 1	4 61 3 9 1 1 11 61 5 1	4 61 4 10 1 1 11 61 5 1	
2. Compliance and Enforcement						
2.1 Compliance and enforcement	<ul style="list-style-type: none"> % of reported illegal activities responded to within 48 hours No. of authorisations audited for compliance with legislation No. of audits conducted for compliance with the Waste Act No. of complaints for environmental quality management followed up No. of emergency incidents reports received No. of emergency incidents reports closed 	141 574 41 194 26 7	60 600 40 200 5 5	60 600 40 200 5 5	60 600 40 200 5 5	
3. Environmental Quality Management						
3.1 Environmental quality management	<ul style="list-style-type: none"> Air quality management reports produced Report on air emission licensing 	4 1	4 1	4 1	4 1	
3.2 Impact management	<ul style="list-style-type: none"> No. of EIA applications received No. of EIA finalised within legislated timeframes 	215 200	400 320 (80%)	450 320 (80%)	500 320 (80%)	
3.3 Coastal management	<ul style="list-style-type: none"> No. of blue flag beaches in the province No. of coastal management guidelines developed 	n/a 4	8 2	8 2	8 2	
3.4 Waste management	<ul style="list-style-type: none"> % of waste licence applications finalised within legislated time frame No. of recycling/buy-back centres supported No. of audited waste disposal facilities No. of status quo assessment reports on waste disposal facilities per district No. of reports for waste management activities 	20 2 10 - 11	70 2 16 11 10	75 2 16 10 11	80 3 16 11 10	

Table 3.24: Service delivery measures – Programme 3: Environmental Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2011/12	2012/13	2013/14	2014/15
4. Biodiversity Management					
4.1 Biodiversity management	• No. of jobs created	7 587	5 000	5 000	5 000
	• No. of hectares cleared of invasive alien species	106 156	130 000	130 000	130 000
5. Environmental Empowerment Services					
5.1 Capacity building and support	• No. of climate change awareness campaigns	48	22	23	23
	• No. of people that attend environmental awareness programmes	30 120	120 000	130 000	140 000
	• No. of environmental education resources developed	new	4	4	4
	• No. of environmental stakeholders attending capacity building workshops	new	880	880	880
	• No. of people benefiting from skills development interventions	new	22	22	32
	• No. of learners that attend environmental awareness activities	new	77 000	77 000	78 000
	• No. of stakeholders attending environmental awareness activities	new	13 200	13 200	13 200
	• No. of schools registered for participation in environmental programmes	new	110	110	210
	• No. of youth groups registered in environmental programmes	new	22	22	32
	• No. of environmental media awareness conducted	new	60	60	60
	• No. of environmental exhibitions conducted	new	4	4	6
	• No. of outreach programmes conducted	new	540	540	560

6.4 Programme 4: Conservation

This programme consists of two sub-programmes, namely Grant-in-Aid, paid to SAAMBR, and Subsidy, comprising the payment to the public entity, EKZNW. As mentioned, with effect from 2010/11, EKZNW is now responsible for the annual grant-in-aid to the KZN Section of Mountain Club SA, in view of the close co-operation of these two organisations, and the prior year spending has been adjusted accordingly.

Tables 3.25 and 3.26 below show the payments and estimates relating to these two organisations.

Table 3.25: Summary of payments and estimates - Programme 4: Conservation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Grant-in-Aid	1 831	1 969	3 086	3 990	3 990	3 990	4 600	5 227	5 540
SA Association for Marine Biological Research	1 831	1 969	3 086	3 990	3 990	3 990	4 600	5 227	5 540
Subsidy	340 829	397 598	431 382	486 917	491 317	491 317	511 942	595 125	631 428
Ezemvelo KZN Wildlife	340 829	397 598	431 382	486 917	491 317	491 317	511 942	595 125	631 428
Total	342 660	399 567	434 468	490 907	495 307	495 307	516 542	600 352	636 968

Table 3.26: Summary of payments and estimates by economic classification - Programme 4: Conservation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	342 660	399 567	434 468	490 907	495 307	495 307	516 542	600 352	636 968
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	340 829	397 598	431 382	486 917	491 317	491 317	511 942	595 125	631 428
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	3 990	-	-	-	-	-
Non-profit institutions	1 831	1 969	3 086	-	3 990	3 990	4 600	5 227	5 540
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	342 660	399 567	434 468	490 907	495 307	495 307	516 542	600 352	636 968

The bulk of Programme 4: Conservation comprises the subsidy paid to EKZNW, reflected under *Transfers and subsidies to: Departmental agencies and accounts*. The strong growth from 2008/09 and 2009/10 relates to additional funding of R40 million (with carry-through costs) allocated to EKZNW in the 2008/09 MTEF (but commencing in 2009/10) to improve its infrastructure. The 2011/12 Main Appropriation is high as it includes additional funding for the improved terms and conditions of employment negotiated with organised labour, as well as a once-off allocation of R17.850 million to enable the entity to reduce its high leave liability. The increase in the 2011/12 Adjusted Appropriation caters for the entity's higher than anticipated 2011 wage agreement. The increase over the 2012/13 MTEF relates to additional funding for protected area expansion and for road maintenance, particularly from 2013/14 onward, aimed at improving the condition of the roads in the entity's reserves.

Also included under Programme 4 is the grant-in-aid to SAAMBR, which was increased by R1 million in 2010/11, with carry-through costs over the outer years. It is noted that, in the 2011/12 Adjusted Appropriation, an adjustment was made to ensure the correct placement of the grant-in-aid to SAAMBR, moving it from *Transfer and subsidies to: Public corporations and private enterprises* to *Transfers and subsidies to: Non-profit institutions*. Prior years' expenditure was restated for comparative purposes.

7. Other programme information

7.1 Personnel numbers and costs

Tables 3.27 and 3.28 below illustrate personnel estimates for the department by programme as at 31 March 2008 to 31 March 2014.

It is noted that, in Table 3.27, Programme 4: Conservation reflects no personnel information, as this programme comprises the transfers made to two entities, namely EKZNW and SAAMBR. The table caters only for the staff employed by DAEARD, and not by these entities.

The fluctuations in personnel numbers from 2008/09 to 2010/11 relate to the ongoing restructuring following the Provincial Treasury intervention in 2008/09. The substantial increase in both personnel numbers and costs from 2011/12 onward relate to the new organisational structure (which is currently on hold, pending negotiations with labour). Vacant posts have been budgeted for over the MTEF, on the assumption that the structure will be implemented in 2012/13. Also, from the end of 2010/11, the assistant extension officer programme is catered for, accounting for the significant increase in personnel numbers under Programme 2: Agricultural Development Services.

It is noted that, in line with the agricultural functions carried out by the department, DAEARD is fairly labour intensive, with levels 1 to 6 comprising more than half of the total number of posts in the department. These levels include laboratory assistants, farm assistants, etc. Also, as mentioned, from the end of 2010/11, the assistant extension officer programme is catered for. This accounts for the fairly low unit cost when compared to other provincial departments.

Also included in the personnel costs is the implementation of the OSD for artisans, engineers, engineering technicians, environmental officers, agricultural scientists, researchers and research technicians (the first phase of which was implemented in 2010/11 but backdated to July 2009). In total, approximately 367 posts, which comprise more than 9 per cent of the post establishment, were affected by the OSD. In recent years, the department experienced difficulties in filling specialist posts with suitably qualified candidates. It is hoped that the implementation of OSD will assist the department to attract and retain personnel at these levels in the future.

Table 3.27: Personnel numbers and costs per programme

	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
Personnel numbers							
1. Administration	369	370	380	386	401	401	401
2. Agricultural Development Services	2 777	2 706	2 772	3 265	3 420	3 420	3 420
<i>of which</i>							
Assistant extension officers	-	-	165	448	800	800	800
3. Environmental Management	212	226	213	216	235	235	235
4. Conservation							
Total	3 358	3 302	3 365	3 867	4 056	4 056	4 056
Total personnel cost (R thousand)	548 192	605 191	673 107	770 302	862 035	923 226	978 620
Unit cost (R thousand)	163	183	200	199	213	228	241

Table 3.28: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Total for department									
Personnel numbers (head count)	3 358	3 302	3 365	3 910	3 867	3 867	4 056	4 056	4 056
Personnel cost (R thousand)	548 192	605 191	673 107	806 273	770 302	770 302	862 035	923 226	978 620
Human resources component									
Personnel numbers (head count)	164	110	166	166	166	166	166	166	166
Personnel cost (R thousand)	16 540	18 004	23 286	24 421	24 421	24 421	25 518	26 794	26 794
Head count as % of total for department	4.88	3.33	4.93	4.25	4.29	4.29	4.09	4.09	4.09
Personnel cost as % of total for department	3.02	2.97	3.46	3.03	3.17	3.17	2.96	2.90	2.74
Finance component									
Personnel numbers (head count)	220	256	290	295	295	295	295	295	295
Personnel cost (R thousand)	33 735	36 797	50 248	53 686	53 686	53 686	56 687	59 521	59 521
Head count as % of total for department	6.55	7.75	8.62	7.54	7.63	7.63	7.27	7.27	7.27
Personnel cost as % of total for department	6.15	6.08	7.47	6.66	6.97	6.97	6.58	6.45	6.08
Full time workers									
Personnel numbers (head count)	3 358	3 302	3 200	3 462	3 419	3 419	3 256	3 256	3 256
Personnel cost (R thousand)	548 192	605 191	666 573	787 457	751 486	751 486	825 555	884 922	938 401
Head count as % of total for department	100.00	100.00	95.10	88.54	88.41	88.41	80.28	80.28	80.28
Personnel cost as % of total for department	100.00	100.00	99.03	97.67	97.56	97.56	95.77	95.85	95.89
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	-	-	165	448	448	448	800	800	800
Personnel cost (R thousand)	-	-	6 534	18 816	18 816	18 816	36 480	38 304	40 219
Head count as % of total for department	-	-	5	11	12	12	20	20	20
Personnel cost as % of total for department	-	-	1	2	2	2	4	4	4

7.2 Training

Tables 3.29 and 3.30 give a summary of departmental spending and information on training per programme over the seven-year period. The amounts reflected pertain to capacitating and improving the skills of the staff of the department. As required by the Skills Development Act, the department budgets at least 1 per cent of its salary expense for staff training. This requirement gives credence to government policy on human resource development.

It is noted that Programme 4: Conservation reflects no training statistics, as any training undertaken by EKZNW or SAAMBR is paid for by the relevant entity, and therefore is included in the subsidy/grant-in-aid transferred to these entities.

Table 3.29: Payments and estimates on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	2 173	2 210	3 758	5 557	4 367	4 367	6 568	6 999	7 384
2. Agricultural Development Services	3 151	6 157	3 898	8 868	8 868	8 868	9 360	9 901	10 157
3. Environmental Management	294	233	173	2 260	796	796	2 206	2 354	2 483
4. Conservation									
Total	5 618	8 600	7 829	16 685	14 031	14 031	18 134	19 254	20 024

The increase in 2009/10, particularly against Programme 2: Agricultural Development Services, relates to the finance turnaround strategy, which is aimed at the training of non-financial managers, so as to improve financial management in the department. The substantial increase in the 2011/12 Main Appropriation, continued over the MTEF, relates to the assistant extension officer programme.

Table 3.30 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

Table 3.30: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Number of staff	3 358	3 302	3 365	3 910	3 867	3 867	4 056	4 056	4 056
Number of personnel trained	972	3 000	3 100	3 100	3 100	3 200	3 300	3 340	3 340
of which									
Male	380	1 400	1 450	1 450	1 450	1 500	1 550	1 560	1 560
Female	592	1 600	1 650	1 650	1 650	1 700	1 750	1 780	1 780
Number of training opportunities	2 495	2 661	2 714	2 714	2 714	2 714	2 714	2 739	2 739
of which									
Tertiary	138	150	200	200	200	200	200	210	210
Workshops	2 346	2 500	2 500	2 500	2 500	2 500	2 500	2 510	2 510
Seminars	7	7	10	10	10	10	10	15	15
Other	4	4	4	4	4	4	4	4	4
Number of bursaries offered	132	150	200	200	200	200	200	200	200
External									
Internal	132	150	200	200	200	200	200	200	200
Number of interns appointed	55	169	175	175	175	175	175	175	175
Number of learnerships appointed									
Number of days spent on training	5 117	6 746	6 790	6 790	6 790	6 809	6 820	6 900	6 900

ANNEXURE – VOTE 3: AGRICULTURE, ENVIRONMENTAL AFFAIRS AND RURAL DEVELOPMENT

Table 3.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	16 179	14 623	13 716	12 444	12 444	13 288	13 066	13 785	14 543
Sale of goods and services produced by dept. (excl. capital assets)	16 179	12 746	12 355	12 444	12 444	13 288	13 066	13 785	14 543
Sales by market establishments	3 085	2 935	3 288	3 133	3 133	3 133	3 290	3 471	3 662
Administrative fees	1 638	1 640	1 504	1 753	1 753	1 753	1 841	1 942	2 049
Other sales	11 456	8 171	7 563	7 558	7 558	8 402	7 935	8 372	8 832
Of which									
Tuition fees	6 347	4 178	3 448	2 491	2 491	2 491	2 616	2 760	2 912
Laboratory services(soil and animal testing)	2 174	2 896	2 923	3 480	3 480	3 480	3 653	3 855	4 067
Sale of surplus agricultural produce	73	117	330	186	186	186	195	205	216
Other	2 862	980	862	1 401	1 401	2 245	1 471	1 552	1 637
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	1 877	1 361	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits	797	715	1 487	188	188	161	197	208	219
Interest, dividends and rent on land	885	60	24	71	71	25	75	79	84
Interest	-	53	16	29	29	10	30	32	34
Dividends									
Rent on land	885	7	8	42	42	15	45	47	50
Sale of capital assets	4 713	3 792	733	2 941	2 941	6 004	3 088	3 258	3 437
Land and subsoil assets									
Other capital assets	4 713	3 792	733	2 941	2 941	6 004	3 088	3 258	3 437
Transactions in financial assets and liabilities	22 526	10 030	2 574	1 629	1 629	1 079	1 710	1 804	1 903
Total	45 100	29 220	18 534	17 273	17 273	20 557	18 136	19 134	20 186

Table 3.B: Detailed of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
				2011/12					
Current payments	1 215 853	1 284 185	1 309 684	1 699 377	1 585 419	1 585 419	1 710 646	1 957 551	2 064 681
Compensation of employees	548 192	605 191	673 107	806 273	770 302	770 302	862 035	923 226	978 620
Salaries and wages	474 031	520 265	581 299	696 301	667 641	667 641	745 859	800 427	848 456
Social contributions	74 161	84 926	91 808	109 972	102 661	102 661	116 176	122 799	130 164
Goods and services	667 661	678 994	636 534	893 104	815 117	815 117	848 611	1 034 325	1 086 061
of which									
Administrative fees	2 607	271	238	2 358	2 345	2 345	1 712	1 842	1 941
Advertising	33 634	40 973	8 706	9 874	12 234	12 234	11 743	12 120	12 895
Assets <R5000	7 451	7 180	6 904	16 853	15 272	15 272	15 549	16 028	16 985
Audit cost: External	2 479	4 307	4 472	4 382	4 382	4 382	4 329	4 627	4 869
Bursaries (employees)	4 765	5 268	5 286	5 194	5 210	5 210	5 752	6 046	6 423
Catering: Departmental activities	18 694	6 345	7 691	12 978	12 017	12 017	4 303	4 515	4 751
Communication	25 306	30 019	31 645	33 556	32 646	32 639	31 879	33 493	35 218
Computer services	10 972	16 413	20 952	18 036	23 687	23 687	24 350	25 549	26 899
Cons/prof: Business & advisory services	11 979	38 943	12 351	7 599	5 948	5 948	9 287	8 884	9 334
Cons/prof: Infrastructure & planning	56 223	80 002	57 019	215 912	189 170	189 065	181 210	281 453	297 299
Cons/prof: Laboratory services	188	14	138	365	365	365	874	894	944
Cons/prof: Legal cost	6 252	6 743	8 881	3 420	3 794	3 794	6 918	7 227	7 625
Contractors	9 762	8 541	11 864	26 110	22 936	22 936	28 019	28 097	29 277
Agency & support/outsourced services	102 354	116 038	137 788	125 533	132 819	132 819	143 296	141 652	149 204
Entertainment	426	-	86	599	339	339	362	382	403
Fleet services (incl. GMT)	17 875	18 173	18 000	14 117	20 807	20 807	21 353	23 576	25 196
Housing	-	-	-	-	44	44	-	-	-
Inventory: Food and food supplies	1 132	279	123	2 001	1 721	1 721	1 813	1 907	2 011
Inventory: Fuel, oil and gas	2 060	5 343	8 556	3 496	3 575	3 575	3 151	2 638	2 784
Inventory: Learner and teacher supp material	829	793	1 471	1 240	1 053	1 053	2 434	2 558	2 700
Inventory: Materials and supplies	15 805	15 314	3 452	7 788	7 616	7 616	3 298	3 484	3 677
Inventory: Medical supplies	9 057	6 637	2 930	6 369	6 476	6 476	8 407	8 948	9 439
Inventory: Medicine	-	-	13 694	-	38	38	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	197 340	140 500	141 077	225 008	162 020	162 020	186 575	257 890	267 092
Inventory: Stationery and printing	6 398	9 688	8 194	12 509	13 475	13 478	11 519	12 210	12 902
Lease payments	15 498	15 859	16 260	15 625	14 903	14 903	15 835	16 456	17 358
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	27 527	26 231	31 833	33 693	32 310	32 310	34 566	36 541	38 541
Transport provided: Departmental activity	5 102	368	2 421	1 785	2 060	2 060	2 204	2 242	2 365
Travel and subsistence	55 666	62 535	59 757	62 221	63 124	63 233	64 322	67 947	71 603
Training and development	5 618	8 600	7 829	16 685	14 031	14 031	18 134	19 254	20 024
Operating expenditure	2 712	1 005	836	3 368	4 052	4 052	1 895	2 122	2 289
Venues and facilities	11 950	6 612	6 080	4 430	4 648	4 648	3 522	3 743	4 013
Interest and rent on land	-	-	43	-	-	-	-	-	-
Interest	-	-	43	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	405 961	455 495	639 291	612 984	650 562	650 562	643 132	722 524	765 868
Provinces and municipalities	2 618	6 085	7 268	1 030	1 402	1 402	1 415	1 472	1 533
Provinces	203	385	308	-	372	372	415	472	533
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	203	385	308	-	372	372	415	472	533
Municipalities	2 415	5 700	6 960	1 030	1 030	1 030	1 000	1 000	1 000
Municipalities	2 415	5 700	6 960	1 030	1 030	1 030	1 000	1 000	1 000
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	340 829	397 598	535 454	562 317	592 078	592 078	571 942	658 125	697 893
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	340 829	397 598	535 454	562 317	592 078	592 078	571 942	658 125	697 893
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	52 666	36 067	86 370	34 157	35 465	35 465	48 949	51 435	54 285
Public corporations	19 678	36 067	86 370	34 157	35 465	35 465	48 949	51 435	54 285
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	19 678	36 067	86 370	34 157	35 465	35 465	48 949	51 435	54 285
Private enterprises	32 988	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	32 988	-	-	-	-	-	-	-	-
Non-profit institutions	1 831	2 004	3 086	10 210	14 200	14 200	15 290	5 627	5 940
Households	8 017	13 741	7 113	5 270	7 417	7 417	5 536	5 865	6 217
Social benefits	7 886	11 368	7 113	5 270	7 417	7 417	5 536	5 865	6 217
Other transfers to households	131	2 373	-	-	-	-	-	-	-
Payments for capital assets	123 967	142 322	96 881	148 224	246 008	246 008	300 056	177 922	188 424
Buildings and other fixed structures	80 282	80 991	44 738	98 782	90 523	90 523	116 985	124 868	132 187
Buildings	26 489	19 348	17 230	14 848	14 848	14 848	16 628	17 980	18 969
Other fixed structures	53 793	61 643	27 508	83 934	75 675	75 675	100 357	106 888	113 218
Machinery and equipment	43 685	59 849	51 616	48 633	139 676	139 676	182 089	52 017	55 138
Transport equipment	15 058	11 728	5 152	17 780	17 780	17 780	57 529	18 271	19 367
Other machinery and equipment	28 627	48 121	46 464	30 853	121 896	121 896	124 560	33 746	35 771
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	360	138	354	15 354	15 354	523	553	586
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	1 122	389	455	455	455	459	484	513
Payments for financial assets	7 043	88 010	-	-	-	-	-	-	-
Total	1 752 824	1 970 012	2 045 856	2 460 585	2 481 989	2 481 989	2 653 834	2 857 997	3 018 973
Unauth. exp. (1 st charge) not available for spending	-	(84 974)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	1 752 824	1 885 038	2 045 856	2 460 585	2 481 989	2 481 989	2 653 834	2 857 997	3 018 973

Table 3.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	205 869	234 891	224 802	262 453	236 787	236 787	248 822	264 541	280 506
Compensation of employees	75 277	93 037	102 392	137 234	121 545	121 545	128 619	136 330	144 510
Salaries and wages	66 401	82 142	93 657	126 375	112 403	112 403	115 411	122 403	129 747
Social contributions	8 876	10 895	8 735	10 859	9 142	9 142	13 208	13 927	14 763
Goods and services	130 592	141 854	122 410	125 219	115 242	115 242	120 203	128 211	135 996
of which									
Administrative fees	-	9	18	28	15	15	31	33	35
Advertising	16 430	8 736	7 376	6 541	6 901	6 901	8 955	9 128	9 740
Assets <R5000	1 588	3 131	2 325	2 281	1 000	1 000	1 985	2 054	2 167
Audit cost: External	2 479	4 307	4 472	4 045	4 045	4 045	4 000	4 276	4 511
Bursaries (employees)	4 741	5 268	5 286	4 622	4 638	4 638	5 200	5 500	5 803
Catering: Departmental activities	9 267	2 118	1 585	2 591	1 630	1 630	1 785	1 891	1 995
Communication	12 176	14 086	13 095	14 495	13 585	13 585	12 557	13 171	13 724
Computer services	10 731	13 943	18 880	14 054	19 705	19 705	20 443	21 418	22 596
Cons/prof: Business & advisory services	11 890	35 618	10 115	2 195	1 227	1 227	3 809	4 017	4 238
Cons/prof: Infrastructure & planning	2 913	3 139	3 843	8 624	5 409	5 409	1 450	1 550	1 635
Cons/prof: Laboratory services									
Cons/prof: Legal cost	5 868	6 508	8 604	3 216	3 590	3 590	6 784	7 105	7 496
Contractors	2 724	1 103	1 390	3 726	552	552	823	920	971
Agency & support/outourced services	5 842	9 593	9 082	10 098	9 068	9 068	8 422	8 846	9 333
Entertainment	388	-	-	260	-	-	84	90	95
Fleet services (incl. GMT)	4 446	3 929	2 307	4 087	3 777	3 777	4 145	5 818	6 874
Housing	-	-	-	-	44	44	-	-	-
Inventory: Food and food supplies	127	61	46	292	12	12	196	201	212
Inventory: Fuel, oil and gas	-	36	-	80	159	159	80	84	89
Inventory: Learner and teacher supp material	48	124	-	206	19	19	250	244	257
Inventory: Materials and supplies	2 963	217	405	175	3	3	145	150	158
Inventory: Medical supplies	8	12	37	5	112	112	6	6	6
Inventory: Medicine	-	-	87	-	38	38	-	-	-
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	3 399	507	809	3 498	754	754	790	853	897
Inventory: Stationery and printing	2 027	3 824	2 551	3 970	4 936	4 936	3 148	3 462	3 652
Lease payments	649	1 359	1 158	3 440	2 718	2 718	1 759	1 746	1 842
Rental and hiring									
Property payments	5 572	7 655	9 211	10 496	9 113	9 113	9 587	10 124	10 670
Transport provided: Departmental activity	390	261	1 304	-	396	396	-	-	-
Travel and subsistence	12 804	11 695	12 808	14 900	15 802	15 802	16 548	17 640	18 610
Training and development	2 173	2 210	3 758	5 557	4 367	4 367	6 568	6 999	7 384
Operating expenditure	467	160	174	559	1 243	1 243	194	375	396
Venues and facilities	8 482	2 245	1 684	1 178	384	384	459	510	610
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	1 168	6 295	554	-	1 851	1 851	290	307	323
Provinces and municipalities	203	2 214	263	-	276	276	290	307	323
Provinces	203	214	263	-	276	276	290	307	323
Provincial Revenue Funds									
Provincial agencies and funds	203	214	263	-	276	276	290	307	323
Municipalities	-	2 000	-	-	-	-	-	-	-
Municipalities	-	2 000	-	-	-	-	-	-	-
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	5	-	-	-	-	-	-	-
Public corporations	-	5	-	-	-	-	-	-	-
Subsidies on production									
Other transfers	-	5	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	965	4 076	291	-	1 575	1 575	-	-	-
Social benefits	834	1 728	291	-	1 575	1 575	-	-	-
Other transfers to households	131	2 348	-	-	-	-	-	-	-
Payments for capital assets	45 664	28 427	23 968	37 124	38 138	38 138	39 757	42 090	44 525
Buildings and other fixed structures	26 489	19 348	17 230	14 848	14 848	14 848	16 628	17 980	18 969
Buildings	26 489	19 348	17 230	14 848	14 848	14 848	16 628	17 980	18 969
Other fixed structures									
Machinery and equipment	19 175	8 884	6 590	22 209	23 223	23 223	23 059	24 037	25 479
Transport equipment	13 118	5 160	5 152	15 462	15 462	15 462	15 287	15 935	16 891
Other machinery and equipment	6 057	3 724	1 438	6 747	7 761	7 761	7 772	8 102	8 588
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	195	148	67	67	67	70	73	77
Payments for financial assets	-	84 974	-	-	-	-	-	-	-
Total	252 701	354 587	249 324	299 577	276 776	276 776	288 869	306 938	325 354
Unauth. exp. (1 st charge) not available for spending	-	(84 974)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	252 701	269 613	249 324	299 577	276 776	276 776	288 869	306 938	325 354

Table 3.D: Details of payments and estimates by economic classification - Programme 2: Agricultural Development Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	846 575	867 939	891 522	1 222 802	1 125 401	1 125 401	1 226 917	1 455 199	1 532 012
Compensation of employees	427 377	453 849	506 267	589 184	574 433	574 433	648 623	697 047	738 870
Salaries and wages	367 277	387 476	431 997	499 675	488 924	488 924	555 799	598 885	634 821
Social contributions	60 100	66 373	74 270	89 509	85 509	85 509	92 824	98 162	104 049
Goods and services	419 198	414 090	385 212	633 618	550 968	550 968	578 294	758 152	793 142
of which									
Administrative fees	2 480	126	142	2 104	2 104	2 104	1 423	1 512	1 592
Advertising	16 250	31 495	898	2 754	2 754	2 754	2 229	2 364	2 492
Assets <R5000	5 327	2 825	2 976	13 823	13 823	13 823	12 878	13 168	13 967
Audit cost: External	-	-	-	11	11	11	-	12	-
Bursaries (employees)	24	-	-	466	466	466	484	505	577
Catering: Departmental activities	8 373	3 343	5 875	9 738	9 738	9 738	1 930	2 005	2 103
Communication	12 671	14 989	17 181	18 041	18 041	18 034	18 303	19 232	20 344
Computer services	223	2 423	1 837	3 068	3 068	3 068	3 068	3 221	3 342
Cons/prof: Business & advisory services	6	23	207	439	439	439	449	486	474
Cons/prof: Infrastructure & planning	45 626	66 526	52 665	207 288	183 761	183 656	179 760	279 903	295 664
Cons/prof: Laboratory services	-	14	138	285	285	285	789	839	886
Cons/prof: Legal cost	210	105	277	59	59	59	-	-	-
Contractors	7 012	7 394	9 220	19 031	19 031	19 031	24 845	24 293	25 264
Agency & support/outourced services	9 074	19 279	24 268	16 304	16 304	16 304	21 048	23 094	24 125
Entertainment	37	-	86	322	322	322	258	272	287
Fleet services (incl. GMT)	13 402	13 971	15 343	9 974	16 974	16 974	17 152	17 702	18 263
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	679	158	69	1 673	1 673	1 673	1 579	1 666	1 757
Inventory: Fuel, oil and gas	2 053	1 719	3 774	3 396	3 396	3 396	3 051	2 534	2 674
Inventory: Learner and teacher supp material	781	667	1 165	838	838	838	1 988	2 110	2 227
Inventory: Materials and supplies	12 842	14 278	2 842	7 586	7 586	7 586	3 124	3 305	3 489
Inventory: Medical supplies	9 048	6 556	2 728	6 317	6 317	6 317	8 365	8 878	9 366
Inventory: Medicine	-	-	13 607	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	187 665	137 632	138 312	215 786	149 662	149 662	178 779	249 247	257 260
Inventory: Stationery and printing	3 842	5 139	4 535	7 084	7 084	7 087	6 873	7 077	7 486
Lease payments	14 714	14 307	14 952	11 602	11 602	11 602	13 457	14 057	14 827
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	21 947	18 573	22 622	23 096	23 096	23 096	24 809	26 219	27 662
Transport provided: Departmental activity	4 712	-	1 096	-	-	-	-	-	-
Travel and subsistence	33 756	42 225	40 347	38 813	38 814	38 923	38 643	40 741	42 797
Training and development	3 151	6 157	3 898	8 868	8 868	8 868	9 360	9 901	10 157
Operating expenditure	1 575	604	593	2 538	2 538	2 538	1 461	1 499	1 631
Venues and facilities	1 718	3 562	3 559	2 314	2 314	2 314	2 189	2 310	2 429
Interest and rent on land	-	-	43	-	-	-	-	-	-
Interest	-	-	43	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	59 687	45 605	197 296	120 647	151 974	151 974	124 900	120 465	127 177
Provinces and municipalities	-	171	45	-	96	96	125	165	210
Provinces	-	171	45	-	96	96	125	165	210
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	171	45	-	96	96	125	165	210
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	104 072	75 400	100 761	100 761	60 000	63 000	66 465
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	104 072	75 400	100 761	100 761	60 000	63 000	66 465
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	52 666	36 062	86 370	30 167	35 465	35 465	48 949	51 435	54 285
Public corporations	19 678	36 062	86 370	30 167	35 465	35 465	48 949	51 435	54 285
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	19 678	36 062	86 370	30 167	35 465	35 465	48 949	51 435	54 285
Private enterprises	32 988	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	32 988	-	-	-	-	-	-	-	-
Non-profit institutions	-	35	-	9 810	9 810	9 810	10 290	-	-
Households	7 021	9 337	6 809	5 270	5 842	5 842	5 536	5 865	6 217
Social benefits	7 021	9 312	6 809	5 270	5 842	5 842	5 536	5 865	6 217
Other transfers to households	-	25	-	-	-	-	-	-	-
Payments for capital assets	74 803	110 506	70 152	109 068	205 838	205 838	258 421	133 902	141 853
Buildings and other fixed structures	51 283	61 293	27 237	83 934	75 675	75 675	100 357	106 888	113 218
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	51 283	61 293	27 237	83 934	75 675	75 675	100 357	106 888	113 218
Machinery and equipment	23 520	48 624	42 683	24 392	114 421	114 421	157 152	26 050	27 613
Transport equipment	1 940	6 568	-	2 018	2 018	2 018	42 119	2 236	2 370
Other machinery and equipment	21 580	42 056	42 683	22 374	112 403	112 403	115 033	23 814	25 243
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	360	138	354	15 354	15 354	523	553	586
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	229	94	388	388	388	389	411	436
Payments for financial assets	7 043	3 036	-	-	-	-	-	-	-
Total	988 108	1 027 086	1 158 970	1 452 517	1 483 213	1 483 213	1 610 238	1 709 566	1 801 042

Table 3.E: Details of payments and estimates by economic classification - Sub-programme: Sustainable Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	50 554	73 268	55 596	82 521	82 998	82 998	91 630	94 172	90 699
Compensation of employees	18 203	19 163	22 204	22 487	22 487	22 487	21 549	22 863	24 234
Salaries and wages	15 815	16 532	19 330	20 312	20 312	20 312	20 103	21 323	22 602
Social contributions	2 388	2 631	2 874	2 175	2 175	2 175	1 446	1 540	1 632
Goods and services	32 351	54 105	33 392	60 034	60 511	60 511	70 081	71 309	66 465
of which									
Administrative fees	11	-	78	-	-	-	40	50	50
Advertising	90	-	-	60	60	60	40	40	40
Assets <R5000	719	140	77	501	501	501	495	495	595
Audit cost: External									
Bursaries (employees)	24	-	-	100	100	100	100	100	150
Catering: Departmental activities	-	83	-	20	20	20	230	235	235
Communication	172	226	243	380	380	380	482	515	597
Computer services	200	424	223	537	537	537	488	496	527
Cons/prof: Business & advisory services									
Cons/prof: Infrastructure & planning	17 938	40 586	21 836	53 530	54 006	54 006	46 361	45 788	39 416
Cons/prof: Laboratory services									
Cons/prof: Legal cost	53	-	-	-	-	-	-	-	-
Contractors	345	178	100	313	313	313	480	504	668
Agency & support/outsourced services	-	-	14	-	-	-	-	-	-
Entertainment									
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas	35	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	6 183	3 098	109	10	10	10	80	80	86
Inventory: Medical supplies	4	604	-	-	-	-	17	16	16
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	3 653	3 310	7 725	365	365	365	16 024	17 190	18 171
Inventory: Stationery and printing	94	124	59	279	279	279	322	394	406
Lease payments	35	11	-	76	76	76	78	78	78
Rental and hiring									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	2 241	2 502	2 862	3 581	3 582	3 582	4 189	4 601	4 666
Training and development	540	2 646	66	252	252	252	430	482	464
Operating expenditure	14	24	-	30	30	30	85	95	150
Venues and facilities	-	149	-	-	-	-	140	150	150
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	603	374	4 045	1 791	1 791	1 791	1 908	2 060	2 183
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	3 344	-	-	-	-	-	-
Social security funds									
Entities receiving funds	-	-	3 344	-	-	-	-	-	-
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	150	-	-	1 455	1 455	1 455	1 550	1 657	1 756
Public corporations	150	-	-	1 455	1 455	1 455	1 550	1 657	1 756
Subsidies on production									
Other transfers	150	-	-	1 455	1 455	1 455	1 550	1 657	1 756
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	453	374	701	336	336	336	358	403	427
Social benefits	453	374	701	336	336	336	358	403	427
Other transfers to households									
Payments for capital assets	28 461	15 395	1 824	19 384	1 978	1 978	2 215	2 286	2 423
Buildings and other fixed structures	27 372	14 389	1 311	17 406	-	-	-	-	-
Buildings									
Other fixed structures	27 372	14 389	1 311	17 406	-	-	-	-	-
Machinery and equipment	1 089	925	478	1 918	1 918	1 918	2 155	2 222	2 355
Transport equipment	-	56	-	-	-	-	-	-	-
Other machinery and equipment	1 089	869	478	1 918	1 918	1 918	2 155	2 222	2 355
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	81	35	60	60	60	60	64	68
Payments for financial assets									
Total	79 618	89 037	61 465	103 696	86 767	86 767	95 753	98 518	95 305

Table 3.F: Details of payments and estimates by economic classification - Sub-programme: Farmer Support and Development

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	566 524	541 132	556 528	821 357	686 820	686 820	773 334	967 424	1 024 234
Compensation of employees	260 686	265 517	297 210	363 071	330 951	330 951	387 171	407 986	432 610
Salaries and wages	223 022	225 454	252 094	308 762	281 642	281 642	329 441	347 224	368 202
Social contributions	37 664	40 063	45 116	54 309	49 309	49 309	57 730	60 762	64 408
Goods and services	305 838	275 615	259 318	458 286	355 869	355 869	386 163	559 438	591 624
of which									
Administrative fees	1 381	12	19	939	939	939	986	1 040	1 097
Advertising	16 125	31 444	831	1 421	1 421	1 421	1 492	1 574	1 661
Assets <R5000	2 137	1 447	1 644	8 647	8 647	8 647	9 079	9 578	10 105
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	366	366	366	384	405	427
Catering: Departmental activities	1 525	1 170	5 477	1 486	1 486	1 486	1 561	1 647	1 738
Communication	11 579	13 274	14 980	15 524	15 524	15 524	16 300	17 197	18 143
Computer services	14	1 947	1 568	2 308	2 308	2 308	2 423	2 556	2 697
Cons/prof: Business & advisory services	6	23	207	428	428	428	449	474	474
Cons/prof: Infrastructure & planning	15 752	20 770	29 180	142 423	99 130	99 130	111 420	207 558	227 274
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	103	105	277	-	-	-	-	-	-
Contractors	3 699	4 124	5 696	16 707	16 707	16 707	17 542	18 507	19 025
Agency & support/outsourced services	5 192	6 071	11 114	4 603	4 603	4 603	4 833	5 099	5 379
Entertainment	37	-	86	246	246	246	258	272	287
Fleet services (incl. GMT)	13 323	13 449	14 281	7 235	14 235	14 235	15 097	15 515	15 956
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	505	108	64	1 378	1 378	1 378	1 447	1 527	1 611
Inventory: Fuel, oil and gas	144	384	2 570	748	748	748	785	828	874
Inventory: Learner and teacher supp material	14	4	230	94	94	94	99	104	110
Inventory: Materials and supplies	4 945	856	232	1 343	1 343	1 343	1 410	1 488	1 570
Inventory: Medical supplies	384	186	7	110	110	110	116	122	129
Inventory: Medicine	-	-	13 607	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	166 788	116 969	85 921	190 741	124 617	124 617	135 867	205 778	211 147
Inventory: Stationery and printing	2 002	2 191	2 704	3 754	3 754	3 754	3 941	4 158	4 387
Lease payments	14 199	13 543	14 098	11 256	11 256	11 256	11 819	12 469	13 155
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	20 422	17 092	20 740	20 513	20 513	20 513	21 539	22 724	23 974
Transport provided: Departmental activity	717	-	1 096	-	-	-	-	-	-
Travel and subsistence	21 083	25 695	25 349	20 823	20 823	20 823	21 864	23 067	24 336
Training and development	1 677	2 127	3 550	2 966	2 966	2 966	3 114	3 285	3 466
Operating expenditure	596	304	231	886	886	886	930	981	1 035
Venues and facilities	1 489	2 320	3 559	1 341	1 341	1 341	1 408	1 485	1 567
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	57 260	42 506	191 805	108 652	139 979	139 979	112 281	117 962	124 524
Provinces and municipalities	-	171	45	-	96	96	125	165	210
Provinces	-	171	45	-	96	96	125	165	210
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	171	45	-	96	96	125	165	210
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	100 728	75 400	100 761	100 761	60 000	63 000	66 465
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	100 728	75 400	100 761	100 761	60 000	63 000	66 465
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	52 516	36 062	86 370	28 712	34 010	34 010	47 399	49 778	52 529
Public corporations	19 528	36 062	86 370	28 712	34 010	34 010	47 399	49 778	52 529
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	19 528	36 062	86 370	28 712	34 010	34 010	47 399	49 778	52 529
Private enterprises	32 988	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	32 988	-	-	-	-	-	-	-	-
Non-profit institutions	-	35	-	-	-	-	-	-	-
Households	4 744	6 238	4 662	4 540	5 112	5 112	4 757	5 019	5 320
Social benefits	4 744	6 238	4 662	4 540	5 112	5 112	4 757	5 019	5 320
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	16 461	66 652	62 562	62 039	176 215	176 215	221 419	97 187	103 047
Buildings and other fixed structures	2 322	24 148	23 577	50 402	59 549	59 549	79 200	84 296	89 382
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	2 322	24 148	23 577	50 402	59 549	59 549	79 200	84 296	89 382
Machinery and equipment	14 139	42 461	38 985	11 602	101 631	101 631	142 182	12 852	13 624
Transport equipment	1 940	6 493	-	2 018	2 018	2 018	42 119	2 236	2 370
Other machinery and equipment	12 199	35 968	38 985	9 584	99 613	99 613	100 063	10 616	11 254
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	22	15 022	15 022	23	24	25
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	43	-	13	13	13	14	15	16
Payments for financial assets	7 043	3 036	-	-	-	-	-	-	-
Total	647 288	653 326	810 895	992 048	1 003 014	1 003 014	1 107 034	1 182 573	1 251 805

Table 3.G: Details of payments and estimates by economic classification - Sub-programme: Veterinary Services

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	89 706	103 960	118 213	118 328	118 328	118 328	123 243	130 638	138 476
Compensation of employees	62 821	70 606	69 956	77 422	77 422	77 422	82 151	87 490	92 740
Salaries and wages	54 572	61 112	59 944	66 073	66 073	66 073	72 374	77 111	81 738
Social contributions	8 249	9 494	10 012	11 349	11 349	11 349	9 777	10 379	11 002
Goods and services	26 885	33 354	48 257	40 906	40 906	40 906	41 092	43 148	45 736
of which									
Administrative fees	68	98	36	377	377	377	328	345	364
Advertising	14	-	-	337	337	337	186	195	206
Assets <R5000	399	252	28	1 683	1 683	1 683	908	957	1 010
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	81	81	11	281	281	281	68	71	75
Communication	398	418	524	909	909	909	529	569	600
Computer services	6	10	2	119	119	119	107	112	118
Cons/prof: Business & advisory services									
Cons/prof: Infrastructure & planning	-	-	-	21	21	21	25	26	27
Cons/prof: Laboratory services	-	14	132	225	225	225	477	505	533
Cons/prof: Legal cost	43	-	-	59	59	59	-	-	-
Contractors	29	44	377	140	140	140	372	393	415
Agency & support/outsource services	880	1 162	355	1 363	1 363	1 363	3 997	4 111	4 337
Entertainment	-	-	-	22	22	22	-	-	-
Fleet services (incl. GMT)	-	-	-	715	715	715	443	465	491
Housing									
Inventory: Food and food supplies	54	1	1	50	50	50	24	25	26
Inventory: Fuel, oil and gas	267	129	130	558	558	558	620	653	689
Inventory: Learner and teacher supp material	4	24	5	193	193	193	234	251	265
Inventory: Materials and supplies	606	8 166	1 471	3 987	3 987	3 987	274	289	305
Inventory: Medical supplies	8 233	5 330	2 255	5 364	5 364	5 364	7 404	7 856	8 288
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	7 965	9 444	35 624	11 610	11 610	11 610	14 645	15 287	16 341
Inventory: Stationery and printing	283	404	463	930	930	930	1 035	1 087	1 147
Lease payments	52	59	69	18	18	18	253	266	281
Rental and hiring									
Property payments	-	-	20	1 144	1 144	1 144	388	415	438
Transport provided: Departmental activity									
Travel and subsistence	6 926	7 396	6 627	8 635	8 635	8 635	7 022	7 428	7 837
Training and development	149	94	43	1 209	1 209	1 209	1 133	1 190	1 255
Operating expenditure	223	151	84	626	626	626	279	294	310
Venues and facilities	205	77	-	331	331	331	341	358	378
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	559	1 371	736	10 054	10 054	10 054	10 553	276	293
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions	-	-	-	9 810	9 810	9 810	10 290	-	-
Households	559	1 371	736	244	244	244	263	276	293
Social benefits	559	1 371	736	244	244	244	263	276	293
Other transfers to households									
Payments for capital assets	1 066	842	137	2 358	2 358	2 358	2 530	2 655	2 814
Buildings and other fixed structures	-	343	-	-	-	-	-	-	-
Buildings									
Other fixed structures	-	343	-	-	-	-	-	-	-
Machinery and equipment	1 066	499	119	2 358	2 358	2 358	2 530	2 655	2 814
Transport equipment	-	19	-	-	-	-	-	-	-
Other machinery and equipment	1 066	480	119	2 358	2 358	2 358	2 530	2 655	2 814
Heritage assets									
Specialised military assets									
Biological assets	-	-	18	-	-	-	-	-	-
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total	91 331	106 173	119 086	130 740	130 740	130 740	136 326	133 569	141 583

Table 3.H: Details of payments and estimates by economic classification - Sub-programme: Research and Technology Development Services

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	83 023	90 874	108 244	120 426	120 426	120 426	121 122	130 767	138 751
Compensation of employees	62 312	70 750	86 953	93 499	93 499	93 499	99 253	112 076	118 801
Salaries and wages	53 807	60 493	74 828	75 741	75 741	75 741	81 080	92 650	98 209
Social contributions	8 505	10 257	12 125	17 758	17 758	17 758	18 173	19 426	20 592
Goods and services	20 711	20 124	21 248	26 927	26 927	26 927	21 869	18 691	19 950
of which									
Administrative fees	992	14	9	12	12	12	9	10	10
Advertising	-	-	-	86	86	86	71	76	80
Assets <R5000	1 419	292	221	1 341	1 341	1 341	875	773	816
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	61	38	18	197	197	197	71	52	55
Communication	59	24	418	284	284	284	252	148	156
Computer services	-	42	23	53	53	53	50	-	-
Cons/prof: Business & advisory services									
Cons/prof: Infrastructure & planning	162	86	4	1 034	1 034	1 034	-	-	-
Cons/prof: Laboratory services	-	-	6	11	11	11	12	13	14
Cons/prof: Legal cost									
Contractors	1 719	1 957	1 819	1 418	1 418	1 418	1 953	1 062	1 120
Agency & support/outsourced services	2 956	4 591	5 616	3 702	3 702	3 702	2 943	3 135	3 308
Entertainment									
Fleet services (incl. GMT)	61	41	214	516	516	516	1 125	1 203	1 269
Housing									
Inventory: Food and food supplies	17	1	4	50	50	50	3	3	3
Inventory: Fuel, oil and gas	1 545	1 029	1 069	1 788	1 788	1 788	1 182	558	589
Inventory: Learner and teacher supp material	-	-	-	12	12	12	-	-	-
Inventory: Materials and supplies	441	601	440	2 183	2 183	2 183	960	1 026	1 083
Inventory: Medical supplies	292	287	238	451	451	451	520	556	586
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	6 666	6 029	6 958	8 335	8 335	8 335	9 006	7 558	8 205
Inventory: Stationery and printing	386	461	449	690	690	690	505	305	321
Lease payments	103	89	117	252	252	252	277	153	161
Rental and hiring									
Property payments	361	803	385	48	48	48	289	309	326
Transport provided: Departmental activity									
Travel and subsistence	3 237	3 582	3 087	3 665	3 665	3 665	1 662	1 688	1 781
Training and development	86	86	82	365	365	365	47	50	53
Operating expenditure	124	71	71	434	434	434	57	13	14
Venues and facilities	24	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	43	-	-	-	-	-	-
Interest	-	-	43	-	-	-	-	-	-
Rent on land									
Transfers and subsidies to	1 159	722	685	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	1 159	722	685	-	-	-	-	-	-
Social benefits	1 159	722	685	-	-	-	-	-	-
Other transfers to households									
Payments for capital assets	27 614	26 460	4 606	23 245	23 245	23 245	26 235	25 434	26 856
Buildings and other fixed structures	21 589	22 371	2 349	16 000	16 000	16 000	19 450	20 792	21 936
Buildings									
Other fixed structures	21 589	22 371	2 349	16 000	16 000	16 000	19 450	20 792	21 936
Machinery and equipment	6 025	3 969	2 225	7 018	7 018	7 018	6 643	4 490	4 759
Transport equipment									
Other machinery and equipment	6 025	3 969	2 225	7 018	7 018	7 018	6 643	4 490	4 759
Heritage assets									
Specialised military assets									
Biological assets	-	108	32	227	227	227	142	152	161
Land and sub-soil assets									
Software and other intangible assets	-	12	-	-	-	-	-	-	-
Payments for financial assets									
Total	111 796	118 056	113 535	143 671	143 671	143 671	147 357	156 201	165 607

Table 3.1: Details of payments and estimates by economic classification - Sub-programme: Agricultural Economic Services

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	1 734	1 968	1 498	2 924	2 924	2 924	3 071	3 263	3 421
Compensation of employees	1 126	1 568	1 385	2 427	2 427	2 427	2 658	2 741	2 902
Salaries and wages	992	1 426	1 247	2 142	2 142	2 142	2 349	2 414	2 559
Social contributions	134	142	138	285	285	285	309	327	343
Goods and services	608	400	113	497	497	497	413	522	519
of which									
Administrative fees									
Advertising									
Assets <R5000	-	-	1	-	-	-	-	-	-
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	5	-	-	-	-	-	-	-	-
Communication	-	-	-	14	14	7	24	38	40
Computer services									
Cons/prof: Business & advisory services									
Cons/prof: Infrastructure & planning	398	146	1	168	168	63	147	299	282
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors									
Agency & support/outsourced services									
Entertainment									
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies									
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables									
Inventory: Stationery and printing	23	23	33	45	45	48	20	21	22
Lease payments									
Rental and hiring									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	182	231	78	270	270	379	222	164	175
Training and development									
Operating expenditure									
Venues and facilities									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	-	309	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	-	309	-	-	-	-	-	-	-
Social benefits	-	309	-	-	-	-	-	-	-
Other transfers to households									
Payments for capital assets	-	-	-	47	47	47	49	52	55
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	-	-	-	47	47	47	49	52	55
Transport equipment									
Other machinery and equipment	-	-	-	47	47	47	49	52	55
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 734	2 277	1 498	2 971	2 971	2 971	3 120	3 315	3 476

Table 3.J: Details of payments and estimates by economic classification - Sub-programme: Structured Agricultural Education and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	55 034	56 737	51 443	77 246	113 905	113 905	114 517	128 935	136 431
Compensation of employees	22 229	26 245	28 559	30 278	47 647	47 647	55 841	63 891	67 583
Salaries and wages	19 069	22 459	24 554	26 645	43 014	43 014	50 452	58 163	61 511
Social contributions	3 160	3 786	4 005	3 633	4 633	4 633	5 389	5 728	6 072
Goods and services	32 805	30 492	22 884	46 968	66 258	66 258	58 676	65 044	68 848
of which									
Administrative fees	28	2	-	776	776	776	60	67	71
Advertising	21	51	67	850	850	850	440	479	505
Assets <R5000	653	694	1 005	1 651	1 651	1 651	1 521	1 365	1 441
Audit cost: External	-	-	-	11	11	11	-	12	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	6 701	1 971	369	7 754	7 754	7 754	-	-	-
Communication	463	1 047	1 016	930	930	930	716	765	808
Computer services	3	-	21	51	51	51	-	57	-
Cons/prof: Business & advisory services	-	-	-	11	11	11	-	12	-
Cons/prof: Infrastructure & planning	11 376	4 938	1 644	10 112	29 402	29 402	21 807	26 232	28 665
Cons/prof: Laboratory services	-	-	-	49	49	49	300	321	339
Cons/prof: Legal cost	11	-	-	-	-	-	-	-	-
Contractors	1 220	1 091	1 228	453	453	453	4 498	3 827	4 036
Agency & support/outsourced services	46	7 455	7 169	6 636	6 636	6 636	9 275	10 749	11 101
Entertainment	-	-	-	54	54	54	-	-	-
Fleet services (incl. GMT)	18	481	848	1 508	1 508	1 508	487	519	547
Housing									
Inventory: Food and food supplies	103	48	-	195	195	195	105	111	117
Inventory: Fuel, oil and gas	62	177	5	302	302	302	464	495	522
Inventory: Learner and teacher supp material	763	639	930	539	539	539	1 655	1 755	1 852
Inventory: Materials and supplies	667	1 557	590	63	63	63	400	422	445
Inventory: Medical supplies	135	149	228	392	392	392	308	328	347
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	2 593	1 880	2 084	4 735	4 735	4 735	3 237	3 434	3 396
Inventory: Stationery and printing	1 054	1 936	827	1 386	1 386	1 386	1 050	1 112	1 203
Lease payments	325	605	668	-	-	-	1 030	1 091	1 152
Rental and hiring									
Property payments	1 164	678	1 477	1 391	1 391	1 391	2 593	2 771	2 924
Transport provided: Departmental activity	3 995	-	-	-	-	-	-	-	-
Travel and subsistence	87	2 819	2 344	1 839	1 839	1 839	3 684	3 793	4 002
Training and development	699	1 204	157	4 076	4 076	4 076	4 636	4 894	4 919
Operating expenditure	618	54	207	562	562	562	110	116	122
Venues and facilities	-	1 016	-	642	642	642	300	317	334
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	106	323	25	150	150	150	158	167	177
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	106	323	25	150	150	150	158	167	177
Social benefits	106	298	25	150	150	150	158	167	177
Other transfers to households	-	25	-	-	-	-	-	-	-
Payments for capital assets	1 201	1 157	1 023	1 995	1 995	1 995	5 973	6 288	6 658
Buildings and other fixed structures	-	42	-	126	126	126	1 707	1 800	1 900
Buildings									
Other fixed structures	-	42	-	126	126	126	1 707	1 800	1 900
Machinery and equipment	1 201	770	876	1 449	1 449	1 449	3 593	3 779	4 006
Transport equipment									
Other machinery and equipment	1 201	770	876	1 449	1 449	1 449	3 593	3 779	4 006
Heritage assets									
Specialised military assets									
Biological assets	-	252	88	105	105	105	358	377	400
Land and sub-soil assets									
Software and other intangible assets	-	93	59	315	315	315	315	332	352
Payments for financial assets									
Total	56 341	58 217	52 491	79 391	116 050	116 050	120 648	135 390	143 266

Table 3.K: Details of payments and estimates by economic classification - Programme 3: Environmental Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	163 409	181 355	193 360	214 122	223 231	223 231	234 907	237 811	252 163
Compensation of employees	45 538	58 305	64 448	79 855	74 324	74 324	84 793	89 849	95 240
Salaries and wages	40 353	50 647	55 645	70 251	66 314	66 314	74 649	79 139	83 888
Social contributions	5 185	7 658	8 803	9 604	8 010	8 010	10 144	10 710	11 352
Goods and services	117 871	123 050	128 912	134 267	148 907	148 907	150 114	147 962	156 923
of which									
Administrative fees	127	136	78	226	226	226	258	297	314
Advertising	954	742	432	579	2 579	2 579	559	628	663
Assets <R5000	536	1 224	1 603	749	449	449	686	806	851
Audit cost: External	-	-	-	326	326	326	329	339	358
Bursaries (employees)	-	-	-	106	106	106	68	41	43
Catering: Departmental activities	1 054	884	231	649	649	649	588	619	653
Communication	459	944	1 369	1 020	1 020	1 020	1 019	1 090	1 150
Computer services	18	47	235	914	914	914	839	910	961
Cons/prof: Business & advisory services	83	3 302	2 029	4 965	4 282	4 282	5 029	4 381	4 622
Cons/prof: Infrastructure & planning	7 684	10 337	511	-	-	-	-	-	-
Cons/prof: Laboratory services	188	-	-	80	80	80	85	55	58
Cons/prof: Legal cost	174	130	-	145	145	145	134	122	129
Contractors	26	44	1 254	3 353	3 353	3 353	2 351	2 884	3 042
Agency & support/outsourced services	87 438	87 166	104 438	99 131	107 447	107 447	113 826	109 712	115 746
Entertainment	1	-	-	17	17	17	20	20	21
Fleet services (incl. GMT)	27	273	350	56	56	56	56	56	59
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	326	60	8	36	36	36	38	40	42
Inventory: Fuel, oil and gas	7	3 588	4 782	20	20	20	20	20	21
Inventory: Learner and teacher supp material	-	2	306	196	196	196	196	204	216
Inventory: Materials and supplies	-	819	205	27	27	27	29	29	30
Inventory: Medical supplies	1	69	165	47	47	47	36	64	67
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	6 276	2 361	1 956	5 724	11 604	11 604	7 006	7 790	8 935
Inventory: Stationery and printing	529	725	1 108	1 455	1 455	1 455	1 498	1 671	1 764
Lease payments	135	193	150	583	583	583	619	653	689
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	8	3	-	101	101	101	170	198	209
Transport provided: Departmental activity	-	107	21	1 785	1 664	1 664	2 204	2 242	2 365
Travel and subsistence	9 106	8 615	6 602	8 508	8 508	8 508	9 131	9 566	10 196
Training and development	294	233	173	2 260	796	796	2 206	2 354	2 483
Operating expenditure	670	241	69	271	271	271	240	248	262
Venues and facilities	1 750	805	837	938	1 950	1 950	874	923	974
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	2 446	4 028	6 973	1 430	1 430	1 430	1 400	1 400	1 400
Provinces and municipalities	2 415	3 700	6 960	1 030	1 030	1 030	1 000	1 000	1 000
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	2 415	3 700	6 960	1 030	1 030	1 030	1 000	1 000	1 000
Municipalities	2 415	3 700	6 960	1 030	1 030	1 030	1 000	1 000	1 000
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	400	400	400	400	400	400
Households	31	328	13	-	-	-	-	-	-
Social benefits	31	328	13	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	3 500	3 389	2 761	2 032	2 032	2 032	1 878	1 930	2 046
Buildings and other fixed structures	2 510	350	271	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	2 510	350	271	-	-	-	-	-	-
Machinery and equipment	990	2 341	2 343	2 032	2 032	2 032	1 878	1 930	2 046
Transport equipment	-	-	-	300	300	300	123	100	106
Other machinery and equipment	990	2 341	2 343	1 732	1 732	1 732	1 755	1 830	1 940
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	698	147	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	169 355	188 772	203 094	217 584	226 693	226 693	238 185	241 141	255 609

Table 3.L: Details of payments and estimates by economic classification - Sub-programme: Environmental Policy Planning & Co-ordination

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	2 071	2 441	2 646	5 212	7 806	7 806	5 486	5 799	6 147
Compensation of employees	1 142	1 343	1 492	2 787	2 369	2 369	2 965	3 152	3 341
Salaries and wages	1 015	1 183	1 312	2 569	2 151	2 151	2 737	2 912	3 087
Social contributions	127	160	180	218	218	218	228	240	254
Goods and services	929	1 098	1 154	2 425	5 437	5 437	2 521	2 647	2 806
of which									
Administrative fees	-	7	-	-	-	-	-	-	-
Advertising	49	-	-	105	2 105	2 105	108	110	116
Assets <R5000	13	-	5	-	-	-	-	-	-
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	38	25	35	135	135	135	155	165	174
Communication	77	24	37	73	73	73	85	97	102
Computer services	-	-	105	100	100	100	100	100	106
Cons/prof: Business & advisory services	83	-	-	790	790	790	862	867	915
Cons/prof: Infrastructure & planning	71	382	409	-	-	-	-	-	-
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors									
Agency & support/outsourced services									
Entertainment									
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies									
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables									
Inventory: Stationery and printing	58	226	277	219	219	219	221	299	329
Lease payments	25	-	1	-	-	-	-	-	-
Rental and hiring									
Property payments	8	-	-	-	-	-	-	-	-
Transport provided: Departmental activity									
Travel and subsistence	352	339	251	925	925	925	910	929	980
Training and development									
Operating expenditure	16	-	-	20	20	20	-	-	-
Venues and facilities	139	95	34	58	1 070	1 070	80	80	84
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	-	2 000	6 000	-	-	-	-	-	-
Provinces and municipalities	-	2 000	6 000	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	2 000	6 000	-	-	-	-	-	-
Municipalities	-	2 000	6 000	-	-	-	-	-	-
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households									
Payments for capital assets	81	479	686	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	81	145	539	-	-	-	-	-	-
Transport equipment									
Other machinery and equipment	81	145	539	-	-	-	-	-	-
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	334	147	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 152	4 920	9 332	5 212	7 806	7 806	5 486	5 799	6 147

Table 3.M: Details of payments and estimates by economic classification - Sub-programme: Compliance and Enforcement

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	41 347	37 630	48 133	28 939	27 835	27 835	30 271	32 078	34 002
Compensation of employees	33 029	32 400	43 837	22 882	22 882	22 882	24 073	25 485	27 015
Salaries and wages	28 459	27 939	37 832	20 212	20 212	20 212	21 267	22 533	23 886
Social contributions	4 570	4 461	6 005	2 670	2 670	2 670	2 806	2 952	3 129
Goods and services	8 318	5 230	4 296	6 057	4 953	4 953	6 198	6 593	6 987
of which									
Administrative fees	92	77	-	60	60	60	57	68	72
Advertising	111	10	17	10	10	10	10	10	11
Assets <R5000	373	57	9	346	46	46	315	375	396
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	20	20	20	-	-	-
Catering: Departmental activities	299	153	3	45	45	45	16	10	11
Communication	223	546	871	337	337	337	284	315	332
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	-	-	-	683	-	-	718	699	737
Cons/prof: Infrastructure & planning	948	147	-	-	-	-	-	-	-
Cons/prof: Laboratory services	49	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	106	12	-	43	43	43	42	50	53
Contractors	-	1	1	82	82	82	57	57	60
Agency & support/outsourced services	57	-	-	20	20	20	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	59	92	24	24	24	18	18	19
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	223	13	1	1	1	1	1	1	1
Inventory: Fuel, oil and gas	7	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	2	-	56	56	56	51	51	54
Inventory: Materials and supplies	-	6	1	9	9	9	8	9	9
Inventory: Medical supplies	1	-	1	-	-	-	-	1	1
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	228	145	13	267	267	267	227	245	289
Inventory: Stationery and printing	142	110	146	213	213	213	233	282	298
Lease payments	105	193	149	240	240	240	260	280	295
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	3	-	-	-	-	60	65	69
Transport provided: Departmental activity	-	102	-	444	323	323	496	497	524
Travel and subsistence	4 427	3 038	2 980	2 971	2 971	2 971	3 196	3 415	3 603
Training and development	89	223	-	60	60	60	54	50	53
Operating expenditure	464	231	-	81	81	81	58	54	57
Venues and facilities	374	102	12	45	45	45	37	41	43
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	31	947	-	-	-	-	-	-	-
Provinces and municipalities	-	800	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	800	-	-	-	-	-	-	-
Municipalities	-	800	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	31	147	-	-	-	-	-	-	-
Social benefits	31	147	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	378	688	146	265	265	265	165	198	210
Buildings and other fixed structures	-	303	-	-	-	-	-	-	-
Buildings	-	303	-	-	-	-	-	-	-
Other fixed structures	-	303	-	-	-	-	-	-	-
Machinery and equipment	378	385	146	265	265	265	165	198	210
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	378	385	146	265	265	265	165	198	210
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	41 756	39 265	48 279	29 204	28 100	28 100	30 436	32 276	34 212

Table 3.N: Details of payments and estimates by economic classification - Sub-programme: Environmental Quality Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	5 347	12 913	12 265	36 634	30 807	30 807	38 570	41 060	43 584
Compensation of employees	2 674	9 931	7 702	26 872	22 509	22 509	28 615	30 344	32 164
Salaries and wages	2 525	8 565	6 612	23 604	20 241	20 241	25 041	26 489	28 078
Social contributions	149	1 366	1 090	3 268	2 268	2 268	3 574	3 855	4 086
Goods and services	2 673	2 982	4 563	9 762	8 298	8 298	9 955	10 716	11 420
of which									
Administrative fees	35	27	78	111	111	111	113	138	146
Advertising	181	88	-	149	149	149	110	155	164
Assets <R5000	33	235	71	59	59	59	48	36	38
Audit cost: External	-	-	-	326	326	326	329	339	358
Bursaries (employees)	-	-	-	86	86	86	68	41	43
Catering: Departmental activities	97	134	83	139	139	139	69	77	81
Communication	7	63	42	124	124	124	130	130	137
Computer services	-	-	-	814	814	814	739	810	855
Cons/prof: Business & advisory services	-	300	1 776	1 192	1 192	1 192	1 049	1 415	1 493
Cons/prof: Infrastructure & planning	296	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	139	-	-	80	80	80	85	55	58
Cons/prof: Legal cost	-	-	-	102	102	102	92	72	76
Contractors	26	21	458	567	567	567	567	567	598
Agency & support/outsourced services	-	250	868	318	318	318	467	377	398
Entertainment	1	-	-	17	17	17	20	20	21
Fleet services (incl. GMT)	-	-	6	20	20	20	25	24	25
Housing									
Inventory: Food and food supplies	2	14	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	20	20	20	20	20	21
Inventory: Learner and teacher supp material	-	-	6	15	15	15	13	14	15
Inventory: Materials and supplies	-	1	35	11	11	11	11	11	12
Inventory: Medical supplies	-	-	-	47	47	47	36	63	66
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	7	73	1	221	221	221	278	319	394
Inventory: Stationery and printing	69	236	73	254	254	254	269	288	304
Lease payments	4	-	-	291	291	291	306	319	337
Rental and hiring									
Property payments	-	-	-	101	101	101	110	133	140
Transport provided: Departmental activity	-	-	-	1 341	1 341	1 341	1 708	1 745	1 841
Travel and subsistence	1 299	1 318	953	1 144	1 144	1 144	1 242	1 340	1 469
Training and development	185	5	-	1 763	299	299	1 694	1 822	1 922
Operating expenditure	62	10	48	49	49	49	58	67	71
Venues and facilities	230	207	65	401	401	401	299	319	337
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	2 415	905	960	1 030	1 030	1 030	1 000	1 000	1 000
Provinces and municipalities	2 415	900	960	1 030	1 030	1 030	1 000	1 000	1 000
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	2 415	900	960	1 030	1 030	1 030	1 000	1 000	1 000
Municipalities	2 415	900	960	1 030	1 030	1 030	1 000	1 000	1 000
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	-	5	-	-	-	-	-	-	-
Social benefits	-	5	-	-	-	-	-	-	-
Other transfers to households									
Payments for capital assets	102	1 650	1 185	1 289	1 289	1 289	1 403	1 434	1 520
Buildings and other fixed structures	-	47	-	-	-	-	-	-	-
Buildings									
Other fixed structures	-	47	-	-	-	-	-	-	-
Machinery and equipment	102	1 239	1 185	1 289	1 289	1 289	1 403	1 434	1 520
Transport equipment									
Other machinery and equipment	102	1 239	1 185	1 289	1 289	1 289	1 403	1 434	1 520
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	364	-	-	-	-	-	-	-
Payments for financial assets									
Total	7 864	15 468	14 410	38 953	33 126	33 126	40 973	43 494	46 104

Table 3.O: Details of payments and estimates by economic classification - Sub-programme: Biodiversity Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	109 965	117 718	123 106	120 691	128 257	128 257	136 625	133 466	141 474
Compensation of employees	7 884	8 258	7 933	10 839	10 089	10 089	11 759	12 531	13 283
Salaries and wages	7 638	7 421	6 937	9 624	9 468	9 468	10 579	11 354	12 035
Social contributions	246	837	996	1 215	621	621	1 180	1 177	1 248
Goods and services	102 081	109 460	115 173	109 852	118 168	118 168	124 866	120 935	128 191
of which									
Administrative fees	-	-	-	-	-	-	30	30	32
Advertising	230	15	119	20	20	20	20	25	26
Assets <R5000	95	815	1 504	155	155	155	124	185	195
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	292	232	1	-	-	-	-	-	-
Communication	152	248	370	36	36	36	45	47	50
Computer services	18	47	130	-	-	-	-	-	-
Cons/prof: Business & advisory services	-	3 002	253	2 300	2 300	2 300	2 400	1 400	1 477
Cons/prof: Infrastructure & planning	5 872	9 808	102	-	-	-	-	-	-
Cons/prof: Laboratory services									
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	795	2 650	2 650	2 650	1 670	2 200	2 321
Agency & support/outsourced services	87 381	86 628	103 570	98 793	107 109	107 109	113 359	109 335	115 348
Entertainment									
Fleet services (incl. GMT)	27	204	252	-	-	-	-	-	-
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas	-	3 588	4 782	-	-	-	-	-	-
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	-	55	169	7	7	7	10	9	9
Inventory: Medical supplies	-	69	158	-	-	-	-	-	-
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	5 504	2 143	1 128	3 871	3 871	3 871	5 061	5 571	6 495
Inventory: Stationery and printing	112	133	324	240	240	240	217	213	212
Lease payments	-	-	-	30	30	30	30	30	32
Rental and hiring									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	2 359	2 426	1 495	1 653	1 653	1 653	1 805	1 795	1 894
Training and development	9	5	-	27	27	27	25	25	26
Operating expenditure	30	-	21	70	70	70	70	70	74
Venues and facilities	-	42	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	-	-	-	-	-	-	-	-	-
Social benefits									
Other transfers to households									
Payments for capital assets	2 907	369	730	300	300	300	123	100	106
Buildings and other fixed structures	2 510	-	271	-	-	-	-	-	-
Buildings									
Other fixed structures	2 510	-	271	-	-	-	-	-	-
Machinery and equipment	397	369	459	300	300	300	123	100	106
Transport equipment	-	-	-	300	300	300	123	100	106
Other machinery and equipment	397	369	459	-	-	-	-	-	-
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	112 872	118 087	123 836	120 991	128 557	128 557	136 748	133 566	141 580

Table 3.P: Details of payments and estimates by economic classification - Sub-programme: Environmental Empowerment Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	4 679	10 653	7 210	22 646	28 526	28 526	23 955	25 408	26 956
Compensation of employees	809	6 373	3 484	16 475	16 475	16 475	17 381	18 337	19 437
Salaries and wages	716	5 539	2 952	14 242	14 242	14 242	15 025	15 851	16 802
Social contributions	93	834	532	2 233	2 233	2 233	2 356	2 486	2 635
Goods and services	3 870	4 280	3 726	6 171	12 051	12 051	6 574	7 071	7 519
of which									
Administrative fees	-	25	-	55	55	55	58	61	64
Advertising	383	629	296	295	295	295	311	328	346
Assets <R5000	22	117	14	189	189	189	199	210	222
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	328	340	109	330	330	330	348	367	387
Communication	-	63	49	450	450	450	475	501	529
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	-	-	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	497	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	68	118	-	-	-	-	-	-	-
Contractors	-	22	-	54	54	54	57	60	63
Agency & support/outsourced services	-	288	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	10	-	12	12	12	13	14	15
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	101	33	7	35	35	35	37	39	41
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	300	125	125	125	132	139	147
Inventory: Materials and supplies	-	757	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	6	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	537	-	814	1 365	7 245	7 245	1 440	1 655	1 757
Inventory: Stationery and printing	148	20	288	529	529	529	558	589	621
Lease payments	1	-	-	22	22	22	23	24	25
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	5	21	-	-	-	-	-	-
Travel and subsistence	669	1 494	923	1 815	1 815	1 815	1 978	2 087	2 250
Training and development	11	-	173	410	410	410	433	457	482
Operating expenditure	98	-	-	51	51	51	54	57	60
Venues and facilities	1 007	359	726	434	434	434	458	483	510
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	176	13	400	400	400	400	400	400
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	400	400	400	400	400	400
Households	-	176	13	-	-	-	-	-	-
Social benefits	-	176	13	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	32	203	14	178	178	178	187	198	210
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	32	203	14	178	178	178	187	198	210
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	32	203	14	178	178	178	187	198	210
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	4 711	11 032	7 237	23 224	29 104	29 104	24 542	26 006	27 566

Table 3.Q: Details of payments and estimates by economic classification - Programme 4: Conservation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages									
Social contributions									
Goods and services	-	-	-	-	-	-	-	-	-
of which									
Administrative fees									
Advertising									
Assets <R5000									
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities									
Communication									
Computer services									
Cons/prof: Business & advisory services									
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors									
Agency & support/outsourced services									
Entertainment									
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies									
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables									
Inventory: Stationery and printing									
Lease payments									
Rental and hiring									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence									
Training and development									
Operating expenditure									
Venues and facilities									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	342 660	399 567	434 468	490 907	495 307	495 307	516 542	600 352	636 968
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	340 829	397 598	431 382	486 917	491 317	491 317	511 942	595 125	631 428
Social security funds									
Entities receiving funds	340 829	397 598	431 382	486 917	491 317	491 317	511 942	595 125	631 428
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	3 990	-	-	-	-	-
Public corporations	-	-	-	3 990	-	-	-	-	-
Subsidies on production									
Other transfers	-	-	-	3 990	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions	1 831	1 969	3 086	-	3 990	3 990	4 600	5 227	5 540
Households	-	-	-	-	-	-	-	-	-
Social benefits									
Other transfers to households									
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment									
Other machinery and equipment									
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	342 660	399 567	434 468	490 907	495 307	495 307	516 542	600 352	636 968

Table 3.R: Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	91 546	96 795	74 718	151 370	134 801	134 801	209 143	216 441	218 519
Compensation of employees	-	-	-	-	13 000	13 000	13 845	14 745	15 703
Salaries and wages	-	-	-	-	13 000	13 000	13 845	14 745	15 703
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	91 546	96 795	74 718	151 370	121 801	121 801	195 298	201 696	202 816
of which									
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets <R5000	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	-	-	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	91 546	96 795	74 718	151 370	113 485	113 485	185 590	201 696	202 816
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency & support/outsourced services	-	-	-	-	8 316	8 316	9 708	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	-	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating expenditure	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	40 576	25 424	104 072	75 400	100 761	100 761	60 000	63 000	66 465
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	104 072	75 400	100 761	100 761	60 000	63 000	66 465
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	104 072	75 400	100 761	100 761	60 000	63 000	66 465
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	40 576	25 424	-	-	-	-	-	-	-
Public corporations	7 588	25 424	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	7 588	25 424	-	-	-	-	-	-	-
Private enterprises	32 988	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	32 988	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	8 185	4 705	6 824	7 165	7 165	7 165	7 595	7 595	7 595
Buildings and other fixed structures	2 079	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	2 079	-	-	-	-	-	-	-	-
Machinery and equipment	6 106	4 705	6 824	7 165	7 165	7 165	7 595	7 595	7 595
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	6 106	4 705	6 824	7 165	7 165	7 165	7 595	7 595	7 595
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	140 307	126 924	185 614	233 935	242 727	242 727	276 738	287 036	292 579

Table 3.S: Payments and estimates by economic classification: Land Care Programme grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Current payments	13 505	8 227	8 245	9 244	9 720	9 720	20 304	18 746	10 854
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	13 505	8 227	8 245	9 244	9 720	9 720	20 304	18 746	10 854
of which									
Cons/prof: Infrastructure & planning	13 505	8 227	8 245	9 244	9 720	9 720	20 304	18 746	10 854
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	13 505	8 227	8 245	9 244	9 720	9 720	20 304	18 746	10 854

Table 3.T: Payments and estimates by economic classification: CASP grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Current payments	59 145	76 068	36 473	82 126	56 765	56 765	116 131	131 927	138 572
Compensation of employees	-	-	-	-	13 000	13 000	13 845	14 745	15 703
Salaries and wages	-	-	-	-	13 000	13 000	13 845	14 745	15 703
Goods and services	59 145	76 068	36 473	82 126	43 765	43 765	102 286	117 182	122 869
of which									
Cons/prof: Infrastructure & planning	59 145	76 068	36 473	82 126	43 765	43 765	102 286	117 182	122 869
Transfers and subsidies to	40 576	25 424	104 072	75 400	100 761	100 761	60 000	63 000	66 465
Departmental agencies and accounts	-	-	104 072	75 400	100 761	100 761	60 000	63 000	66 465
Entities receiving funds	-	-	104 072	75 400	100 761	100 761	60 000	63 000	66 465
Public corporations and private enterprises	40 576	25 424	-	-	-	-	-	-	-
Public corporations	7 588	25 424	-	-	-	-	-	-	-
Other transfers	7 588	25 424	-	-	-	-	-	-	-
Private enterprises	32 988	-	-	-	-	-	-	-	-
Other transfers	32 988	-	-	-	-	-	-	-	-
Payments for capital assets	8 185	4 705	6 824	7 165	7 165	7 165	7 595	7 595	7 595
Buildings and other fixed structures	2 079	-	-	-	-	-	-	-	-
Other fixed structures	2 079	-	-	-	-	-	-	-	-
Machinery and equipment	6 106	4 705	6 824	7 165	7 165	7 165	7 595	7 595	7 595
Other machinery and equipment	6 106	4 705	6 824	7 165	7 165	7 165	7 595	7 595	7 595
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	107 906	106 197	147 369	164 691	164 691	164 691	183 726	202 522	212 632

Table 3.U: Payments and estimates by economic classification: Agricultural Disaster Management grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Current payments	10 000	5 000	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	10 000	5 000	-	-	-	-	-	-	-
of which									
Cons/prof: Infrastructure & planning	10 000	5 000	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	10 000	5 000	-	-	-	-	-	-	-

Table 3.V: Payments and estimates by economic classification: Ilima/Letsema Projects grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Current payments	8 896	7 500	30 000	60 000	60 000	60 000	63 000	65 768	69 093
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	8 896	7 500	30 000	60 000	60 000	60 000	63 000	65 768	69 093
of which									
Cons/prof: Infrastructure & planning	8 896	7 500	30 000	60 000	60 000	60 000	63 000	65 768	69 093
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	8 896	7 500	30 000	60 000	60 000	60 000	63 000	65 768	69 093

Table 3.W: Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Current payments	-	-	-	-	8 316	8 316	9 708	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	8 316	8 316	9 708	-	-
of which									
Agency & support/outsourced services	-	-	-	-	8 316	8 316	9 708	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	8 316	8 316	9 708	-	-

Table 3.X: Details of payments of infrastructure by category

No.	Project name	Municipality/ Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available		MTEF forward estimates	
			Irrigation scheme; borehole; storage and marketing facility; fencing; animal housing facility; access roads, etc.	Units (i.e. number of facilities/square	Date: Start	Date: Finish						2012/13	2013/14	2014/15	
R thousand															
New and replacement assets									-	-	-	-	-	-	-
1.	Dukuduku mushroom base	Mtubatuba	Mushroom satellite	1 project	1 Apr 11	31 Mar 12	Equitable share (ES)	Programme 2	-	8 500	-	-	-	-	-
2.	Mehlomnyama mushroom base	Hibiscus Coast	Mushroom satellite	1 project	1 Apr 11	31 Mar 12	ES	Programme 2	-	7 500	-	-	-	-	-
3.	Mushroom bases	Various	Mushroom satellite	2 per annum	Ongoing	Ongoing	ES	Programme 2	-	34 440	-	16 800	17 640	18 698	
4.	Farm structures	Various	Fencing, irrigation, poultry, piggery, etc	Various	1 Apr 11	31 Mar 12	ES	Programme 2	-	-	-	1 789	1 021	1 082	
5.	Makhathini	Jozini	Irrigation, fencing, drainage canals, etc	Various	1 Apr 11	31 Mar 12	ES & Ilima/letsema	Programme 2	-	-	-	23 151	25 235	26 749	
6.	Office accommodation (HO & districts)	Various	Office accommodation	Various	1 Apr 11	31 Mar 12	ES	Programme 1	-	-	-	4 000	4 200	4 452	
Total New and replacement assets									-	50 440	-	45 740	48 096	50 981	
Upgrades and additions									-	-	-	-	-	-	-
Rehabilitation, renovations and refurbishments									-	-	-	-	-	-	-
1.	Office accommodation (HO & districts)	Various	Office accommodation	Various	1 Apr 11	31 Mar 12	ES	Programme 1	-	-	-	7 719	2 407	2 551	
2.	Makhathini	Jozini	Irrigation, fencing\drainage canals, etc	Various	1 Apr 11	31 Mar 12	ES & Ilima/letsema	Programme 2	-	-	-	38 164	40 072	42 476	
3.	Irrigation schemes	Various	Irrigation schemes	Various	1 Apr 11	31 Mar 12	ES & Ilima/letsema	Programme 2	-	-	-	11 388	12 520	13 671	
4.	Farm structures	Various	Handling facilities, poultry, piggery, etc	Various	1 Apr 11	31 Mar 12	ES	Programme 2	-	-	-	9 850	17 443	17 918	
5.	Cedara facilities	uMngeni	Access roads, dairy parlour, etc	Various	1 Apr 11	31 Mar 12	ES	Programme 1	-	-	-	4 124	4 330	4 590	
Total Rehabilitation, renovations and refurbishments									-	-	-	71 245	76 772	81 206	
Maintenance and repairs									-	-	-	-	-	-	-
1.	Office accommodation	Various	Office accommodation	Various	Ongoing	Ongoing	ES	Programme 1	-	-	-	6 105	6 410	6 795	
2.	Farm structures	Various	Fencing, irrigation, poultry, piggery, etc	Various	Ongoing	Ongoing	ES	Programme 2	-	-	-	7 439	12 316	13 055	
3.	Makhathini	Jozini	Irrigation, fencing , drainage canals, etc	Various	Ongoing	Ongoing	ES & Ilima/letsema	Programme 2	-	-	-	8 095	4 103	4 349	
Total Maintenance and repairs									-	-	-	21 639	22 829	24 199	
Infrastructure transfers - current									-	-	-	-	-	-	-
Infrastructure transfers - capital									-	-	-	-	-	-	-
Total Infrastructure									-	50 440	-	138 624	147 697	156 386	

Table 3.Y: Summary of transfers to local government

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	450	850	1 515	100	100	100	-	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	-	150	15	100	100	100	-	-	-
B KZN213 Umzumbi	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	500	-	-	-	-	-	-	-
B KZN215 Ezingolweni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	150	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	300	200	1 500	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	410	2 200	265	-	-	-	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	150	2 000	265	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	-	-	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	260	200	-	-	-	-	-	-	-
Total: Uthukela Municipalities	400	450	1 500	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	100	200	-	-	-	-	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	-	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	250	-	-	-	-	-	-	-
B KZN236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	300	-	1 500	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	15	15	15	-	-	-
B KZN241 Endumeni	-	-	-	-	-	-	-	-	-
B KZN242 Ngutu	-	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	-	-	-	-	-	-	-
B KZN245 Umvoti	-	-	-	15	15	15	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	400	1 500	150	415	415	415	-	-	-
B KZN252 Newcastle	250	1 500	150	415	415	415	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	150	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	15	-	-	-	-	-	-
B KZN261 eDumbe	-	-	15	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	100	-	1 500	-	-	-	-	-	-
B KZN271 Umhlabyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	100	-	-	-	-	-	-	-	-
B KZN274 Hlabisa	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	1 500	-	-	-	-	-	-
Total: uThungulu Municipalities	555	700	515	400	400	400	-	-	-
B KZN281 Umfolozi	55	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	200	500	515	-	-	-	-	-	-
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	400	400	400	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	300	200	-	-	-	-	-	-	-
Total: Ilembe Municipalities	100	-	1 500	-	-	-	-	-	-
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	100	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	1 500	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	100	100	100	-	-	-
B KZN431 Ingwe	-	-	-	100	100	100	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 Umzimkulu	-	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	1 000	1 000	1 000
Total	2 415	5 700	6 960	1 030	1 030	1 030	1 000	1 000	1 000

Table 3.Z: Transfers to local government - Upgrading of Khanya village on Cedara

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	2 000	-	-	-	-	-	-	-
B KZN222 uMngeni	-	2 000	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	-	2 000	-	-	-	-	-	-	-

Table 3.(i): Transfers to local government -Development of EMFs, SEAs and IWMPs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	300	500	1 500	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	500	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	300	-	1 500	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	260	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	260	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	300	-	1 500	-	-	-	-	-	-
C DC23 Uthukela District Municipality	300	-	1 500	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	150	1 500	-	-	-	-	-	-	-
B KZN252 Newcastle	-	1 500	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	150	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	1 500	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	1 500	-	-	-	-	-	-
Total: uThungulu Municipalities	300	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	300	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	1 500	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	1 500	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	1 310	2 000	6 000	-	-	-	-	-	-

Table 3.(ii): Transfers to local government - Waste Management for 2010

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	200	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	200	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	200	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	200	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	200	-	-	-	-	-	-	-
B KZN232 Ennambithi/Ladysmith	-	200	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	200	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	200	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	-	800	-	-	-	-	-	-	-

Table 3.(iii): Transfers to local government - Greenest Municipality Competition

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	150	150	15	100	100	100	-	-	-
B KZN212 Umdoni	-	150	15	100	100	100	-	-	-
B KZN216 Hibiscus Coast	150	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	150	-	265	-	-	-	-	-	-
B KZN222 uMngeni	150	-	265	-	-	-	-	-	-
Total: Uthukela Municipalities	100	250	-	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	100	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	250	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	15	15	15	-	-	-
B KZN245 Umvoti	-	-	-	15	15	15	-	-	-
Total: Amajuba Municipalities	250	-	150	415	415	415	-	-	-
B KZN252 Newcastle	250	-	150	415	415	415	-	-	-
Total: Zululand Municipalities	-	-	15	-	-	-	-	-	-
B KZN261 eDumbe	-	-	15	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	100	-	-	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	100	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	255	500	515	400	400	400	-	-	-
B KZN281 Umfolozi	55	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	200	500	515	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	400	400	400	-	-	-
Total: Ilembe Municipalities	100	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	100	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	100	100	100	-	-	-
B KZN431 Ingwe	-	-	-	100	100	100	-	-	-
Unallocated	-	-	-	-	-	-	1 000	1 000	1 000
Total	1 105	900	960	1 030	1 030	1 030	1 000	1 000	1 000

Table 3.(iv): Comprehensive list of legislative mandates

Transversal legislation

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- KZN Provincial SCM Policy Framework of 2006
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Companies Act (Act No. 61 of 1973)
- Public Service Act (Act No. 109 of 1994, as amended) and Public Service Regulations of 2001
- Labour Relations Act (Act No. 66 of 1995)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Skills Development Act (Act No. 97 of 1998)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Occupational Health and Safety Act (Act No. 85 of 1993)
- Compensation for Occupational Injuries and Diseases Act (Act No. 130 of 1993)
- Annual Division of Revenue Acts
- Employment Equity Act (Act No. 55 of 1998)
- Public Service Commission Act (Act No. 65 of 1984)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)

Agricultural development services legislation

- KwaZulu Animal Protection Act (Act No. 4 of 1987)
- Conservation of Agricultural Resources Act (Act No. 43 of 1983)
- Marketing of Agricultural Products Act (Act No. 47 of 1996)
- Control of Market in Rural Areas Ordinance (No. 38 of 1965)
- Subdivision of Agricultural Land Act (Act No. 10 of 1970)
- Plant Improvement Act (Act No. 53 of 1976)
- Agricultural Pests Act (Act No. 36 of 1983)
- Agriculture Law Extension Act (Act No. of 1996)
- KwaZulu General Law Amendment Act (Act No. 3 of 1987)
- KwaZulu General Law Amendment Act (Act No. 21 of 1988)
- National Veld and Forest Fire Act (Act No. 101 of 1998)
- Veterinary and Para-Veterinary Professions Act (Act No. 19 of 1982)
- Livestock Brands Act (Act No. 87 of 1962)
- Livestock Improvement Act (Act No. 25 of 1977)
- Meat Safety Act, 2000 (Act No. 40 of 2000) (Replacing Abattoir and Co-operation Act)
- South African Medicines and Medical Devices Regulatory Authority Act (Act No. 32 of 1998)
- International Animal Health Code of World Organisation for Animal Health (OIE-Office International des Epizooties)
- Animal Diseases Act (Act No. 35 of 1984)
- International Code for Laboratory Diagnostic Procedure for Animal Diseases of World Organisation for Animal Health
- The Sanitary and Phyto-sanitary Agreement of the World Trade Organisation (WTO)
- Water Service Act (Act No. 108 of 1997)
- Marketing of Agricultural Products Act (Act No. 47 of 1996)
- Agricultural Pests Act (Act No. 36 of 1983)
- Agricultural Research Act (Act No. 86 1990)
- Agricultural Products Standards Act (Act No. 119 of 1990)
- Agricultural Produce Agents Act (Act No. 12 of 1992)
- Agricultural Development Fund Act (Act No. 175 of 1993)
- Perishable Product Export Control Act (Act No. 9 of 1983)
- Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act No. 36 of 1947)

- Agricultural Credit Act (Act No. 28 of 1966)
- Marketing Act (Act No. 59 of 1958)
- Plant Breeder's Right Act (Act No. 15 of 1976)
- Land Redistribution Policy for Agricultural Development
- Agricultural Debt Management Act (Act No. 45 of 2001)
- Soil User Planning Ordinance (Ordinance No. 15 of 1985)
- Generally Modified Organisms Act (Act No. 15 of 1997)
- Hazardous Substances Act, 1973
- Environment Conservation Act (Act No. 73 of 1989)
- Fertilizers, Farm Feeds, Agricultural Remedies & Stock Remedies Act (Act No. 36 of 1947)

Environmental management legislation

- Environmental Management White Paper, 1997
- Environmental Conservation Amendment Act (Act No. 50 of 2003)
- National Environmental Management Act (NEMA) (Act No. 107 of 1998)
- Atmospheric Pollution Prevention Act (Act No. 45 of 1965)
- Prevention of Environmental Pollution Ordinance (Ordinance No. 21 of 1981)
- NEMA: Air Quality Act (Act No. 39 of 2004)
- Marine Living Resources Act (Act No. 18 of 1998)
- NEMA: Integrated Waste Management Bill
- NEMA: EIA Regulations 2006 and Amendments
- Sea Shore Act (Act No. 21 of 1935)
- Integrated Coastal Management Bill
- Municipal Systems Act (Act No. 32 of 2000)
- Spatial Planning and Land Use Management White Paper 2001

Conservation legislation

- KwaZulu-Natal Conservation Management Act (Act No. 9 of 1997)
- National Environmental Management Act - NEMA (Act No. 107 of 1998)
- NEMA: Protected Areas Management Act (Act No. 57 of 2003)
- NEMA: Biodiversity Act (Act No. 10 of 2004)
- National Water Act (Act No. 36 of 1998)
- Marine Living Resources Act (Act No. 18 of 1998)
- National Heritage Resources Act (Act No. 25 of 1999)
- KwaZulu-Natal Heritage Act (Act No. 10 of 1997)
- National Forest Act (Act No. 84 of 1999)
- World Heritage Convention Act (Act No. 49 of 1999)
- Veld and Forest Fire Act (Act No. 101 of 1998)
- Natal Nature Conservation Ordinance (Act No. 15 of 1974)
- Natural Scientific Professions Act (Act No. 27 of 2003)
- Conservation of Agricultural Resources Act (Act No. 43 of 1983)
- Firearms Control Act (Act No. 60 of 2000)
- Expropriation Act (Act No. 63 of 1957)
- Restitution of Land Rights Act (Act No. 22 of 1994)
- Development Facilitation Act (Act No. 67 of 1995)
- Municipal Demarcation Act (Act No. 27 of 1998)

Table 3.(v): Financial summary for Ezemvelo KZN Wildlife

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	205 244	201 380	192 268	188 202	210 126	229 189	250 347
Sale of goods and services other than capital assets	157 002	159 546	158 799	161 894	189 323	206 556	225 701
Interest, dividends and rent on land	23 828	10 520	8 134	7 082	8 713	9 584	10 542
Other non-tax revenue	24 414	31 314	25 335	19 226	12 090	13 049	14 104
Transfers received	350 259	403 920	441 879	499 522	519 087	602 722	639 481
Sale of capital assets	-	249	-	2 003	3 850	4 235	4 659
Total revenue	555 503	605 549	634 147	689 728	733 063	836 146	894 487
Expenses							
Current expense	541 864	631 851	690 937	754 316	733 063	836 146	894 487
Compensation of employees	363 945	402 785	425 357	493 264	522 227	561 948	602 449
Use of goods and services	143 804	180 230	165 380	187 229	189 030	251 340	207 435
Depreciation	30 367	47 346	4 550	72 000	19 921	20 864	82 490
Net loss on disposal of assets	2 384	-	94 142	-	-	-	-
Interest, dividends and rent on land	1 364	1 490	1 508	1 823	1 885	1 994	2 113
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	541 864	631 851	690 937	754 316	733 063	836 146	894 487
Surplus/(deficit)	13 639	(26 302)	(56 790)	(64 588)	-	-	-
Cash flow summary							
Adjust surplus/(deficit) for accrual transactions	55 078	44 826	121 129	72 189	19 921	20 864	82 490
Adjustments for:							
Depreciation	30 367	47 346	4 550	72 000	19 921	20 864	82 490
Interest	81	27	87	189	-	-	-
Net (profit)/loss on disposal of fixed assets	7 043	(249)	94 142	-	-	-	-
Proceeds on disposal of assets	2 814	1 277	1 733	-	-	-	-
Other - external projects	14 773	(3 575)	20 617	-	-	-	-
Operating surplus/(deficit) before changes in working capital	68 717	18 524	64 339	7 601	19 921	20 864	82 490
Changes in working capital	20 801	(27 878)	67 210	-	-	-	-
(Decrease)/increase in accounts payable	(15 846)	(26 105)	69 405	-	-	-	-
Decrease/(increase) in inventories	(1 212)	408	(875)	-	-	-	-
Decrease/(increase) in accounts receivable	24 208	119	(10 595)	-	-	-	-
(Decrease)/increase in provisions	13 651	(2 300)	9 275	-	-	-	-
Cash flow from operating activities	89 518	(9 354)	131 549	7 601	19 921	20 864	82 490
Transfers from government	-	-	-	-	-	-	-
Capital							
Current							
Cash flow from investing activities	(27 678)	(50 496)	(87 505)	(29 792)	(19 921)	(20 864)	(82 490)
Acquisition of assets	(27 678)	(35 746)	(87 505)	(29 792)	(19 921)	(20 864)	(82 490)
Other flows from investing activities	-	(14 750)	-	-	-	-	-
Cash flow from financing activities	(39 800)	(7 560)	1 913	(189)	-	-	-
Net increase/(decrease) in cash and cash equivalents	22 040	(67 410)	45 957	(22 380)	-	-	-
Balance sheet data							
Carrying value of assets	959 617	932 239	927 531	885 323	833 244	782 108	792 598
Investments	94 420	85 994	82 041	82 041	82 041	82 041	82 041
Cash and cash equivalents	81 588	37 354	87 263	64 883	64 883	64 883	64 883
Receivables and prepayments	10 159	10 040	20 635	20 635	20 635	20 635	20 635
Inventory	7 816	7 408	8 283	8 283	8 283	8 283	8 283
TOTAL ASSETS	1 153 600	1 073 035	1 125 753	1 061 165	1 009 086	957 950	968 440
Capital and reserves	884 764	840 137	803 964	739 376	687 297	636 161	646 651
Borrowings							
Post retirement benefits							
Trade and other payables	91 155	62 402	148 444	148 444	148 444	148 444	148 444
Provisions	132 506	130 206	139 481	139 481	139 481	139 481	139 481
Managed funds	45 175	40 290	33 864	33 864	33 864	33 864	33 864
TOTAL EQUITY AND LIABILITIES	1 153 600	1 073 035	1 125 753	1 061 165	1 009 086	957 950	968 440
Contingent Liabilities	-	-	-	-	-	-	-

Table 3.(vi): Financial summary for Mjindi Farming (Pty) Ltd

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	6 138	5 805	5 066	1 742	2 877	3 021	3 187
Sale of goods and services other than capital assets	5 721	5 553	4 901	1 568	2 492	2 617	2 761
Other non-tax revenue	417	252	165	174	385	404	426
Transfers received	8 819	9 127	16 484	33 181	45 000	47 250	49 849
Total revenue	14 957	14 932	21 550	34 923	47 877	50 271	53 036
Expenses							
Current expense	13 953	16 358	23 895	32 390	47 877	50 271	53 036
Compensation of employees	1 363	1 698	3 127	8 160	17 459	18 664	19 690
Goods and services	12 451	14 411	20 516	23 869	29 787	30 885	32 624
Depreciation	135	247	246	361	631	722	722
Unauthorised expenditure	4	2	6	-	-	-	-
Interest, dividends and rent on land							
Unearned reserves (social security funds only)							
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	13 953	16 358	23 895	32 390	47 877	50 271	53 036
Surplus/(deficit)	1 004	(1 426)	(2 345)	2 533	-	-	-
Cash flow summary							
Adjust surplus/(deficit) for accrual transactions	(278)	26	161	187	1 146	1 217	1 195
Adjustments for:							
Depreciation	135	247	246	361	1 531	1 622	1 622
Impairments							
Interest	(413)	(250)	(159)	(174)	(385)	(405)	(427)
Net (profit) / loss on disposal of fixed assets	-	29	74	-	-	-	-
Other							
Operating surplus/(deficit) before changes in working capital	726	(1 400)	(2 184)	2 720	1 146	1 217	1 195
Changes in working capital	233	1 660	11 018	(4 466)	(173)	531	358
(Decrease)/increase in accounts payable	272	1 266	10 656	(5 193)	(1 446)	659	(11)
Decrease/(increase) in accounts receivable	(3 878)	(4 500)	(3 893)	6	336	72	673
Decrease/(increase) in inventory							
(Decrease)/increase in provisions	3 839	4 894	4 255	721	937	(200)	(304)
Cash flow from operating activities	959	260	8 834	(1 572)	973	1 748	1 553
Transfers from government	-	-	-	-	-	-	-
Capital							
Current							
Cash flow from investing activities	(176)	(487)	(2 097)	(6 338)	(1 254)	-	-
Acquisition of Assets	(554)	(499)	(2 097)	(6 338)	(1 254)	-	-
Other flows from investing activities	378	12	-	-	-	-	-
Cash flow from financing activities							
Net increase/(decrease) in cash and cash equivalents	783	(227)	6 737	(7 910)	(281)	1 748	1 553
Balance sheet data							
Carrying value of assets	2 222	2 433	4 209	9 466	8 252	6 831	5 514
Investments							
Cash and cash equivalents	4 737	4 511	11 247	3 337	3 956	6 604	9 056
Receivables and prepayments	2 176	2 031	1 784	1 791	1 826	2 182	1 922
Inventory	57	60	111	98	112	88	102
TOTAL ASSETS	9 192	9 035	17 351	14 692	14 146	15 705	16 594
Capital and reserves	(2 758)	(4 184)	(6 530)	(3 996)	(3 996)	(3 996)	(3 996)
Borrowings							
Post retirement benefits							
Trade and other payables	11 738	12 867	23 262	18 364	17 518	19 109	20 043
Provisions	212	352	619	324	624	592	547
Managed funds							
TOTAL EQUITY AND LIABILITIES	9 192	9 035	17 351	14 692	14 146	15 705	16 594
Contingent Liabilities	-	-	-	-	-	-	-

VOTE 4

Economic Development and Tourism

Operational budget	R 1 639 451 911
MEC remuneration	R 1 566 089
Total amount to be appropriated	R 1 641 018 000
Responsible MEC	Mr. M. Mabuyakhulu, MEC for Economic Development and Tourism
Administering department	Economic Development and Tourism
Accounting officer	Head: Economic Development and Tourism

1. Overview

Vision

The vision of the Department of Economic Development and Tourism is: *For KwaZulu-Natal to become a competitive economy that improves the lives of its people.*

Mission statement

The department's mission is to: *Develop and implement strategies that encourage participatory sustainable economic development.*

Strategic objectives

Strategic policy direction: By focusing on driving the economic development strategies of the province, the department seeks to facilitate strategies to enhance the competitiveness of the priority sectors of the economy, in line with its industrial development strategy. It also seeks to promote the development of small business and social enterprises, to facilitate economic empowerment programmes, and manage the SMME, Co-operative and Growth Funds¹. In addition, it seeks to provide an effective and efficient consumer protection service and to ensure effective and prudent business regulation in the province.

The department has identified the following strategic objectives:

- To facilitate globally competitive and sustainable industries and services.
- To support the development of sustainable small, micro and medium and social enterprises which contribute to food security, wealth and job creation.
- To facilitate integrated planning that ensures effective implementation of sustainable economic development policies, strategies and programmes.
- To effectively promote and package KZN as the choice destination.
- To strengthen compliance with relevant legislation and government policies.
- To be the centre of excellence through effective and efficient administration that promotes service delivery and good corporate governance.
- To create a conducive environment for shared economic growth.
- To champion economic transformation.

¹ It should be noted that, in the 2011/12 Adjustments Estimate, the allocations for the Co-operatives and SMMEs Funds were combined and renamed the Enterprise Development Fund.

- To oversee and co-ordinate implementation of economic policies and strategies.
- To provide leadership in the formulation of economic policy, strategy and related legislation.

Core functions

The department's core functions are summarised as follows:

- To drive the economic development strategies of the province.
- To facilitate strategies to enhance the competitiveness of priority sectors of the economy, in line with the industrial development strategy.
- To promote the development of small business and social enterprises.
- To promote and facilitate economic empowerment programmes.
- To manage the Enterprise Development and Growth Funds.
- To provide an effective and efficient consumer protection service.
- To ensure effective and prudent business regulation in the province.

Legislative mandate

The legislative mandate of the department largely stems from the following Acts and Regulations:

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Public Service Act 1994 (Act No. 103 of 1994)
- Public Service Regulations 2001
- Public Finance Management Act 1999 (Act No. 1 of 1999), as amended, and Treasury Regulations
- Labour Relations Act 1995 (Act No. 66 of 1995)
- Promotion of Access to Information Act 2000 (Act No. 2 of 2000)
- Employment Equity Act 1998 (Act No. 55 of 1998)
- Promotion of Administrative Justice Act 2000 (Act No. 3 of 2000)
- Basic Conditions of Employment Act 1997 (Act No. 75 of 1997)
- The Companies Act 2004 (Act No. 20 of 2004)
- Equality and Prevention of Unfair Discrimination Act 2000 (Act No. 4 of 2000)
- KZN Liquor Licensing Act 2010 (Act No. 6 of 2010)
- KZN Film Commission Act 2010 (Act No. 3 of 2010)
- Trade and Investment KZN Act 2010 (Act No. 4 of 2010)
- Business Act 1991 (Act No. 71 of 1991)
- South African National Consumer Protection Act 2008 (Act No. 68 of 2008) hereafter referred to as the Consumer Protection Act
- Dube TradePort Corporation Act (Act No. 2 of 2010)

The following bill has recently been promulgated and forwarded to the Premier for assenting, and the department awaits notification of the Act number:

- Richards Bay Industrial Development Zone Bill

2. Review of the 2011/12 financial year

Section 2 provides a review of 2011/12, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

Economic recovery

In line with the resolutions of the Economic Recovery Summit, the KZN Economic Council was launched, where public service, organised labour and the private sector will meet to discuss ways on how the provincial economy can grow, despite the instability of the world economy.

Integrated economic development

The department successfully trained 2 000 youth in technical skills such as plumbing, carpentry, electrical appliance repairs, welding, etc. The database for unemployed graduates was successfully established, with more than 1 500 graduates registered on it. The Eshowe Trading Centre project is being handled by the Department of Public Works, while the Richmond Special Development Initiative was decreased in size and is run by the municipality.

The department continued the implementation of the BBBEE Strategy, and four implementation team meetings took place aimed at dealing with the challenges encountered in the implementation of BBBEE. Three workshops were organised for the South African Women Entrepreneurs Network, and 125 women were trained in business management.

The Technology Demonstration *cum* Training Centres (TDTCs), based in uMgungundlovu, and Coastal KZN Further Education and Training Colleges provided training to 32 small enterprises, focusing on wire nails, wire drawing, barbed wire, exercise notebook manufacturing, business management skills and basic computer skills. Furthermore, 23 SMMEs received loan funding from Ithala Development Finance Corporation (Ithala) under the Enterprise Development Fund. This fund was formed during the 2011/12 Adjustments Estimate process by the combination of the allocations to the Co-operative and SMMEs Funds to streamline the functioning of the fund.

The partnership between the department and the KZN Poultry Institute resulted in 50 poultry co-operatives receiving technical training in poultry production. Furthermore, a total of 70 students were enrolled at the University of Zululand for a three-year diploma in co-operative management and a total of 11 district co-operative trainers were enrolled at the University of KwaZulu-Natal (UKZN) Co-operative College for the Train-the-Trainer certificate course.

The department completed the construction of the Mandini Trading Centre, and 18 permanent and 113 temporary/seasonal jobs were created. Four trading centre feasibility studies as well as the Dukuduku Arts and Crafts planning study, carried over from the previous financial year, were completed. In addition, 19 post-graduate students continued their studies at UKZN and a further 636 people belonging to co-operatives were trained through Operation *Vuselela*.

Sector development

The department created market access and product exposure for an additional 30 SMMEs through the Trade Point (part of the eThekweni Metro which, in conjunction with TIK, is assisting SMMEs with marketing). In the area of logistics, through the eThekweni Maritime Cluster, the department engaged the Richards Bay port and the maritime community in establishing the Richards Bay Maritime Cluster. The department, in partnership with the eThekweni Metro, is also working on developing the Durban region as the centre of excellence in Africa for maritime education and skills development. The department is currently engaged in discussions with relevant stakeholders for the establishment of a boatbuilding park. Other achievements were the expansion of goat commercialisation projects throughout the province in collaboration with the Department of Agriculture, Environmental Affairs and Rural Development (DAEARD), and 20 people benefited from the cut-flower training and mentorship project through the public entity Agri-business Development Agency (ADA). Three fashion designers completed their post-graduate programme in fashion entrepreneurship at the UKZN Business School, and the KZN Music Studio recorded 72 musicians and distributed 28 037 CDs to various distribution agencies, to name a few

achievements. With the passing of the KZN Film Commission Act, the department started with the process of registering the entity, and this will be finalised in 2012/13. The Durban KZN Convention Bureau was set up to bid for international events to be hosted within KZN as part of the broader Tourism Development Strategy. To date, the bureau has managed to secure a number of international events, such as Atomic Junkies for 2012, Rotary International for 2019 and the World Leisure Congress for 2016.

Business regulation and governance

The department did not draft a provincial Consumer Act as originally anticipated but rather promoted the implementation of the Consumer Protection Act. The drafting of the Provincial Business Act was delayed due to the redrafting of the national Business Act which has not yet been finalised by the Department of Trade and Industry. The department conducted 400 minor workshops across the province, 145 presentations as well as 18 exhibitions on the Consumer Protection Act. The department undertook 131 inspections which were conducted on businesses to ensure compliance, as well as 14 secondary investigations leading to collaboration with the Financial Services Board and the National Credit Regulator, to act against unregistered credit providers and intermediaries. The department also conducted various processes associated with the implementation of the KZN Liquor Licensing Act. Due to delays because of registration and establishment processes, the KZN Liquor Entity will only be finally established in 2012/13. In addition, the department played an integral role in the formation of the Provincial Informal Economy Chamber.

Economic planning

The department completed a series of research papers such as the Knowledge Economy Integrated Planning Frameworks, People's Guide to the Economy, the Green Economy and Commissioned Waste Management in the Formal and Informal Economy, to name only a few. In addition, the department identified economic drivers for each district through analysing major firms' labour absorption, export share and GDP contribution, and continued to provide leadership in the issuing of a quarterly economic publication.

Dube TradePort Corporation (hereafter referred to as DTP)

DTP is a Schedule 3C public entity established for the strategic planning, establishment, design, construction, operation, management and control of DTP.

DTP is a multi-nodal development, which is being phased in over the next 60 years. Phase 1 of the 60-year Master Plan includes five development zones to enable and drive the development of the air logistics business. These zones include the cargo terminal, trade-zone, King Shaka International Airport, Dube City and the agri-zone.

During 2011/12, DTP was instrumental in securing direct flights between Durban and Dubai in collaboration with Emirates airline. To increase international connectivity even more, negotiations are underway with other airlines interested in providing services to various global and regional destinations.

Further to its efforts to increase connectivity, DTP undertook various activities such as the cultivation of perishables ultimately destined for foreign markets in the agri-zone, property developments that service the needs of local and international travellers (i.e. hotels, entertainment facilities, and retail stores at Dube City), introducing light manufacturing activities amenable to air transport to the trade-zone, and ensuring state-of-the-art airside and landside operations toward guaranteed turnaround times, minimised losses, and ease of movement.

KwaZulu-Natal Sharks Board (KZNSB)

The core function of the KZNSB is the protection of bathers against shark attacks. This mandate is fulfilled through the installation and maintenance of shark safety gear, deployed to prevent shark attacks at 38 popular protected beaches along the KZN coastline. During 2011/12, the KZNSB maintained 23 km of shark netting and 79 drumlines off the KZN coast. Following fatal shark attacks in Port St Johns, the KZNSB was contracted by the national Department of Environmental Affairs to conduct research on the biodiversity of sharks.

The entity also conducted research into non-lethal means of protecting bathers in the form of shark repellent technology. The KZNSB also documents all catches, and collects biological information and material to improve understanding of marine animals.

KZN Tourism Authority (TKZN)

TKZN is responsible for the development, promotion and marketing of tourism into and within KZN.

During the year under review, TKZN formulated relevant strategies aimed at increasing the province's attractiveness for tourism and investment, and was a key driver in the province being awarded the five-year right to hold the annual Tourism *Indaba* from 2011/12 onward. TKZN also participated in key co-ordination forums and initiated strategic business development and special-interest marketing in order to grow and expand tourism. The entity established marketing partnerships with national, regional and international trade, through which access is gained into African and international trade media and agency networks. TKZN also embarked on a strategy to develop materials to increase tourism safety awareness and to render tourism emergency support.

Ithala Development Finance Corporation (Ithala)

Ithala is a provincial development finance institution, which is wholly owned by the KZN provincial government. Ithala focuses on economic development through the provision of financial and non-financial services to businesses and individuals. Ithala's objectives are linked to the development objectives of the province, the main focus of which is to promote, support and facilitate social and economic development.

The 2011/12 results have been impacted on by a slow economic recovery. A major source of income is derived from rental income, and the key driver of the performance is manufacturing growth, which has strengthened, although very slowly. Another main source of income is derived from interest earned on loans advanced, which has also been negatively impacted on by the low interest rates applicable during the year.

Agri-business Development Agency (ADA)

ADA was established in 2010/11 in line with a Cabinet decision to support land reform farmers in the province. The role of ADA is to ensure that emerging farmers and rural communities, particularly those that have acquired land through the restitution programme, have the required farming skills and experience to maintain their farms.

In 2011/12, ADA continued to build its internal capacity. ADA also partnered with DAEARD and the National Department of Rural Development and Land Reform and supported 50 projects to the value of R51 million. Of these projects, eight are in sugarcane, 30 are in other crops and 12 are in livestock.

Trade and Investment KwaZulu-Natal (TIK)

TIK is a trade and investment promotion agency, whose mandate is to attract foreign and domestic investment and to generate exports and export capacity within the province.

Despite the global economic recession, some sectors have continued to create opportunities, particularly the Call Centre and Business Process Outsourcing (BPO) sectors. TIK attracted R1.500 billion worth of investment and created just over 8 000 potential jobs. In addition, TIK hosted several delegations from various target markets and was involved in a number of promotional outreach visits.

TIK, in conjunction with other stakeholders, compiled the KZN Investment Strategy and KZN Export Strategy, as well as the Investment Protocol handbook. These strategic documents will play a significant role in ensuring improved collaboration between public and private entities in the province, in order to enhance business growth.

3. Outlook for the 2012/13 financial year

Section 3 looks at the key focus areas of 2012/13, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments.

Integrated economic development

The department will finalise the implementation plans for the KZN Co-operative and SMME Development Strategies which are aimed at assisting co-operatives and SMMEs with establishing themselves. The feasibility study for the proposed KZN co-operative academy, which is aimed at the training of people who want to work with co-operatives, will be concluded. Similarly, the department will continue the promotion and establishment of financial services co-operatives with the aim of launching the KZN Co-operative Bank. In an endeavour to ensure BBBEE implementation in the province, the department is currently developing a BBBEE framework that will assist departments to improve their scorecard. All suppliers doing business with the provincial government will be expected to submit BBBEE verification certificates.

From a review of the implementation of trading centres within municipalities, it is evident that municipalities lack human and financial resources to develop and operate the desired facilities, which has impacted on the department's ability to assist them. Further, the review has revealed that it may be more effective to reduce the exposure of the state to building facilities and rather pursue movable temporary structures instead. This notion will be explored further in the year. The Okhahlamba Trading Centre project is a new project which is to start in 2012/13, where a trading centre will be built by the municipality, and partly funded by the department as part of the Township Rejuvenation Project.

Trade and sector development

The department's aim will be to increase export awareness for SMMEs, provide relevant accredited training in the short to medium term, and develop a local partnership between the industry and institutions of higher learning such as FET Colleges and Technology Stations in the long term. Further, the department intends to work jointly with other departments in addressing innovation challenges in the maritime sector. The department also plans to encourage firms to prioritise re-investment into their businesses for future growth, and facilitate stakeholder forums and clusters to assist in addressing the challenges related to co-ordination and integration.

The department will also ensure that tourism activities are conducted professionally, effectively and efficiently through alignment of national, provincial and local plans. The department intends to finalise a new draft KZN Tourism bill to align this to new developments in the tourism industry and its regulations.

Stricter measures will be introduced to redress KZN's liquor industry so that more retailers become involved and implement the audit findings (following a regulatory impact assessment conducted by the business unit) of business licensing, particularly in relation to ensuring that business licensing functions are implemented within municipalities. Further, that as per the Regulatory Impact Assessment, which is aimed at the removal of bureaucracy in business, reforms be targeted at sectors with higher job creation potential such as agriculture, tourism and clothing and textile. These sectors feature prominently on broader national and provincial economic growth strategies owing to their labour intensity and capacity to absorb the unskilled and rural labour force.

Economic planning

The department plans to track the implementation of key provincial economic strategies such as the PSEDs, Industry Development Strategy, Export Strategy and Investment Strategy, and to identify new economic opportunities for KZN through focused research, modelling and forecasting. The department also aims to enter into structural agreements with tertiary institutions to undertake research on identified priority sectors in KZN. This will result in the production of up-to-date and reliable statistics and economic indicators for KZN, and will enable the department to track and analyse macroeconomic developments in the provincial, national and global economies, and continuously monitor and evaluate departments' interventions.

Dube TradePort Corporation (DTP)

The focus during 2012/13 will be on, among others, further development of the airside and landside service provision and expanding air to road trucking operations to Johannesburg, Cape Town and Port Elizabeth, commencement of a regional route network service with a regional carrier to identified commercial centres in the South African Development Community (SADC) and commencement with the

development of the general aviation and Maintenance, Repair and Overhaul (MRO) facilities. DTP will continue to manage the strategic property development of the trade-zone and Dube City, as well as expanding the agri-zone by bringing more greenhouses into operation and developing a new packhouse.

In terms of its Information, Communication and Technology (ICT) offerings, DTP will expand voice and broadband services to all new property developments within the DTP precinct.

KZN Sharks Board (KZNSB)

For the 2012/13 MTEF, the KZNSB will continue protecting bathers against shark attacks, while at the same time conserving marine species. It will therefore focus its efforts on producing a shark repellent prototype cable which can be installed at a suitable location and the efficacy validated before full scale production. The KZNSB will also continue to assist provincial, national and international environmental management agencies and other interested parties through sharing of information. It will also continue to provide an educational service to scholars, media and the public. Increased focus will be placed on marketing the activities of the KZNSB to the public, thereby enhancing coastal tourism and conducting awareness programmes, advocacy and lobbying campaigns.

KZN Tourism Authority (TKZN)

Going forward, TKZN envisages the development of a tourism strategy for 2012 to 2017, which is aligned to the National Tourism Sector Strategy and the Tourism Master Plan. The entity will continue its current activities, and also focus on creation of new and strengthening of existing trade platforms, such as packages for special interest groups, tour operators, specific events, etc.

Ithala Development Finance Corporation (Ithala)

Over the 2012/13 MTEF, emphasis will be placed on marketing and improved product offerings, in order to ensure that the market share increases and revenue is enhanced. Ithala will also focus on information technology enhancements. Furthermore, the entity aims to rationalise the banking section by closing uneconomical banking centres. Ithala has also embarked on further cost-cutting measures and a strategy to enhance collections, which is aimed at yielding a positive return in 2012/13.

Agri-business Development Agency (ADA)

For 2012/13, ADA intends to increase the scope of its operations to become fully operational in all of its programmes, including capacity building, technical assistance, on-and-off farm infrastructure and inputs, leverage funding and enterprise and value chain development. The entity will also develop a project management system that will enable it to evaluate, implement, monitor, report and exit projects in a sustainable manner. ADA's 2012/13 strategic goals include improving agricultural productivity and competitiveness of previously disadvantaged commercial farmers, and increasing income and employment in commercial agriculture.

Trade and Investment KwaZulu-Natal (TIK)

The entity will continue to play a pivotal role to market KZN in an advisory capacity to the province, investors and traders, in order to attract new fixed investments in KZN. The entity intends to target SADC and Brazil, Russia, India and China (BRIC) countries to market business development programmes and growth opportunities.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 4.1 below shows the sources of funding for the department over the seven-year period 2008/09 to 2014/15. The table also compares actual and budgeted receipts against actual and budgeted payments.

The department received conditional grant funding of R536 000 in respect of the EPWP Integrated Grant for Provinces in the 2011/12 Adjusted Appropriation. The department shows no expenditure against this allocation in 2011/12. The department received a further amount of R1 million against this grant in 2012/13, which has been allocated to Local Economic Development projects, under Programme 2.

Table 4.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Provincial allocation	2 753 798	2 492 401	1 624 798	1 486 950	1 486 950	1 486 950	1 640 018	1 862 345	2 003 296
Conditional grants	-	-	-	-	536	536	1 000	-	-
EPWP Integrated Grant for Provinces	-	-	-	-	536	536	1 000	-	-
Total receipts	2 753 798	2 492 401	1 624 798	1 486 950	1 487 486	1 487 486	1 641 018	1 862 345	2 003 296
Total payments	1 766 565	2 425 317	1 624 311	1 486 950	1 577 558	1 572 492	1 641 018	1 862 345	2 003 296
Surplus/(Deficit) before financing	987 233	67 084	487	-	(90 072)	(85 006)	-	-	-
Financing									
of which									
Provincial roll-overs									
Provincial cash resources	(700 837)	-	100 000	-	90 072	90 072	-	-	-
Surplus/(deficit) after financing	286 396	67 084	100 487	-	-	5 066	-	-	-

The department's budget peaked at R2.754 billion in 2008/09. However, due to the slow uptake of funding by Ithala, and a delay in the establishment of the KZN Liquor Entity, an amount of R700.837 million was surrendered to the Provincial Revenue Fund, obtained collectively from the Co-operatives, SMME and Growth Funds, as well as the KZN Liquor Entity. This led to the department ending the year with a surplus of R286.396 million.

The under-spending of R67.084 million in 2009/10 was due to the department's decision not to commence with certain projects, in line with the Cabinet-approved Provincial Recovery Plan. These projects included KZN Youth Training, Co-operative Business Training through the FET colleges, the Tembe Honey Pilot Project and Clothing and Textile Co-operative Support.

The allocation to the department dropped significantly in 2010/11 due to the lower funding requirements of DTP, as a result of the completion of the airport portion of the project. In 2010/11, the department was allocated R100 million, which was returned to the Provincial Revenue Fund by Ithala. This funding had been transferred to Ithala in previous years for land purchased for the Richards Bay Industrial Development Zone (RBIDZ). This funding was then allocated to RBIDZ. Due to the decision to create a public entity to control the RBIDZ project, funding will in future be transferred directly to the entity rather than via Ithala.

The drop in the 2011/12 Main Appropriation is due to the lower capital requirements of DTP. In the 2011/12 Adjusted Appropriation, the department received net additional funding of R90.072 million sourced from under-spending by the department in 2010/11. This funding was allocated to DTP for various strategic projects (R84.23 million), to the SMME risk sharing fund with Standard Bank (R2.691 million), and for transfer to TIK for the UCI/BMX event (R3.150 million)

In the December 2011 IYM, the department is projecting to under-spend its 2011/12 budget by R5.066 million, mainly due to under-spending against *Compensation of employees* as the 2011/12 budget was prepared based on the assumption that all vacant posts would be filled from 1 April 2011.

The fairly substantial increase in the provincial allocation from 2011/12 to 2012/13 is due to increased transfers from the provincial fiscus to DTP for capital projects in terms of the Dube TradePort sixty-year Master Plan, as well as increased transfers to the KZN Liquor Entity and TKZN.

The allocation increases steadily over the 2012/13 MTEF.

4.2 Departmental receipts collection

Table 4.2 below gives a summary of the receipts collected by the department. Details of departmental receipts are presented in the *Annexure – Vote 4: Economic Development and Tourism*.

The main revenue collected by the department is in respect of liquor licence fees. The substantial increase in the budgeted revenue in the 2011/12 Main Appropriation was based on the expectation of the KZN Liquor Licensing Act being promulgated in 2010/11. The KZN Liquor Licensing Act was finally promulgated in November 2010. With the promulgation of the Act, the tariffs for all grades of licences are to be reviewed, and it was accordingly envisaged that revenue from this source would increase

substantially in 2011/12. However, collection based on the new tariffs will only be effective in 2012/13. As a result, the department has revised the projected revenue from this source in 2011/12. The collections over the 2012/13 MTEF are based on the revised tariffs.

Table 4.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	4 282	4 831	5 023	46 095	46 095	5 784	48 400	51 062	53 870
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	4 282	4 831	5 023	46 095	46 095	5 784	48 400	51 062	53 870
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	90	111	113	144	144	139	151	159	168
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	350	-	-	304	-	-	-
Transactions in financial assets and liabilities	415	614	100 008	42	42	324	44	46	49
Total	4 787	5 556	105 494	46 281	46 281	6 551	48 595	51 267	54 087

Revenue from *Sale of goods and services other than capital assets* relates to commission on insurance and rental of parking. In 2009/10, revenue increased due to the increased parking fees from departmental officials. The department is projecting a slight under-collection of this revenue in 2011/12 due to decreased recoveries of rentals for parking because of vacant posts not yet filled.

Sale of capital assets reflects the sale of redundant motor vehicles, which was previously reflected under Vote 12: Department of Transport, but which has now been devolved to departments.

Fluctuations in *Transactions in financial assets and liabilities* from 2008/09 relate to once-off recoveries of prior years' expenditure. The high 2010/11 figure relates to R100 million which was returned to the Provincial Revenue Fund by Ithala in respect of funding allocated for the purchase of land for RBIDZ. This money was allocated back to the department in 2010/11 for transfer to RBIDZ.

4.3 Donor funding

Tables 4.3 and 4.4 reflect the expenditure in respect of donor funding over the seven-year period.

Table 4.3: Details of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Donor funding	55 043	31 291	42 626	18 679	18 679	1 171	-	-	-
European Union - Gijima	55 043	31 291	42 626	18 679	18 679	1 171	-	-	-
Total	55 043	31 291	42 626	18 679	18 679	1 171	-	-	-

Table 4.4: Details of payments and estimates of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Donor funding	38 035	28 067	36 364	5 500	5 500	1 171	-	-	-
European Union - Gijima	38 035	28 067	36 364	5 500	5 500	1 171	-	-	-
Total	38 035	28 067	36 364	5 500	5 500	1 171	-	-	-

The department acts as a contracting authority with regard to a local economic development funding partnership with the European Union (EU), the *Gijima* KZN LED Support Programme. This programme brings together skilled private and public sector technical teams funded through the EU and the provincial government. The *Gijima* programme concluded its implementation activities in December 2010. However, the certification of projects is still underway and payments will only be finalised in 2011/12, accounting for the amount reflected in that year. The low 2011/12 Revised Estimate is due to the slow progress in finalising the certification of completed projects.

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 4: Economic Development and Tourism*.

The budget structure largely conforms to the uniform budget and programme structure for the Economic Development sector, and is made up of five programmes that are directly linked to the department's core functions, namely Administration, Integrated Economic Development Services, Trade and Sector Development, Business Regulation and Governance and Economic Planning. The main difference to the budget and programme structure for the sector is that this province has the Tourism Development sub-programme under Programme 3, while Gambling and Betting falls under Vote 1: Office of the Premier. As mentioned in the 2011/12 Adjustments Estimate, the allocations for the Co-operatives and SMMEs Funds under Programme 2 were combined and renamed as the Enterprise Development Fund, which is how this allocation will be referred to hereafter, when referring to the 2011/12 allocation onward.

5.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- Provision was made for the carry-through costs of the 2011 wage agreement and an inflationary wage adjustment of 5 per cent for each of the three years of the 2012/13 MTEF.
- Provision was made for an annual 1.5 per cent pay progression.
- Provision was made for the filling of vacant posts.
- All inflation related increases are based on CPI projections.
- The cost-cutting measures, as reissued by Provincial Treasury in 2012/13, will continue to be adhered to over the 2012/13 MTEF.

5.2 Additional allocations for the 2010/11 to 2012/13 MTEF

Table 4.5 shows the additional funding received by the department over the three MTEF periods: 2010/11, 2011/12 and 2012/13.

The purpose of the below 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 carry-through allocations for the 2010/11 MTEF and 2011/12 MTEF (i.e. for the financial year 2014/15) are based on the incremental percentage used in the 2012/13 MTEF.

Table 4.5: Summary of additional provincial allocations for 2010/11 to 2012/13 MTEF

R thousand	2010/11	2011/12	2012/13	2013/14	2014/15
2010/11 MTEF period	8 260	8 943	9 595	10 123	10 680
Carry-through of 2009/10 Adjustments Estimate - 2009 wage agreement	3 247	3 629	4 015	4 236	4 490
Ministry funding from Vote 6	4 993	5 293	5 558	5 864	6 216
Policy on Incapacity Leave and Ill Health Retirement (PILIR)	20	21	22	23	24
2011/12 MTEF period		13 672	14 372	18 566	19 680
Carry-through of 2010 Adjustments Estimate - 2010 wage agreement		2 955	3 681	5 937	6 293
Implementation of Consumer Protection Act		4 000	3 400	3 400	3 604
KZNSB - Research on non-lethal shark deterrent		2 000	2 500	4 500	4 770
TKZN - Tourism Indaba		5 500	5 800	6 000	6 360
National Cabinet decision to cut provinces by 0.3 per cent		(783)	(1 009)	(1 271)	(1 347)
2012/13 MTEF period			78 499	211 539	253 442
Carry-through of the 2011/12 Adjustments Estimate			4 684	6 352	6 733
UCI/BMX cycling events			4 684	6 352	6 733
DTP - Infrastructure and development			50 000	180 000	220 000
ADA - Operating costs			21 591	22 851	24 257
Carry-through of 2011 wage agreement			2 224	2 336	2 452
Total	8 260	22 615	102 466	240 228	283 802

The allocation over the 2010/11 MTEF made provision for the carry-through costs of the higher than anticipated 2009 wage agreement, and the movement of ministry funding from Vote 6: Provincial Treasury, due to the previous joint ministry budget in that vote. In addition, the allocation over the MTEF provided funding for PILIR.

The allocation for the 2011/12 MTEF made provision for the carry-through costs of the higher than anticipated 2010 wage agreement and the roll-out of the Consumer Protection Act. In terms of this Act, the rights of consumers have been legislated so as to protect them from exploitation by business. The KZNSB received funding for research on an electronic shark repellent to replace the current methods being used. In addition, the province was awarded the right to hold the Tourism *Indaba* for the next five years commencing in 2011 and, based on this, TKZN was allocated funding across the 2011/12 MTEF. It is noted that the additional funding allocated to the entity is only 50 per cent of the required funding for the staging of the Tourism *Indaba*. In line with an agreement with Provincial Treasury, the department and the entity undertook to fund the remaining 50 per cent from within their existing baselines. The Tourism *Indaba* is an annual event at which tourism specialists meet to discuss tourism issues. Also in the 2011/12 MTEF, National Treasury took a decision to cut all national votes and the provincial equitable share by 0.3 per cent. The bulk of the equitable share reduction in KZN was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus of the province. The balance was sourced proportionately from all 16 votes.

The allocation over the 2012/13 MTEF makes provision for the carry-through costs of the higher than anticipated 2011 wage agreement. In addition, additional funding was allocated for the operational costs of ADA and to DTP to fund strategic projects such as cargo shed ramp handing facilities, additional agri-zone works and re-capitalisation of the cargo terminal, among others. There is also an additional allocation for the UCI/BMX cycling event over the 2012/13 MTEF.

5.3 Summary by programme and economic classification

Tables 4.6 and 4.7 provide a summary of payments and budgeted estimates by programme and economic classification, respectively, for the period 2008/09 to 2014/15.

As mentioned previously, the budget structure largely conforms to the uniform budget and programme structure for the Economic Development sector, except for the Tourism Development sub-programme under Programme 3, and the Gambling and Betting function which falls under Vote 1: Office of the Premier in this province.

The high expenditure for the vote as a whole in 2008/09 and 2009/10 was due to the increased funding allocated to DTP. The decrease thereafter is due to the completion of the airport portion of the project. The allocation in 2010/11 includes R100 million for RBIDZ, as discussed in more detail above.

It should be noted that the department identified projects which it would pursue at the time of the preparation of the 2011/12 Adjustments Estimate. However, subsequent to this process, certain of the projects did not proceed as planned, explaining the lower 2011/12 Revised Estimate. For example, the department planned to spend R5 million on the Conference of Parties (COP17) climate change conference, but only spent R100 000.

Table 4.6: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	103 676	146 275	181 666	185 610	213 100	222 745	177 599	186 482	195 803
2. Integrated Economic Development Services	117 905	231 305	420 361	491 932	421 226	423 846	506 042	530 294	556 809
3. Trade and Sector Development	1 517 159	2 016 308	985 631	715 471	867 057	859 486	858 646	1 041 901	1 141 832
4. Business Regulation and Governance	17 084	21 130	24 876	75 222	57 460	49 227	77 653	81 536	85 614
5. Economic Planning	10 741	10 299	11 777	18 715	18 715	17 188	21 078	22 132	23 238
Total	1 766 565	2 425 317	1 624 311	1 486 950	1 577 558	1 572 492	1 641 018	1 862 345	2 003 296

Note: Programme 1 includes MEC remuneration: Salary: R1 566 089

Table 4.7: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	316 657	443 038	417 435	505 829	546 220	542 376	541 055	580 677	620 337
Compensation of employees	68 918	100 183	118 136	151 914	133 404	128 967	172 915	181 502	190 575
Goods and services	247 739	342 855	299 299	353 915	412 816	413 409	368 140	399 175	429 762
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 441 909	1 971 450	1 192 644	977 650	1 027 423	1 027 410	1 096 621	1 278 503	1 379 636
Provinces and municipalities	1 629	5	106	-	26	11	3 543	3 720	3 907
Departmental agencies and accounts	126 853	158 355	153 503	169 731	193 221	193 222	183 327	192 817	203 139
Universities and technikons	791	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	100 000	280 000	324 382	246 810	246 810	331 906	349 949	367 447
Non-profit institutions	1 312 607	1 712 916	758 899	483 537	587 182	587 207	577 845	732 017	805 143
Households	29	174	136	-	184	160	-	-	-
Payments for capital assets	7 999	10 829	13 469	3 471	3 915	2 706	3 342	3 165	3 323
Buildings and other fixed structures	-	3 261	741	-	-	-	-	-	-
Machinery and equipment	7 806	6 815	5 978	3 136	3 580	2 396	2 177	1 943	2 039
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	450	-	-	-	-	-	-	-
Software and other intangible assets	193	303	6 750	335	335	310	1 165	1 222	1 284
Payments for financial assets	-	-	763	-	-	-	-	-	-
Total	1 766 565	2 425 317	1 624 311	1 486 950	1 577 558	1 572 492	1 641 018	1 862 345	2 003 296

The increase in Programme 1: Administration in 2009/10 was due to the costs of the new Ministry office, as well as 2010 World Cup projects, specifically liquor inspectors for inspections at soccer venues. The further increase in 2010/11 was mainly due to costs associated with the 2010 World Cup, additional costs for the new Ministry office, as well as communication costs related to the marketing strategies for the province beyond 2010, after the 2010 World Cup. In the 2011/12 Adjusted Appropriation, savings in respect of the transfer to the Growth and the Enterprise Development Funds were reprioritised to this programme from Programme 2 to fund the Top Gear project (R10 million) and the World Golf Championships (R2 million). The apparent low 2012/13 amount is due to the once-off costs of awareness campaigns in 2011/12 in respect of the Consumer Protection Act and the KZN Liquor Licensing Act.

The increase in Programme 2: Integrated Economic Development Services in 2009/10 relates to the rejuvenation of trading centres in townships project and funding for the SMME Fund, while the growth in 2010/11 relates to funding allocated to the Growth and SMME Funds and co-operative rehabilitation projects in the bakery, school nutrition and agricultural product sectors. In 2010/11, R28 million was reprioritised to Programmes 1 and 3 to offset spending pressures such as security costs for the department's offices, and to fund the *Ifihlile* project. The *Ifihlile* project is aimed at training of youth in various skills, including plumbing and building. This explains the increase in the 2011/12 Main Appropriation. As mentioned above, in the 2011/12 Adjusted Appropriation, savings on the transfer to the Growth and the Enterprise Development Funds were reprioritised to Programme 1 to fund the Top Gear project and World Golf Championships and to Programme 3 to fund an increased subsidy to KZNSB for a biometric access control system. The 2013/14 and 2014/15 amounts increase due to a transfer to the Okhahlamba Development Agency for the establishment of the Okhahlamba Trading Centre. The Agency was set up by the Okhahlamba Municipality to be responsible for all infrastructure developments.

The high spending in Programme 3 in 2008/09 and 2009/10 relates to DTP and RBIDZ, as well as transfer payments to TKZN and KZNSB. The sharp increase in 2009/10 relates to substantial allocations to DTP and RBIDZ in that year, while the decrease in 2010/11 was due to the completion of the airport portion of DTP. The lower allocation in the 2011/12 Main Appropriation (which includes transfers for ADA, DTP and RBIDZ) reflects the lower capital requirements of DTP. The above reasons also account for the movement in *Transfers and subsidies to: Non-profit institutions*. In the 2011/12 Adjusted Appropriation, following discussions during the year with DTP regarding funding pressures, the entity was allocated R84.231 million of the department's under-spending in 2010/11, for strategic projects such as cargo shed ramp handling facilities, additional agri-zone works and the recapitalisation of the cargo terminal. In addition, in the same period, funding was reprioritised from Programme 2 to offset spending pressures in respect of sector and tourism projects, such as the Durban KZN Convention Bureau, Bambatha Lodge and Ingodini Border Caves, and to fund an increased transfer to KZNSB for a biometric access control system. The increase in the 2012/13 MTEF relates to the various transfers to public

entities, the bulk of which is to DTP. This allocation relates to capital investment projects in terms of the Dube TradePort sixty-year Master Plan.

The increase in Programme 4 in 2009/10 relates to the expansion of the coverage of the province in respect of the Consumer Protection Act, and the expansion of the Business Regulation sub-programme. However, it should be noted that the costs of this expansion were incorrectly allocated to the Consumer Protection sub-programme. The increase in 2010/11 relates to the establishment costs of the KZN Liquor Entity, as well as a liquor inspectorate. As a result of delays in the establishment of this entity, a portion of the funding was reprioritised to the Moses Kotane Institute in 2010/11 to provide for the establishment costs of four district offices. The substantial increase in the 2011/12 Main Appropriation relates to additional funding for the operating costs of the KZN Liquor Entity, as well as for the implementation of the Consumer Protection Act across the province. Due to further delays in the establishment of the KZN Liquor Entity because of registration and establishment processes, portion of the allocation was moved to ADA and the Moses Kotane Institute in the 2011/12 Adjusted Appropriation. The allocation increases steadily over the 2012/13 MTEF.

The high 2008/09 spending against Programme 5 was due to the appointment of additional monitoring and evaluation staff, the costs of developing a five-year plan and an Industrial Development Strategy. The 2010/11 spending relates to the establishment of the Policy and Planning and Research and Development sub-programmes. However, in this year, several projects, such as the socio-economic impact of DTP and inner-city regeneration projects, were not carried out due to capacity constraints, hence the increase in the 2011/12 Main Appropriation. This programme increases at an inflationary rate over the 2012/13 MTEF.

The substantial increase in 2009/10 for *Compensation of employees* relates to the filling of critical vacant posts, and the carry-through costs of the various wage agreements. The increase in 2010/11 was mainly due to the appointment of critical staff for the Regulation Services and Liquor Regulation sub-programmes. In the 2011/12 Adjusted Appropriation, savings due to delays in the filling of posts were moved to *Goods and services* to cater for awareness campaigns related to the Consumer Protection Act and the KZN Liquor Licensing Act, and to *Transfers and subsidies to: Departmental agencies and accounts* in respect of an increased transfer to TKZN for the promotion of the East 3 Route, and for the UCI/BMX event held in the province. The allocation over the 2012/13 MTEF increases due to the assumption that all vacant posts will be filled, and the further expansion of the Liquor Regulation sub-programme.

With regard to *Goods and services*, the increase in 2009/10 relates to substantial additional funding for the rejuvenation of trading centres in townships project, co-operative projects, and the creation of Public Viewing Areas (PVA) for the 2009 Confederation Cup and 2010 World Cup matches, and the expansion of the department into districts. It also included the cost of temporary staff employed to assist the Liquor Regulation section with the backlog of liquor licence applications. In 2010/11, funding previously allocated to *Goods and services* in respect of ADA was moved to *Transfers and subsidies to: Non-profit institutions* due to ADA's registration as a public entity, explaining the decrease in that year. The increase in the 2011/12 Main Appropriation relates to co-operative rehabilitation projects and the implementation of the Consumer Protection Act. The increase in the 2011/12 Adjusted Appropriation relates to savings in Programme 2 in respect of transfers to the Growth Fund which were moved to this category to fund several new events, including the Top Gear and World Golf Championship projects. In addition, funding was reprioritised from *Transfers and subsidies to: Public corporations and private enterprises* to provide for the set-up costs of the KZN Liquor Entity. Further additional funding was allocated to this category to provide for the SMME risk sharing fund agreement entered into with Standard Bank. In terms of this agreement, an investment is maintained by Provincial Treasury, which is kept as part of the Provincial Revenue Fund, from which funds are drawn in the event of a SMME defaulting on its loan.

The 2008/09 spending against *Transfers and subsidies to: Provinces and municipalities* is in respect of the construction of market stalls for informal traders in the Ubuhlebezwe and Umzimkulu areas, and the building of a multi-media centre in the eThekweni area. The allocation over the 2012/13 MTEF mainly relates to joint project funding in the Mthonjaneni and Mandeni municipalities, where funds will be transferred to development agencies to be utilised for the establishment of trading centres in these areas.

The spending against *Transfers and subsidies to: Departmental agencies and accounts* relates to funding provided to TIK, KZNSB and TKZN. The increase in 2009/10 pertains to additional funding for the 2010 Tourism *Indaba*. In 2010/11, the entity was allocated funding for the UCI/BMX Tour of SA cycling, which includes the UCI BMX championships. The 2011/12 Main Appropriation increases due to additional funding for the Tourism *Indaba* and funding allocated to KZNSB for research on shark repellent technology. The increase in the 2011/12 Adjusted Appropriation was due to funding reprioritised from the Enterprise Development Fund and allocated to KZNSB for a biometric access control system. In addition, due to savings in *Compensation of employees* because of delays in the filling of posts, the transfer to TKZN was increased for the promotion of the East 3 Route and the UCI/BMX event held in the province.

The spending against *Transfers and subsidies to: Universities and technikons* in 2008/09 can be ascribed to the costs of a post-graduate course on logistics at the UKZN.

The spending in 2009/10 against *Transfers and subsidies to: Public corporations and private enterprises* relates to funding allocated for the SMMEs Fund in that year, while the allocations in 2010/11 are for funding to the Growth and Enterprise Development Funds. The allocation increases in the 2011/12 Main Appropriation mainly due to additional funding for co-operatives. The decrease in the 2011/12 Adjusted Appropriation was mainly due to the reprioritisation of the transfer for the KZN Liquor Entity to *Goods and services* for the establishment costs of the KZN Liquor Entity, also to Programme 3 to fund spending pressures and to Programme 1 to fund the Top Gear and World Golf Championship projects, as well an increased transfer to KZNSB to fund a biometric access control system.

As mentioned previously, the allocations to *Transfers and subsidies to: Non-profit institutions* cover transfers to public entities and other smaller institutions. The allocations peaked in 2009/10, whereafter they decrease, due to the completion of the airport portion of DTP. The allocation in the 2011/12 Main Appropriation reflects transfers to Ithala in respect of the Growth and the Enterprise Development Funds. As mentioned above, the increase in the 2011/12 Adjusted Appropriation relates to an allocation to DTP for strategic projects such as cargo shed ramp handling facilities, additional agri-zone works and the recapitalisation of the cargo terminal. The substantial increase in the allocation over the MTEF, particularly in 2013/14 and 2014/15, relates to capital projects in terms of DTP's sixty-year Master-Plan.

Transfers and subsidies to: Households covers staff exit costs.

The spending against *Buildings and other fixed structures* in 2009/10 was for the costs of establishing a regional office in the Mkuze area, which entailed the purchase of park homes. The spending against *Land and sub-soil assets* in 2009/10 relates to the purchase of land in the Mkuze area for the regional office, while that in 2010/11 is in respect of the purchase of park homes for the Mkuze regional offices.

The high spending in 2008/09 against *Machinery and equipment* relates to a roll-over from 2007/08, for commitments including equipment for new district offices, and assets associated with the implementation of the Master Systems Plan for the department. The spending in 2009/10 and 2010/11 was for motor vehicles. The allocation in 2011/12 and over the 2012/13 MTEF provides funding for the purchase of computer equipment and office furniture for new appointments, as well as equipment for two regional offices still to be established.

The 2009/10 spending in respect of *Software and other intangible assets* relates to the cost of additional Microsoft licences for the Tourism component, while the allocation in 2010/11 relates to the upgrading of various software licences. The allocations over the 2012/13 MTEF relate to Legal Services software, process management software, and software packages for new regional offices.

5.4 Summary of payments and estimates by district municipal area

Table 4.8 shows the payments, excluding operational costs, to be incurred in each district municipality. It should be noted that the figures in the table are merely estimates, as procurement is centralised at head office, therefore it is difficult to project expenditure at district level.

Table 4.8: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14	2014/15
eThekweni	918 000	727 292	866 356	1 042 666	1 137 781
Ugu	446	468	492	519	550
uMgungundlovu	384 416	398 643	395 543	423 464	446 846
Uthukela	-	-	3 000	3 150	3 308
Umzinyathi	446	468	492	519	550
Amajuba	11 396	1 466	1 539	1 624	1 721
Zululand	10 200	10 710	11 246	11 865	12 576
Umkhanyakude	2 380	2 499	2 624	2 768	2 934
uThungulu	58 867	61 623	66 504	70 153	74 343
Ilembe	702	107	1 828	1 920	2 017
Sisonke	446	468	492	519	550
Total	1 387 299	1 203 744	1 350 116	1 559 167	1 683 176

As can be seen from the table above, spending is largely split between the eThekweni Metro and the uMgungundlovu District Municipality. This is due to the allocation of province-wide projects to the uMgungundlovu district, which is the location of the department's head office. The high allocation to eThekweni largely reflects funding for most of the department's public entities which are situated in that area, with a large portion of the allocation going to DTP.

The decline in spending in eThekweni in 2011/12 reflects the lower allocations to DTP in that period due to the completion of the airport portion of the project. The spending in the uThungulu District Municipality over the MTEF can largely be attributed to the funding for the development of the RBIDZ.

The spending in the Zululand District Municipality relates to various LED projects, such as the rejuvenation of trading centres.

5.5 Summary of conditional grant payments and estimates

It should be noted that the department received conditional grant funding of R536 000 in respect of the EPWP Integrated Grant for Provinces in the 2011/12 Adjusted Appropriation, which was shifted from Vote 12: Transport. The department shows no expenditure against this allocation in 2011/12. The department has been allocated an additional R1 million in respect of this conditional grant in terms of DORA 2012. No allocations are made over the balance of the MTEF at this stage.

5.6 Summary of infrastructure payments and estimates

Table 4.9 below summarises the infrastructure payments and estimates relating to the department.

Table 4.9: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
New and replacement assets	-	3 261	741	-	-	-	-	-	-
Existing infrastructure assets	-	-	-	-	-	-	-	-	-
Upgrades and additions									
Rehabilitation, renovations and refurbishments									
Maintenance and repairs									
Infrastructure transfers	1 299 313	1 702 004	683 880	423 739	507 970	507 970	494 926	649 397	717 562
Current	-	24 913	31 953	37 441	37 441	37 441	39 313	41 475	43 964
Capital	1 299 313	1 677 091	651 927	386 298	470 529	470 529	455 613	607 922	673 598
<i>Capital infrastructure</i>	<i>1 299 313</i>	<i>1 680 352</i>	<i>652 668</i>	<i>386 298</i>	<i>470 529</i>	<i>470 529</i>	<i>455 613</i>	<i>607 922</i>	<i>673 598</i>
<i>Current infrastructure</i>	<i>-</i>	<i>24 913</i>	<i>31 953</i>	<i>37 441</i>	<i>37 441</i>	<i>37 441</i>	<i>39 313</i>	<i>41 475</i>	<i>43 964</i>
Total	1 299 313	1 705 265	684 621	423 739	507 970	507 970	494 926	649 397	717 562

The department's infrastructure funding is mostly allocated against *Infrastructure transfers*, except in 2009/10 and 2010/11 when expenditure was incurred against *New and replacement assets*, in respect of the establishment of the Mkuze regional office. Spending in this respect was for the purchase of park homes for an office park which can accommodate thirty offices and two boardrooms.

The increase in *Infrastructure transfers* in 2008/09 and 2009/10 was predominantly due to the funding requirements of DTP. The allocation to this category in 2009/10 was in respect of DTP and RBIDZ.

The allocation to *Infrastructure transfers: Current* is for transfers in respect of the operational costs of DTP. The allocation grows steadily over the period.

The allocation to *Infrastructure transfers: Capital* relates to both DTP and RBIDZ. The significant increase in 2009/10 was due to the reprioritisation of funding from within the baseline of the department for DTP and RBIDZ, to cover commitments carried forward from 2008/09. The reduced allocation in 2010/11 reflects the completion of the airport portion of DTP. The 2011/12 Main Appropriation reflects provision for the continuation of DTP facilities. In the 2011/12 Adjusted Appropriation, additional funding was allocated to DTP to fund strategic projects such as cargo shed ramp handing facilities, additional agri-zone works and re-capitalisation of the cargo terminal, among others. The higher allocations over the 2012/13 MTEF mainly are for transfers to DTP for capital projects in terms of the Dube TradePort sixty-year Master Plan.

The allocation to the RBIDZ in 2010/11 was increased by R100 million which was returned to the Provincial Revenue Fund by Ithala and was allocated to RBIDZ to finalise the purchase of land for Phase 1 of the project. The allocation increases steadily from 2011/12 and over the 2012/13 MTEF.

5.7 Summary of Public Private Partnerships – Nil

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA

Table 4.10 provides a summary of departmental transfers to the public entities that fall under the auspices of the department.

As mentioned previously, in the 2011/12 Adjustments Estimate, the allocations for the Co-operatives and SMMes Funds were combined and renamed as the Enterprise Development Fund.

It is noted that the transfer to Ezemvelo KZN Wildlife (EKZNW) is a once-off allocation to that entity, which falls under the auspices of DAEARD.

Financial summaries in respect of the various public entities (excluding EKZNW) are presented in the *Annexure – Vote 4: Economic Development and Tourism*.

Table 4.10: Summary of departmental transfers to public entities listed in terms of Schedule 3 of the PFMA

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Ithala	-	100 000	280 000	284 300	246 810	246 810	289 500	305 423	320 694
of which									
Co-operatives	-	-	-	84 300	-	-	-	-	-
SMMes	-	100 000	180 000	100 000	-	-	-	-	-
Enterprise Development Fund	-	-	-	-	174 300	174 300	189 500	199 923	209 919
Ithala Share Capital	-	-	40 000	-	-	-	-	-	-
Growth Fund	-	-	60 000	100 000	72 510	72 510	100 000	105 500	110 775
EKZNW	-	-	-	-	970	970	-	-	-
KZNSB	23 297	25 337	25 551	29 084	41 334	41 334	30 938	32 485	34 109
TKZN	61 556	78 602	71 444	79 111	89 381	89 381	87 776	92 165	96 773
ADA	-	-	24 051	20 000	26 000	26 000	36 591	38 676	41 032
DTP	1 299 313	1 598 254	526 905	364 103	448 334	448 335	432 308	583 335	647 535
TIK	42 000	54 416	56 508	61 536	61 536	61 537	64 613	68 167	72 257
Total	1 426 166	1 856 609	984 459	838 134	914 365	914 367	941 726	1 120 251	1 212 400

Ithala was established as an entity in 1999 by the KZN Ithala Development Finance Corporation Act, with the aim of providing financing for historically marginalised communities. The department transfers funds to Ithala on a project-specific funding basis and Ithala then oversees the financing and control of the projects, as well as the recovery of the loans. The 2009/10 spending relates to an allocation to the SMMes Fund. In 2009/10, the funding for the Co-operatives and the Growth Funds was reprioritised to provide

for commitments relating to 2008/09. The once-off allocation of R40 million to Ithala Share Capital in 2010/11 was to assist the bank with its capital adequacy ratios, which had fallen below that required by the Reserve Bank. In 2010/11, the allocation to the Co-operatives Fund was reprioritised to the SMMEs Fund, which explains the increase. In the 2011/12 Adjusted Appropriation, the Co-operatives and the SMME Funds were combined into the Enterprise Development Fund, and the allocations to the Growth and Co-operative Funds reduced. These funds were moved to provide for spending pressures in *Goods and services* under Programme 1 relating to the World Golf Championship and the Top Gear projects, as well as to fund an increase in the allocation to the KZNSB for a biometric access control system. The allocations to this fund increase steadily over the 2012/13 MTEF. The allocation to the Growth Fund also increases steadily over the MTEF.

In the 2011/12 Adjusted Appropriation, savings under *Goods and services* in Programme 2 were moved to provide funding for the department to partner with EKZNW with regard to a corporate social investment project where dams were built for communities in drought-stricken areas of the province.

The allocation to KZNSB rises steadily over the seven-year period, except in the 2011/12 Main Appropriation when the entity was allocated funding for research into non-lethal shark deterrent and in the 2011/12 Adjusted Appropriation when additional once-off funding, provided *via* reprioritisation by the department, was allocated to the entity for a biometric access control system and critical roof repairs. This explains the apparent drop in the allocation in 2012/13. The allocation over the two outer years of the 2012/13 MTEF increases at an inflationary rate.

The allocation to TKZN rises steadily over the seven-year period. The increase in 2009/10 relates to additional funding for the 2010 Tourism *Indaba*. As mentioned in Section 5.2, from 2011/12 the entity was allocated 50 per cent of the costs of the Tourism *Indaba*, with the department undertaking to find the remaining 50 per cent from within its and the entity's baseline. It should be noted that not all of the funding allocated to the department will be transferred to the entity, as some of the costs will be paid directly by the department. In 2011/12, the International Convention Centre withdrew from its commitment to provide the venue for the Tourism *Indaba* free of charge for eight days. Fees for the venue will now have to be sourced, possibly *via* reprioritisation by the department and the entity. This matter has not yet been finalised. In the 2011/12 Adjusted Appropriation, additional funding was allocated to the entity for the promotion of the East 3 Route, and for the UCI/BMX event. The allocation rises steadily over the 2012/13 MTEF.

As mentioned previously, a new public entity, ADA was formed in 2010/11 to accelerate land reform projects in KZN. In 2010/11, the funding was for establishment and operational costs. In the 2011/12 Adjusted Appropriation, additional funding was provided to the entity for operational costs not covered by its budget, such as audit fees, travel costs of additional staff, telephone and fleet costs. It should be noted that the entity receives substantial additional funding over the 2012/13 MTEF for these costs.

The major allocation over the seven-year period was to DTP and covers the operational costs of the entity, capital costs for the acquisition of land at the new airport site, as well as the roll-out of DTP capital projects. The allocation to this project decreased from 2010/11 due to the completion of the airport portion of the project. In the 2011/12 Adjusted Appropriation, DTP was allocated R84.231 million for various strategic projects, such as cargo shed ramp handling facilities, additional agri-zone works and recapitalisation of the cargo terminal to name a few. The increased allocation to DTP over the 2012/13 MTEF relates to major capital projects, as set out in the Dube TradePort sixty-year Master Plan.

The allocation to TIK grows steadily over the seven-year period.

5.9 Transfers to other entities

Table 4.11 gives a summary of departmental transfers to other entities, details of which are given below.

Table 4.11: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation 2011/12	Revised Estimate	Medium-term Estimates		
		2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Anglican Church	1.2 Office of the HOD	-	-	241	-	-	-	-	-	-
Durban International Airport	2.2 Reg / Local Eco Dev	-	-	-	-	-	-	1 000	-	-
iSimangaliso Wetland Park	2.2 Reg / Local Eco Dev	-	-	-	-	350	350	-	-	-
Okhahlamba Dev Agency	2.2 Reg / Local Eco Dev	-	-	-	-	-	-	3 000	3 150	3 308
Co-operatives entity	3.1 Trade and Invest	152	59	-	-	-	-	-	-	-
KZN Economic Council	3.1 Trade and Invest	-	-	-	-	750	750	-	-	-
Clothing and Textile Sector cluster entity	3.2 Sector Development	-	1 643	-	-	-	-	-	-	-
Durban Film Festival	3.2 Sector Development	-	860	1 200	1 200	1 500	1 500	1 500	1 329	1 409
Furniture cluster project	3.2 Sector Development	950	450	-	-	1 500	1 500	-	-	-
ICTe cluster	3.2 Sector Development	554	1 800	-	-	-	-	-	-	-
Indigenous Music	3.2 Sector Development	-	1 000	-	-	-	-	-	-	-
KZN Film Commission	3.2 Sector Development	-	-	-	4 598	-	-	4 828	-	-
KZN Music Studio	3.2 Sector Development	-	-	15 229	4 000	9 600	9 600	3 000	3 165	3 355
Moses Kotane Institute	3.2 Sector Development	10 783	4 500	34 297	30 000	39 512	39 512	33 000	36 300	38 478
SEDA eThekweni	3.2 Sector Development	855	600	-	-	-	-	-	-	-
UKZN	3.2 Sector Development	791	-	-	-	-	-	-	-	-
RBIDZ	3.3 Strategic Initiatives	-	103 750	156 975	59 636	59 636	59 636	62 618	66 062	70 026
KZN Liquor Entity	4.3 Liquor Regulation	-	-	-	40 082	-	-	42 406	44 526	46 753
Total		14 085	114 662	207 942	139 516	112 848	112 848	151 352	154 532	163 329

The allocation to the Moses Kotane Institute increased substantially in 2010/11 and is for the operational costs of the entity. In 2010/11, once-off additional funding was reprioritised for transfer to the entity in order to finalise the establishment of offices in four additional districts. In addition, in the 2011/12 Adjusted Appropriation, additional funding was provided for fixed costs in respect of FET college laboratories, hence the lower allocation over the 2012/13 MTEF. In the 2011/12 Adjusted Appropriation, the allocation was increased due to a shortfall in operational costs of running the training laboratories across the province in relation to the training of youth on software engineering. It is noted that this entity is in the process of applying for listing as a public entity, but that this has not yet been finalised.

As mentioned, the transfer to the RBIDZ is no longer made via Ithala as from 2010/11. In 2010/11, the entity's allocation was increased by R100 million, which relates to funding allocated to Ithala in previous years for land purchases for the project, and which was returned to the Provincial Revenue Fund and re-allocated for direct transfer to RBIDZ. It should be noted that RBIDZ is currently in the process of applying for listing as a public entity. The allocation over the 2012/13 MTEF grows steadily.

In prior years, the funding for the KZN Music Studio was allocated to *Goods and services*. However, due to control and management issues, as well as the difficulty in finding a service provider, the department intends to utilise a private entity for the operationalisation of the studio. The 2010/11 allocation was therefore against *Transfers and subsidies to: Non-profit institutions* and included the once-off establishment costs of the entity. This explains the lower allocation from 2011/12, which relates to the operational costs of the KZN Music Studio. In the 2011/12 Adjusted Appropriation, the allocation was increased due to enforced savings from *Goods and services*, to bring the institution's operational budget in line with previous years' allocations. The allocations over the 2012/13 MTEF are lower, as the intention is for the KZN Music Studio to become self sustainable.

In the 2011/12 Adjusted Appropriation, due to delays in the establishment of the KZN Liquor Entity because of registration and establishment processes, R17.762 million of the allocation to the entity was moved to fund increased transfers to ADA (R6 million), the Moses Kotane Institute (R9.512 million) and portion of the increased transfer to KZNSB (R2.250 million). In addition, an amount of R22.320 million was moved to *Goods and services* for the establishment costs of the KZN Liquor Entity. There is a steady increase in the allocation over the MTEF, which provides for the operational costs of this entity.

Small amounts were allocated to various projects from 2008/09, such as the Durban Film Festival and the Durban International Airport, where the department is making a contribution to the project management unit costs in respect of the development of an inland port for Transnet.

5.10 Transfers to local government

Tables 4.12 and 4.13 below indicate transfers to local government per category. Details of these transfers are given in *Annexure – Vote 4: Economic Development and Tourism*.

It should be noted that portion of the amounts reflected in Table 4.7 as *Transfers and subsidies to: Provinces and municipalities* relate to transfers for motor vehicle licences. As these transfers will not be made to any municipality, they are not reflected in the tables below.

Table 4.12: Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Category A	-	-	-	-	-	-	-	-	-
Category B	300	-	100	-	-	-	3 516	3 692	3 877
Category C	1 326	-	-	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
Total	1 626	-	100	-	-	-	3 516	3 692	3 877

Table 4.13: Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
International Newcastle Alliance Summit	1.1 Office of the MEC	-	-	100	-	-	-	-	-	-
Joint Project Funding	3.2 Sector Development	1 626	-	-	-	-	-	3 516	3 692	3 877
Total		1 626	-	100	-	-	-	3 516	3 692	3 877

In 2008/09, the department identified projects for joint funding. These included market stalls for informal traders in the Sisonke District Municipality and the Umzimkulu areas. Funding was also provided for a call-centre in the Amajuba District Municipality. These projects fall under Categories B and C.

In 2010/11, funding was allocated for a donation toward the costs of the International Newcastle Alliance Summit, under Category B.

The allocation to municipalities over the 2012/13 MTEF relate to joint project funding in the Mthonjaneni and Mandeni municipalities for the establishment of trading centres in those areas.

5.11 Transfers and subsidies

Table 4.14 below is a summary of spending on *Transfers and subsidies* by programme and main category.

The transfer under Programme 1 fluctuates over the seven-year period, largely due to the nature of transfers made. For example:

- *Provinces and municipalities* reflects:
 - A donation made to the Newcastle Municipality in respect of the International Newcastle Alliance Summit in 2010/11.
 - In the 2011/12 Adjusted Appropriation, funding for motor vehicle licences was moved from *Goods and services* due to a change in the SCOA classification of this expense. The historical information in this regard has been restated.
- *Non-profit institutions* relates to a donation made to the Anglican Church's Mothers' Union Natal Diocese and the sponsorship of uniforms for a church choir in Ulundi.
- *Households* relates to staff exit costs.

Table 4.14: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	31	173	346	-	160	145	27	28	30
Provinces and municipalities	3	5	106	-	26	11	27	28	30
Motor vehicle licences	3	5	6	-	26	11	27	28	30
International Newcastle Alliance Summit	-	-	100	-	-	-	-	-	-
Non-profit institutions	-	-	242	-	-	24	-	-	-
Anglican Church - Mothers' Union Natal Diocese	-	-	242	-	-	-	-	-	-
Sponsorship of choir uniforms	-	-	-	-	-	24	-	-	-
Households	28	168	(2)	-	134	110	-	-	-
Social benefits	28	168	(2)	-	134	110	-	-	-
2. Integrated Economic Development Services	700	100 059	280 030	284 300	248 130	248 130	296 016	312 265	327 879
Provinces and municipalities	700	-	-	-	-	-	3 516	3 692	3 877
Joint project funding	700	-	-	-	-	-	3 516	3 692	3 877
Departmental agencies and accounts	-	-	-	-	970	970	-	-	-
EKZNW	-	-	-	-	970	970	-	-	-
Public corporations and private enterprises	-	100 000	280 000	284 300	246 810	246 810	289 500	305 423	320 694
Enterprise Development Fund	-	-	-	-	174 300	174 300	189 500	199 923	209 919
Co-operatives Fund	-	-	-	84 300	-	-	-	-	-
SMMEs Fund	-	100 000	180 000	100 000	-	-	-	-	-
Growth Fund	-	-	60 000	100 000	72 510	72 510	100 000	105 500	110 775
Ithala Share Capital	-	-	40 000	-	-	-	-	-	-
Non-profit institutions	-	59	-	-	350	350	3 000	3 150	3 308
Co-operatives	-	59	-	-	-	-	-	-	-
Okhahlamba Dev Agency	-	-	-	-	-	-	3 000	3 150	3 308
iSimangaliso Wetland Park	-	-	-	-	350	350	-	-	-
Households	-	-	30	-	-	-	-	-	-
Social benefits	-	-	30	-	-	-	-	-	-
3. Trade and Sector Development	1 441 178	1 871 212	912 239	653 268	779 083	779 085	758 172	921 684	1 004 974
Provinces and municipalities	926	-	-	-	-	-	-	-	-
Joint project funding	926	-	-	-	-	-	-	-	-
Departmental agencies and accounts	126 853	158 355	153 503	169 731	192 251	192 252	183 327	192 817	203 139
TIK	42 000	54 416	56 508	61 536	61 536	61 537	64 613	68 167	72 257
KZNSB	23 297	25 337	25 551	29 084	41 334	41 334	30 938	32 485	34 109
TKZN	61 556	78 602	71 444	79 111	89 381	89 381	87 776	92 165	96 773
Universities and technikons	791	-	-	-	-	-	-	-	-
UKZN-Postgraduate course on logistics	791	-	-	-	-	-	-	-	-
Non-profit institutions	1 312 607	1 712 857	758 657	483 537	586 832	586 833	574 845	728 867	801 835
ADA	-	-	24 051	20 000	26 000	26 000	36 591	38 676	41 032
DTP	1 299 313	1 598 254	526 905	364 103	448 334	448 335	432 308	583 335	647 535
Durban Film Festival	-	860	1 200	1 200	1 500	1 500	1 500	1 329	1 409
KZN Film Commission	-	-	-	4 598	-	-	4 828	-	-
KZN Music Studio	-	-	15 229	4 000	9 600	9 600	3 000	3 165	3 355
RBIDZ	-	103 750	156 975	59 636	59 636	59 636	62 618	66 062	70 026
Moses Kotane Institute	10 783	4 500	34 297	30 000	39 512	39 512	33 000	36 300	38 478
Clothing and Textiles Sector Cluster entity	-	1 643	-	-	-	-	-	-	-
ICTe cluster	554	1 800	-	-	-	-	-	-	-
SEDA eThekweni	855	600	-	-	-	-	-	-	-
Indigenous Music	-	1 000	-	-	-	-	-	-	-
Furniture Cluster project	950	450	-	-	1 500	1 500	-	-	-
Co-operatives entity	152	-	-	-	-	-	-	-	-
KZN Economic Council	-	-	-	-	750	750	-	-	-
Durban International Airport	-	-	-	-	-	-	1 000	-	-
Households	1	-	79	-	-	-	-	-	-
Social Benefits	1	-	79	-	-	-	-	-	-
4. Business Regulation and Governance	-	-	-	40 082	-	-	42 406	44 526	46 753
Public corporations and private enterprises	-	-	-	40 082	-	-	42 406	44 526	46 753
KZN Liquor Entity	-	-	-	40 082	-	-	42 406	44 526	46 753
5. Economic Planning	-	6	29	-	50	50	-	-	-
Households	-	6	29	-	50	50	-	-	-
Social benefits	-	6	29	-	50	50	-	-	-
Total	1 441 909	1 971 450	1 192 644	977 650	1 027 423	1 027 410	1 096 621	1 278 503	1 379 636

The transfers under Programme 2 provide for the following:

- *Provinces and municipalities* funding over the 2012/13 MTEF relates to joint project funding in the Mthonjaneni and Mandeni municipalities, as mentioned.
- The allocation to *Departmental agencies and accounts* in the 2011/12 Adjusted Appropriation relates to a transfer to EKZNW to partner with the public entity with regard to corporate social investment projects where dams were built for communities in drought-stricken areas of the province.

- The allocation to *Public corporations and private enterprises* in 2010/11 relates to R60 million allocated to the Growth Fund, and R180 million which was allocated to the SMMEs Fund. The allocation to the Growth Fund was reduced by R40 million, which was transferred to Ithala in order to assist it with its capital adequacy ratios, which had fallen below that required by the Reserve Bank. In the 2011/12 Adjusted Appropriation, the allocation to the Growth Fund was reduced due to the slow rate of spending by Ithala. These funds were moved to fund spending pressures in *Goods and services* under Programme 1, relating to the World Golf Championship and Top Gear projects. As mentioned in the 2011/12 Adjustments Estimate, the Co-operatives and the SMME Funds were combined to form the Enterprise Development Fund. The allocation to the Enterprise Development Fund increases steadily over the 2012/13 MTEF.
- The allocation to *Non-profit institutions* in the 2011/12 Adjusted Appropriation relates to a transfer to iSimangaliso Wetland Park to fund the profiling of the area for tourism projects as part of the Local Area Planning (LAP). In the 2012/13 MTEF, funding was allocated for a transfer to the Okhahlamba Development Agency for the establishment of a trading centre in the Okhahlamba Municipality.
- *Households* relates to staff exit costs.

The transfers under Programme 3 provide for the following:

- *Provinces and municipalities* spending in 2008/09 relates to the establishment of market stalls in the Ubuhlebezwe and Umzimkulu areas.
- *Departmental agencies and accounts* covers transfer payments made to TIK, KZNSB and TKZN.
 - The funding allocated to TIK increases steadily over the seven-year period.
 - The allocation to KZNSB increases steadily, except in the 2011/12 Adjusted Appropriation when additional funding was allocated for a biometric access control system and critical roof repairs.
 - The allocation to TKZN in 2009/10 increased substantially due to additional funding allocated for the 2010 Tourism *Indaba*. In 2010/11, the entity was allocated additional funding for the Tour of SA Cycling, which includes the UCI/BMX championships held in Pietermaritzburg in July 2010. As mentioned, the 2011/12 Main Appropriation includes funding for the 2010 Tourism *Indaba*. In the 2011/12 Adjusted Appropriation, additional funding was allocated for the promotion of the East 3 Route, which is a promotion of northern KZN, Mozambique and Swaziland, and for the UCI/BMX event.
- The spending against *Universities and technikons* in 2008/09 relates to transfer to UKZN for a post-graduate course on logistics.
- *Non-profit institutions* includes allocations to the following:
 - The allocation to ADA in 2010/11 was for once-off establishment and operating costs. The allocation for this entity was originally under *Goods and services* but was moved to this category in 2010/11. In the 2011/12 Adjusted Appropriation, the allocation was increased *via* reprioritisation from savings realised in respect of the KZN Liquor Entity under Programme 4, to provide for various operational costs of the entity not covered by its budget, such as audit fees, travel costs of additional staff, telephone and fleet costs. It should be noted that ADA receives additional funding over the 2012/13 MTEF.
 - The allocation to DTP decreased in 2010/11 due to the completion of the airport portion of the project, while the allocation in 2011/12 is for the development of the agri-zone and cargo-handling portion of the project. In the 2011/12 Adjusted Appropriation, an amount of R84.231 million, arising from under-spending by the department in 2010/11, was allocated to the entity to fund various strategic projects, as mentioned previously. Additional funding has been provided to DTP over the 2012/13 MTEF for capital investments in terms of the entity's sixty-year Master Plan.

- o The RBIDZ project was delayed until 2009/10, due to land ownership issues. In 2009/10, additional funding was allocated to the entity to enable it to purchase land for the project. In 2010/11, an amount of R100 million, which had been allocated to Ithala for land purchases in previous years, was returned to the Provincial Revenue Fund. This funding was then allocated to the department for transfer to RBIDZ for direct spending by the entity. The allocation increases steadily from 2011/12 and over the 2012/13 MTEF.
- o The allocation to the Moses Kotane Institute commenced in 2008/09. The allocation increased substantially in 2010/11 to cater for the operational costs of the entity. In 2010/11 and 2011/12, once-off additional funding was reprioritised for transfer to the entity in order to finalise the establishment of offices in four additional districts. This explains the lower allocation over the 2012/13 MTEF. In the 2011/12 Adjusted Appropriation, the allocation was increased to provide for the already established FET College laboratories' fixed costs.
- o A number of other smaller allocations were made in the period 2008/09 to 2011/12, including the allocation to the KZN Music Studio. The allocations to this entity in 2010/11 and in the 2011/12 Adjusted Appropriation were mainly aimed at establishment and operational costs. The allocation decreases over the MTEF due to the intention that the entity will become self-sustaining.
- *Households* relates to staff exit costs.

Programme 4 caters for the transfer of funds to the KZN Liquor Entity. This transfer falls under *Public corporations and private enterprises*. Due to delays in the promulgation of the KZN Liquor Licensing Act, the funding for this entity was reprioritised to other areas of spending pressure in 2009/10. The Act was promulgated in November 2010 and funding allocated to the entity in 2010/11 was reprioritised to the Moses Kotane Institute to provide for the expansion of its scope. The allocation to the KZN Liquor Entity was moved in the 2011/12 Adjusted Appropriation to fund an increased transfer to ADA and the Moses Kotane Institute, and portion of the increased transfer to KZNSB. There is a steady increase in the allocation over the MTEF.

The transfer to Programme 5 in prior years and in 2011/12 was to *Households* for staff exit costs.

6. Programme description

The services rendered by this department are categorised under five programmes, which are explained below. The payments and budgeted estimates for each programme are summarised in terms of sub-programmes and economic classification, details of which are given in the *Annexure – Vote 4: Economic Development and Tourism*.

The budget structure largely conforms to the uniform budget and programme structure for the Economic Development sector, and is made up of five programmes that are directly linked to the department's core functions, namely Administration, Integrated Economic Development Services, Trade and Sector Development, Business Regulation and Governance and Economic Planning. As mentioned previously, the main difference from the budget and programme structure for the sector is that this province has the Tourism Development sub-programme under Programme 2, and Gambling and Betting falls under Vote 1: Office of the Premier.

6.1 Programme 1: Administration

The main purpose of Programme 1: Administration is to provide for the overall management of the department, and to render a support service to the other programmes in respect of transversal functions. This programme consists of four sub-programmes, namely Office of the MEC, Office of the HOD, Financial Management and Corporate Services.

Tables 4.15 and 4.16 below illustrate the payments and estimates of this programme over the seven-year period 2008/09 to 2014/15.

Table 4.15: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Office of the MEC	-	15 793	16 802	26 678	25 947	27 272	27 570	28 948	30 396
Office of the HOD	28 890	37 741	44 414	49 640	31 307	24 736	36 634	38 466	40 388
Financial Management	12 908	20 551	23 393	24 752	24 152	21 569	23 157	24 315	25 531
Corporate Services	61 878	72 190	97 057	84 540	131 694	149 168	90 238	94 753	99 488
Total	103 676	146 275	181 666	185 610	213 100	222 745	177 599	186 482	195 803

Table 4.16: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	100 128	136 244	168 208	183 319	210 649	220 840	176 670	185 507	194 779
Compensation of employees	21 627	40 302	49 415	59 756	54 642	53 503	62 487	65 613	68 891
Goods and services	78 501	95 942	118 793	123 563	156 007	167 337	114 183	119 894	125 888
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	31	173	346	-	160	145	27	28	30
Provinces and municipalities	3	5	106	-	26	11	27	28	30
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	242	-	-	24	-	-	-
Households	28	168	(2)	-	134	110	-	-	-
Payments for capital assets	3 517	9 858	12 349	2 291	2 291	1 760	902	947	994
Buildings and other fixed structures	-	3 261	741	-	-	-	-	-	-
Machinery and equipment	3 324	5 922	4 885	1 971	1 971	1 460	852	895	939
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	450	-	-	-	-	-	-	-
Software and other intangible assets	193	225	6 723	320	320	300	50	52	55
Payments for financial assets	-	-	763	-	-	-	-	-	-
Total	103 676	146 275	181 666	185 610	213 100	222 745	177 599	186 482	195 803

The allocation to the Office of the MEC sub-programme only commenced in 2009/10, as the department previously shared a MEC with Vote 6: Provincial Treasury. In 2009/10, funding of R4.711 million was shifted from Vote 6 and R10.200 million was reprioritised from Programme 4, due to delays in the promulgation of the KZN Liquor Licensing Act, to provide for the set-up costs of the new ministry, as well as operational costs. Further funding for the sub-programme from 2010/11 going forward was sourced from cost-cutting. The funding for this sub-programme increases steadily over the MTEF.

The spending in 2009/10 in respect of the Office of the HOD included the cost of 2010 World Cup projects, including PVAs and the 2010 communication strategy, while the peak in 2010/11 relates to funding for once-off 2010 World Cup projects. In 2010/11, savings were reprioritised from the Office of the HOD and the Financial Management sub-programmes and moved to the Corporate Services sub-programme to provide for the establishment of a centralised departmental communications unit. The reduction in the 2011/12 Adjusted Appropriation relates to enforced savings moved to the Corporate Services sub-programme for awareness campaigns in respect of the national Consumer Protection Act and the KZN Liquor Licensing Act.

The spending against the Financial Management sub-programme in 2009/10 relates to the expansion of the department's vehicle fleet, and funding to increase capacity in the SCM component. The 2010/11 spending relates to the expansion of the SCM unit. The allocation increases steadily over the MTEF.

The increase in the Corporate Services sub-programme in 2010/11 caters for additional staff, as well as the aggregated cost of the department's district offices. In addition, in 2010/11, savings were reprioritised to this sub-programme from the Office of the HOD and the Financial Management sub-programmes due to the moratorium on the appointment of non-critical staff, to fund the once-off costs of establishing a centralised communications unit. The increase in the 2011/12 Adjusted Appropriation relates to a number of educational and awareness campaigns across KZN to educate the public on the KZN Liquor Licensing Act and the Consumer Protection Act. The allocation increases steadily over the 2012/13 MTEF.

The substantial increase in *Compensation of employees* in 2009/10 relates partly to the expansion of the staff establishment of the Office of the MEC, the establishment of the communications unit, as well the

costs of the 2009 wage agreement. The increases in 2010/11 and the 2011/12 Main Appropriation reflect the carry-through costs of various wage agreements and the expansion of the staff establishment of the Office of the MEC. In the 2011/12 Adjusted Appropriation, savings due to delays in the filling of posts were moved to *Goods and services* to cater for awareness campaigns undertaken to explain the Consumer Protection Act and the KZN Liquor Licensing Act. This explains the increase in *Goods and services* in the 2011/12 Adjusted Appropriation. The allocation increases steadily over the 2012/13 MTEF.

The substantial increase in *Goods and services* in 2009/10 was due to funding shifted from Vote 6: Provincial Treasury and reprioritised from Programme 4 to provide additional funding for the newly established Office of the MEC. The further increase in 2010/11 was mainly due to the costs of 2010 World Cup projects, as mentioned above, as well as municipal charges for one-stop-shops. In addition, costs were incurred on projects such as a hydro-electric feasibility study in Jozini, and the costs of the department's Master Systems Plan. The increase in the 2011/12 Adjusted Appropriation is due to savings in *Compensation of employees* which were moved to fund once-off costs in respect of awareness campaigns undertaken to explain the Consumer Protection Act and the KZN Liquor Licensing Act. This explains the lower allocation over the 2012/13 MTEF.

The allocation to *Transfers and subsidies to: Provinces and municipalities* in the 2011/12 Adjusted Appropriation and over the 2012/13 MTEF is due to costs in respect of motor vehicle licence fees moved from *Goods and services*, due a change in the SCOA treatment of these costs. As mentioned, the historical information has been restated.

The spending against *Transfers and subsidies to: Households* relates to staff exit costs.

As mentioned previously, the spending against *Buildings and other fixed structures* in 2009/10 pertains to the establishment of an office park for the Mkuze regional office, while the spending against *Land and sub-soil assets* in the same year was for the purchase of land for the Mkuze office. The spending in 2010/11 relates to the purchase of park homes for the Mkuze regional offices.

Machinery and equipment spending in 2009/10 reflects the purchase of vehicles. The 2010/11 expenditure includes the purchase of vehicles and the cost of security improvements to the department's head office. The 2011/12 allocation caters for computer equipment for the head office, as well as equipment for the establishment of two regional offices, as reflected in the slight increase in the Financial Management sub-programme. The allocation over the 2012/13 MTEF provides for computer equipment for new appointments, and the replacement of redundant computer equipment.

The 2008/09 spending against *Software and other intangible assets* relates to once-off software costs. The 2009/10 spending can be ascribed to the cost of additional Microsoft licences for the Tourism component. The bulk of the 2010/11 spending was in respect of Microsoft licences, while the balance of spending in that year and in 2011/12 relates to the purchase of legal software resources required by the Legal Services unit, as well as process management software and software packages for the new regional offices.

6.2 Programme 2: Integrated Economic Development Services

The main purpose of this programme is the provision of strategic leadership, direction and co-ordination of economic empowerment initiatives in KZN.

Programme 2 consists of three sub-programmes, namely: Enterprise Development, Regional and Local Economic Development, and Economic Empowerment. As mentioned previously, in the 2011/12 Adjustments Estimate, the allocations for the Co-operatives and SMMEs Funds under this programme were combined and renamed the Enterprise Development Fund, which is how this allocation is referred to hereafter, when referring to the 2011/12 allocation onward.

Tables 4.17 and 4.18 below illustrate payments and estimates for the period 2008/09 to 2014/15.

Table 4.17: Summary of payments and estimates - Programme 2: Integrated Economic Development Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Enterprise Development	78 541	146 759	325 201	387 535	329 836	327 595	395 875	418 131	439 043
Regional and Local Economic Development	18 759	37 961	42 661	78 491	39 842	39 023	81 177	84 180	88 383
Economic Empowerment	20 605	46 585	52 499	25 906	51 548	57 228	28 990	27 983	29 383
Total	117 905	231 305	420 361	491 932	421 226	423 846	506 042	530 294	556 809

Table 4.18: Summary of payments and estimates by economic classification - Prog. 2: Integrated Economic Development Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	114 795	130 992	140 021	207 047	172 479	175 356	209 271	217 580	228 459
Compensation of employees	25 421	32 127	35 697	44 782	44 287	39 002	50 055	52 497	55 122
Goods and services	89 374	98 865	104 324	162 265	128 192	136 354	159 216	165 083	173 337
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	700	100 059	280 030	284 300	248 130	248 130	296 016	312 265	327 879
Provinces and municipalities	700	-	-	-	-	-	3 516	3 692	3 877
Departmental agencies and accounts	-	-	-	-	970	970	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	100 000	280 000	284 300	246 810	246 810	289 500	305 423	320 694
Non-profit institutions	-	59	-	-	350	350	3 000	3 150	3 308
Households	-	-	30	-	-	-	-	-	-
Payments for capital assets	2 410	254	310	585	617	360	755	449	471
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 410	206	310	585	617	360	755	449	471
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	48	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	117 905	231 305	420 361	491 932	421 226	423 846	506 042	530 294	556 809

The low spending in the Enterprise Development sub-programme in 2008/09 was due to the return of the allocation to the Growth and SMMEs Funds to the Provincial Revenue Fund, because of delays in transferring funds to Ithala due to changes in lending requirements and changes to the loan model. This explains the substantial increase in this sub-programme in 2009/10. The sharp increase in 2010/11 relates to funding allocated to the Co-operatives, Growth, and SMMEs Funds, and explains the increase in *Transfers and subsidies to: Public corporations and private enterprises*. Also, in 2010/11, savings identified in *Goods and services* in respect of co-operative rehabilitation projects were reprioritised to Programme 3 to fund new projects, such as the Industrial Strategy and Amajuba Tannery. In the 2011/12 Adjusted Appropriation, funding which was reprioritised from transfers to the Growth and Enterprise Development Funds was moved to Programme 1 to fund the Top Gear and World Golf Championship projects, and to Programme 3 to fund an increased subsidy to KZNSB for a biometric access control system. The substantial increase in the Regional and Local Economic Development sub-programme in 2009/10 relates to the project to rejuvenate trading centres in townships, explaining the increase in *Goods and services* in that year. The higher 2010/11 amount relates to a number of high impact projects, such as the Richmond Special Development Initiative project. The substantial reduction in the 2011/12 Adjusted Appropriation was due to savings identified in *Goods and services*. These savings were as a result of unforeseen delays in co-operative support projects, such as school nutrition and bakery operations, as well as several LED projects, such as the Local Competitiveness Fund and the Okhahlamba Trading Centre, which did not take off as anticipated. These savings were moved to Programme 3 to offset spending pressures in respect of Sector and Tourism projects, such as the Convention Bureau, Bambatha Lodge and Ingodini Border Caves, explaining the reduction in *Goods and services* in the 2011/12 Adjusted Appropriation. The allocation over the 2012/13 MTEF increases by an inflationary adjustment.

The increase in the Economic Empowerment sub-programme in 2009/10 relates to funding reprioritised from *Goods and services* from within the programme for the *Ifihlile* project. The increase in 2010/11 relates to once-off additional funding for the *Ifihlile* project, explaining the reduction in the 2011/12 Main Appropriation. In the 2011/12 Adjusted Appropriation, additional funding was provided for the Youth Skills Programme, which is an extension of the *Ifihlile* project. The 2012/13 MTEF shows a slightly fluctuating trend.

The increase in *Compensation of employees* from 2008/09 to 2011/12 reflects the carry-through costs of the wage agreements and filling of posts. The allocation increases steadily over the 2012/13 MTEF.

The increase in *Goods and services* in 2010/11 relates to funding for the *Ifihlile* project. In 2010/11, funding was reprioritised to Programme 1 for communication costs and to Programme 3 for new projects such as an Industrial Strategy and Amajuba Tannery. This explains the increase in the 2011/12 Main Appropriation. In the 2011/12 Adjusted Appropriation, savings in respect of the transfer to the Growth and Enterprise Development Funds were reprioritised to Programme 1 to fund the Top Gear project, which is a three-year project with funding of R10 million each year from 2011/12, and the World Golf Championship. Funding was also reprioritised to Programme 3 to increase the subsidy to KZNSB to fund a biometric access control system. The 2012/13 and 2013/14 allocations reflect a reduction to provide for the Top Gear project. Taking these transfers into account, the allocation grows steadily over the MTEF.

The allocation to *Transfers and subsidies to: Provinces and municipalities* over the 2012/13 MTEF provides for joint project funding in the Mthonjaneni and Mandeni municipalities for the establishment of trading centres in these areas.

In the 2011/12 Adjusted Appropriation, funding was allocated to *Transfers and subsidies to: Departmental agencies and accounts* in respect of a transfer to EKZNW to partner with the department with regard to a corporate social investment project, as mentioned above.

Transfers and subsidies to: Public corporations and private enterprises from 2009/10 to 2014/15 represents transfers to the Co-operatives and SMMEs Funds, before they were amalgamated into one fund, and the Growth and Enterprise Development Funds after the 2011/12 Adjusted Appropriation.

The allocation to *Transfers and subsidies to: Non-profit institutions* in the 2011/12 Adjusted Appropriation relates to a transfer to iSimangaliso Wetland Park to fund the profiling of the area for tourism projects as part of LAP. The further allocation over the 2012/13 MTEF is due to a transfer to the Okhahlamba Development Agency for the establishment of a trading centre.

The high spending on *Machinery and equipment* in 2008/09 was to provide for the capital requirements of new appointments and capital equipment of one-stop-shops. The allocations from 2009/10 to 2014/15 relate to further provision for capital requirements for new employees, as well as the replacement of redundant equipment.

Service delivery measures – Programme 2: Integrated Economic Development Services

Table 4.19 below shows the main service delivery measures pertaining to Programme 2, both standardised and non-standardised. It should be noted that ‘n/a’ means not-applicable and that the department does not intend to carry out this function in that period, and ‘new’ means that the target is new in that period.

Table 4.19: Service delivery measures – Programme 2: Integrated Economic Development Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
1. Enterprise Development					
1.1 To promote sustainable socio-economic enterprises (i.e. co-operatives and SMMEs)	<ul style="list-style-type: none"> No. of existing SMMEs supported No. of new SMMEs developed 	n/a 2 195	445 2 101	445 2 101	445 2 101
1.2 Train and capacitate designated groups to manage and operate their businesses sustainably	<ul style="list-style-type: none"> No. of SMMEs trained in various skill No. of SMMEs trained in pre-financing and business support programme 	2 052 336	1 665 436	1 665 436	1 665 436
1.3 Facilitate access to finance from various sources	<ul style="list-style-type: none"> No. of SMME's assisted to access funding: 	400	400	400	400
1.4 Facilitate access to markets for the designated groups	<ul style="list-style-type: none"> No. of SMMEs assisted to access markets at various Fairs and Exhibitions 	30	45	45	45
1.5 To be the central source of economic data and lead in the provision of customized economic information to stakeholders in KZN	<ul style="list-style-type: none"> Completed studies in relation to small enterprises in KZN (SMMEs) 	new	2	2	2

Table 4.19: Service delivery measures – Programme 2: Integrated Economic Development Services

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2011/12	2012/13	2013/14	2014/15
2. Co-operatives Development						
2.1	Facilitate access to finance from various sources (designated groups)	<ul style="list-style-type: none">No. of existing co-operatives supportedNo. of new co-operatives developedNo. of co-operatives assisted to access funding from Ithala and other sources	new 390 80	119 150 150	120 50 50	120 50 50
2.2	Train and capacitate designated groups to manage and operate their businesses sustainably	<ul style="list-style-type: none">No. of primary co-operatives trained in business management and technical skillsNo. of co-operatives mentoredNo. of existing co-operatives rehabilitatedNo. of students sponsored for co-operatives management training	80 80 150 81	150 73 46 116	50 50 50 116	50 50 50 116
2.3	Facilitate access to markets for the designated groups	<ul style="list-style-type: none">No. of co-operatives assisted to access markets	20	20	20	20
2.4	To undertake research on identified priority economic sectors in KZN	<ul style="list-style-type: none">No. of co-operative business proposals in priority sectors	new	4	n/a	2
3. Regional and Local Economic Development (RLED)						
3.1	To develop and fund the implementation of sector specific projects	<ul style="list-style-type: none">No. of economic development projects supported at local and regional levelsNo. of sustainable local employment opportunities supported	4 272	12 120	8 150	8 180
3.2	To improve alignment of LED plans between provincial and local spheres	<ul style="list-style-type: none">No. of LED plans developed or reviewedNo. of RLED forums supported	3 new	2 4	5 5	5 5
3.3	To build capacity of stakeholders to plan and manage the local economy	<ul style="list-style-type: none">No. of capacity building interventions to municipalitiesNo. of people trained	1 131	1 175	1 200	1 200
4. Economic Empowerment						
4.1	To train and capacitate the designated groups to manage their businesses sustainably	<ul style="list-style-type: none">No. of target groups specific opportunities identifiedNo. of target groups specific interventionNo. of BEE training workshops organisedNo. of trained through KZN Youth short skillsNo. of youth assisted through unemployed graduate assistanceNo. of women supported in various sectorsNo. of women trained in various skills	2 6 5 2 000 2 50 700 125	2 6 5 3 000 500 700 500	2 6 5 3 000 1 000 800 550	2 6 8 3 000 1 000 500 600
4.2	To build the capacity of stakeholders to plan and manage the local economy	<ul style="list-style-type: none">No. of BBBEE forums establishedNo. of youth empowered through KZN Youth Council chamberNo. of youth empowered through KZN Youth Designers	2 500 50	2 1 000 50	2 1 000 50	2 1 000 50
4.3	To develop provincial legislation, economic policies and strategies to achieve sustainable economic development	<ul style="list-style-type: none">No. of revised, amended or developed target groups strategies	n/a	2	1	2
4.4	To enter into structural agreements with the strategic partners	<ul style="list-style-type: none">No. of BEE compliance MOUs concludedNo. of BEE equity fund MOUs concluded	new new	1 1	1 n/a	n/a n/a
4.5	To increase operational efficiency and effectiveness i.e. monitoring and evaluation	<ul style="list-style-type: none">No. of BBBEE verification certificates issuesNo. of established BBBEE ombudsmans officeNo. of BBBEE implementation systems established	12 new new	1 1 1	1 n/a n/a	n/a n/a n/a

6.3 Programme 3: Trade and Sector Development

The main purpose of this programme is to stimulate economic growth through industry development, trade and investment promotion.

This programme comprises four sub-programmes, namely Trade and Investment Promotion, Sector Development, Strategic Initiatives and Tourism Development.

Tables 4.20 and 4.21 below give a summary of payments and estimates relating to Programme 3 for the period 2008/09 to 2014/15.

Table 4.20: Summary of payments and estimates - Programme 3: Trade and Sector Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Trade and Investment Promotion	1 351 231	1 661 483	591 511	436 969	513 457	513 331	517 002	672 587	741 719
Sector Development	63 505	133 062	118 241	84 252	135 517	136 629	129 331	146 072	165 048
Strategic Initiatives	-	103 754	156 975	59 636	59 636	59 560	62 618	66 062	70 026
Tourism Development	102 423	118 009	118 904	134 614	158 447	149 966	149 695	157 180	165 039
Total	1 517 159	2 016 308	985 631	715 471	867 057	859 486	858 646	1 041 901	1 141 832

Table 4.21: Summary of payments and estimates by economic classification - Programme 3: Trade and Sector Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	74 743	144 735	72 945	62 118	87 852	80 285	100 204	119 933	136 560
Compensation of employees	10 318	10 332	11 555	18 733	9 241	14 222	25 842	27 134	28 491
Goods and services	64 425	134 403	61 390	43 385	78 611	66 063	74 362	92 799	108 069
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 441 178	1 871 212	912 239	653 268	779 083	779 085	758 172	921 684	1 004 974
Provinces and municipalities	926	-	-	-	-	-	-	-	-
Departmental agencies and accounts	126 853	158 355	153 503	169 731	192 251	192 252	183 327	192 817	203 139
Universities and technikons	791	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 312 607	1 712 857	758 657	483 537	586 832	586 833	574 845	728 867	801 835
Households	1	-	79	-	-	-	-	-	-
Payments for capital assets	1 238	361	447	85	122	116	270	284	298
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 238	361	447	70	107	106	270	284	298
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	15	15	10	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 517 159	2 016 308	985 631	715 471	867 057	859 486	858 646	1 041 901	1 141 832

The allocation to this programme increased substantially in 2009/10 due to increased transfers to DTP and RBIDZ, with the largest increase to DTP. The decrease in 2010/11 was due to the completion of the airport portion of the DTP. This also explains the trends in the Trade and Investment Promotion sub-programme, as well as *Transfers and subsidies to: Non-profit institutions* over this period. The allocations to this sub-programme and to *Transfers and subsidies to: Non-profit institutions* in the 2011/12 Main Appropriation reflect funding for the development of a multi-nodal logistic hubs and the agri-zone of the DTP, and transfers to TIK. As mentioned, in the 2011/12 Adjusted Appropriation, DTP was allocated R84.231 million for various strategic projects, such as cargo shed ramp handling facilities, additional agri-zone works and recapitalisation of the cargo terminal, etc. The increased allocation to DTP over the 2012/13 MTEF relates to major capital projects in terms of the Dube TradePort sixty-year Master Plan.

The substantial increase in the Sector Development sub-programme in 2009/10 was due to high impact projects, such as the partnership with Crossley Carpets and the Clothing and Textile programme, also explaining the substantial increase in *Goods and services* in that year. In 2010/11, funding was reprioritised from slow-progress projects in other programmes and used to fund a number of projects, such as the Industrial Strategy and the Amajuba Tannery. The decrease in the 2011/12 Main Appropriation is due to the once-off nature of some of the projects mentioned above. In the 2011/12 Adjusted Appropriation, due to delays in co-operative support programmes, as well as various LED projects, additional funding was reprioritised from Programme 2 and allocated to this sub-programme for various once-off projects such as the Durban KZN Convention Bureau and the Bhambatha Lodge. The allocation increases steadily over the 2012/13 MTEF.

The Strategic Initiatives sub-programme reflects the allocations made to the RBIDZ, and is included under *Transfers and subsidies to: Non-profit institutions*. The transfers to the RBIDZ accelerated from 2009/10. As mentioned previously, in 2010/11 an amount of R100 million was returned to the Provincial Revenue Fund by Ithala, in respect of prior years' funding received for land purchases for RBIDZ. This funding was then allocated to the entity by the department for direct spending by the entity. The allocation shows a steady increase over the 2012/13 MTEF.

The Tourism Development sub-programme shows steady growth over the seven years. As mentioned previously under Section 5.2, the increased allocation to TKZN from 2011/12 relates to the costs of the 2011 Tourism *Indaba*. In terms of an agreement with Provincial Treasury, the funding allocated to the entity amounts to 50 per cent of the requested amount, with the balance being sourced by the department from within *Goods and services* and a portion contributed by TKZN from within its baseline. In the 2011/12 Adjusted Appropriation, due to delays in co-operative support programmes and various LED projects under Programme 2, funding was reprioritised to this sub-programme for various projects, such as the Bambatha Lodge and the Ingodini Border Caves.

Besides the increases due to the various higher than anticipated wage agreements, *Compensation of employees* shows a low overall increase in 2009/10 as it was offset by savings (due to the moratorium on the filling of posts) which were reprioritised to *Transfers and subsidies to: Departmental agencies and accounts* to provide for portion of the increased transfer to TKZN for the Tourism *Indaba*. The increase in the 2011/12 Main Appropriation was due to the carry-through costs of the various higher than anticipated wage agreements, as well as the planned filling of vacant posts. In the 2011/12 Adjusted Appropriation, savings due to the non-filling of these posts was moved to *Goods and services* to offset spending pressures. The substantial increase over the 2012/13 MTEF relates to the planned filling of vacant posts, as well as the carry-through cost of the 2011 wage agreement.

Spending against *Goods and services* in 2008/09 relates to the costs of the KZN Music Studio which were moved from *Transfers and subsidies to: Non-profit institutions*. As mentioned, this was due to a decision to appoint a service provider to carry out this project. The substantial increase in 2009/10 relates to the previously mentioned reprioritisation of funding from Programme 2 for high impact projects, such as the partnership with Crossley Carpets and the Clothing and Textile Support programme. The 2010/11 spending included the operationalisation of the KZN Music Studio and the costs of the Durban Film Festival. The 2011/12 Main Appropriation decreases due to a change in the handling of ADA where a transfer payment is now made, whereas previously the department paid for ADA's set-up and operational costs itself, as well as consultants' fees for other projects. In the 2011/12 Adjusted Appropriation, funding was reprioritised from other programmes to fund Sector and Tourism projects, such as the Durban KZN Convention Bureau, Bambatha Lodge and Ingodini Border Caves. The allocations show healthy growth over the 2012/13 MTEF.

Transfers and subsidies to: Provinces and municipalities in 2008/09 relates to the construction of market stalls for informal traders in the Ubuhlebezwe and Umzimkulu areas.

Transfers and subsidies to: Departmental agencies and accounts encompasses funding provided to TIK, KZNSB and TKZN. The high 2009/10 spending reflects additional funding for the costs of the 2010 Tourism *Indaba*. In 2010/11, the entity was allocated additional funding for the Tour of SA cycling event, which included the UCI/BMX championships. In the 2011/12 Main Appropriation, the KZNSB received additional funding for research into non-lethal shark deterrent, while TKZN received 50 per cent of the cost of the Tourism *Indaba*. In the 2011/12 Adjusted Appropriation, funding was reprioritised to KZNSB for the purchase and installation of a biometric access control system, and to TKZN for the promotion of the East 3 Route, as mentioned above, and for the UCI/BMX event held in the province.

The expenditure against *Transfers and subsidies to: Universities and technikons* in 2008/09 relates to a transfer to UKZN in respect of a graduate programme in logistics.

Transfers and subsidies to: Non-profit institutions pertains to transfers made to DTP, RBIDZ, ADA and the Moses Kotane Institute and a number of smaller projects. The high spending in 2008/09 and 2009/10 reflects the increased spending on DTP in these years. The completion of the airport portion of the project in 2009/10 explains the decrease in 2010/11. In 2010/11, the allocation for ADA was shifted from *Goods and services* to this category, as ADA is a listed public entity and therefore is being funded by transfer payments. In addition, savings were reprioritised from *Transfers and subsidies to: Public corporations and private enterprises* in respect of the KZN Liquor Entity (due to delays in the finalisation of the KZN Liquor Licensing Act) and were allocated to the Moses Kotane Institute for the establishment of a further four district offices. Further, R100 million was returned to the Provincial Revenue Fund by Ithala in respect of the RBIDZ and was allocated to the RBIDZ for land purchases. The increase in the allocations

over the 2012/13 MTEF, particularly in 2013/14 and 2014/15, are associated with the increase in the transfers to public entities as mentioned under Table 4.14 above.

The high spending in 2008/09 in respect of *Machinery and equipment* relates to the roll-over of costs from 2007/08 for capital commitments which were only invoiced in 2008/09. There is steady growth over the MTEF.

Service delivery measures – Programme 3: Trade and Sector Development

Table 4.22 below shows the main service delivery measures pertaining to Programme 3, both standardised and non-standardised. It should be noted that ‘n/a’ means not-applicable and that the department does not intend to carry out this function in that period, and ‘new’ means that the target is new in that period.

Table 4.22: Service delivery measures – Programme 3: Trade and Sector Development

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
1. Trade and Investment Promotion						
1.1 To facilitate access to markets for designated groups	<ul style="list-style-type: none"> No. of businesses assisted with exports No. of international and local trade exhibitions attended 	30 10	100 10	200 10	300 12	
1.2 To identify and support priority sectors	<ul style="list-style-type: none"> No. of parks initiated/established in the province (No. of infrastructure projects supported) No. of investments projects realised No. of exporter databases developed 	new n/a new	1 2 1	1 2 n/a	n/a 2 n/a	
1.3 Enhance skills and capacity of specific industry institutions and stakeholders	<ul style="list-style-type: none"> No. of people trained 	new	100	150	250	
1.4 To develop and fund the implementation of sector specific projects	<ul style="list-style-type: none"> No. of SMMEs supported for upgrading and modernisation (No. of businesses assisted with proactive interventions) 	new	7	5	5	
2. Sector Development						
2.1 To develop and fund the implementation of sector specific projects/programmes	<ul style="list-style-type: none"> No. of high impact projects and programmes completed No. of feasibility studies/business plans completed 	new 5	10 6	11 7	12 7	
2.2 To identify and support priority sectors (infrastructure provision)	<ul style="list-style-type: none"> No. of business assisted with proactive interventions (No. of parks initiated/established) 	new	2	2	0	
2.3 Enhance the skills and capacity of specific sector industry institutions and stakeholders	<ul style="list-style-type: none"> No. of people trained 	800	2 050	2 587	3 095	
2.4 To establish and support institutions that promote economic growth	<ul style="list-style-type: none"> No. of clusters supported No. of institutions supported to promote economic growth (i.e. KZN Economic Council) 	4 1	5 1	5 1	5 1	
3. Strategic Initiative						
3.1 To develop and fund the implementation of sector specific projects/programmes	<ul style="list-style-type: none"> No. of infrastructure projects supported 	2	2	2	2	
4. Tourism Development						
4.1 To develop and implement integrated mechanism that ensure people development and service excellence in the sector	<ul style="list-style-type: none"> No. of people trained 	12 167	6 716	6 716	6 716	
4.2 To promote responsible tourism practices and champion tourism's response to climate change	<ul style="list-style-type: none"> No. of provincial policies/ strategies/ legislation initiated and developed and compliance initiatives 	1	2	3	3	

6.4 Programme 4: Business Regulation and Governance

The aim of this programme is to enable an equitable and socially responsible business environment. The programme consists of three sub-programmes, namely Regulation Services, Consumer Protection and Liquor Regulation. It is noted that this programme excludes Governance and Gaming and Betting, as the Gaming and Betting function falls under Vote 1: Office of the Premier in this province.

Tables 4.23 and 4.24 below summarise the payments and estimates from 2008/09 to 2014/15.

Table 4.23: Summary of payments and estimates - Programme 4: Business Regulation and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Regulation Services	-	-	1 207	5 239	4 250	2 404	5 356	5 623	5 905
Consumer Protection	9 667	12 639	14 278	18 686	18 391	15 099	20 463	21 486	22 561
Liquor Regulation	7 417	8 491	9 391	51 297	34 819	31 724	51 834	54 427	57 148
Total	17 084	21 130	24 876	75 222	57 460	49 227	77 653	81 536	85 614

Table 4.24: Summary of payments and estimates by economic classification - Programme 4: Business Regulation and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	16 827	20 908	24 640	34 720	57 040	48 807	34 947	36 695	38 530
Compensation of employees	7 850	11 894	14 287	17 439	16 313	15 814	22 955	24 103	25 309
Goods and services	8 977	9 014	10 353	17 281	40 727	32 993	11 992	12 592	13 221
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	40 082	-	-	42 406	44 526	46 753
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	40 082	-	-	42 406	44 526	46 753
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	257	222	236	420	420	420	300	315	331
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	257	222	230	420	420	420	300	315	331
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	6	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	17 084	21 130	24 876	75 222	57 460	49 227	77 653	81 536	85 614

It is noted that the 2011/12 Revised Estimate for all of the sub-programmes is significantly lower than the 2011/12 Adjusted Appropriation. The department has indicated that this is due to posts not being filled as planned, thereby also impacting on projects.

In terms of the uniform budget and programme structure for the sector, funding was allocated to a new sub-programme: Regulation Services from 2010/11. The aim of this sub-programme is to monitor and control informal and formal trade. A portion of this funding was reprioritised from the Consumer Protection sub-programme, which previously performed part of the formal and informal trade interventions. Due to the lack of separate records, it was not possible to restate historical figures.

The 2009/10 increase in the Consumer Protection sub-programme relates to further expansion of the coverage of the province in respect of the Consumer Protection Act. This includes the cost of higher levels of advertising and awareness campaigns. The increase in the 2011/12 Main Appropriation relates to an additional allocation for the implementation of the Consumer Protection Act. The allocation increases at a steady rate from 2011/12 onward. The lower 2011/12 Revised Estimate is due to challenges arising from delays in filling posts, as well as a planned outreach programme which did not materialise.

Due to delays in the promulgation of the KZN Liquor Licensing Act, funds for the operational costs of the KZN Liquor Entity were reprioritised to the Moses Kotane Institute under Programme 3 in 2010/11, for establishing four additional district offices of the entity. This explains the increase in the 2011/12 Main Appropriation. In the 2011/12 Adjusted Appropriation, savings due to delays in the establishment of the KZN Liquor Entity, because of registration and establishment processes, were moved to Programme 3 to provide for increased transfers to ADA (R6 million), the Moses Kotane Institute (R9.512 million), and portion of the increased transfer to KZNSB (R2.250 million). The remaining R22.320 million was moved to *Goods and services* to provide for the set-up costs of the entity, such as lease cost, rental of equipment etc. This explains the reduction in *Transfers and subsidies to: Public corporations and private enterprises* in that period. The allocation increases steadily over the 2012/13 MTEF.

Besides the increases due to the various higher than anticipated wage agreements, the increase in *Compensation of employees* in 2008/09 was due to the establishment of Consumer Protection offices

throughout KZN. The increase in 2010/11 included staffing costs for the new Regulation Services sub-programme, as well as the costs of liquor inspectorate staff under the Liquor Regulation sub-programme, explaining the reduction in *Transfers and subsidies to: Public corporations and private enterprises*. The increase over the 2012/13 MTEF relates to the further staffing of the Liquor Regulation sub-programme.

The increase in *Goods and services* in the 2011/12 Main Appropriation is due to additional funding for implementing the Consumer Protection Act across KZN. Also in the 2011/12 Adjusted Appropriation, a portion of the transfer payment for the KZN Liquor Entity was reprioritised to Programme 3 to address spending pressures. As mentioned, the remainder of R22.320 million was moved to this category to provide for the set-up costs of the entity.

The allocation against *Machinery and equipment* over the seven-year period relates to furniture and equipment for the newly appointed staff and the replacement of redundant equipment.

The allocation to *Software and other intangible assets* in 2010/11 relates to the purchase of credit information software.

Service delivery measures – Programme 4: Business Regulation and Governance

Table 4.25 below shows the main service delivery measures pertaining to Programme 4, both standardised and non-standardised.

It should be noted that ‘n/a’ mean not applicable and that the department does not intend to carry out this function in that period, and ‘new’ means that the target is new in that period.

Table 4.25: Service delivery measures – Programme 4: Business Regulation and Governance

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
1. Regulation Services						
1.1 To establish and manage policy frameworks through municipalities to create an enabling environment that supports the informal sector	<ul style="list-style-type: none"> No. of barriers identified No. of barriers addressed No. of provincial informal economy chamber meetings conducted No. of districts provided with business licensing functions No. of municipal informal economy policy alignment programmes facilitated 	2 2 4 new 8	2 2 4 3 11	1 1 4 4 11	1 1 4 1 11	
1.2 To establish and manage the implementation of a regulatory framework with municipalities which contributes to the monitoring of regulatory compliance within the formal business sector	<ul style="list-style-type: none"> No. of municipalities monitored and evaluated with implementation of regulations 	31	31	31	31	
2. Consumer Protection						
2.1 Educate and inform consumers of their rights	<ul style="list-style-type: none"> No. of consumer education programmes conducted 	1 100	1 100	1 100	1 100	
2.2 To co-ordinate and ensure integrated relevant and effective planning (engagement of stakeholders)	<ul style="list-style-type: none"> No. of partnerships established and maintained with Regulators and other stakeholders 	11	64	64	64	
2.3 Address consumer complaints and provide redress	<ul style="list-style-type: none"> No. of complaints received No. of complaints resolved 	7 000 1 225	9 000 3 000	9 000 3 000	9 000 3 000	
2.4 Ensure enforcement and compliance with legal prescripts	<ul style="list-style-type: none"> No. of inspections conducted 	192	192	288	384	
3. Liquor Regulation						
3.1 Identify and develop provincial regulatory frameworks that promote economic growth and good governance	<ul style="list-style-type: none"> Implementation of KZN Liquor Licensing Act No. of quarterly performance reviews tracking the effectiveness of the KZN Liquor Entity in regulating the liquor industry No. of interventions with regard to policy direction and strategy formulation in terms of regulating liquor industry 	new new new	100% 4 2	100% 4 2	100% 4 2	

6.5 Programme 5: Economic Planning

The purpose of this programme is to develop provincial economic policies and strategies to achieve and measure sustainable economic development.

The sub-programmes consist of Policy and Planning, Research and Development, Knowledge Management and Monitoring and Evaluation.

It should be noted that the Policy and Planning and Research and Development sub-programmes were allocated funding reprioritised from the Knowledge Management sub-programme from 2010/11.

Tables 4.26 and 4.27 summarise payments and budgeted estimates for the seven-year period 2008/09 to 2014/15.

Table 4.26: Summary of payments and estimates - Programme 5: Economic Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Policy and Planning	-	-	2 121	3 885	4 749	4 852	6 705	7 041	7 392
Research and Development	-	-	2 809	5 049	5 874	4 003	5 651	5 933	6 229
Knowledge Management	4 923	4 356	1 083	1 693	2 909	1 984	2 016	2 117	2 224
Monitoring and Evaluation	5 818	5 943	5 764	8 088	5 183	6 349	6 706	7 041	7 393
Total	10 741	10 299	11 777	18 715	18 715	17 188	21 078	22 132	23 238

Table 4.27: Summary of payments and estimates by economic classification - Programme 5: Economic Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	10 164	10 159	11 621	18 625	18 200	17 088	19 963	20 962	22 009
Compensation of employees	3 702	5 528	7 182	11 204	8 921	6 426	11 576	12 155	12 762
Goods and services	6 462	4 631	4 439	7 421	9 279	10 662	8 387	8 807	9 247
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	6	29	-	50	50	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	6	29	-	50	50	-	-	-
Payments for capital assets	577	134	127	90	465	50	1 115	1 170	1 229
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	577	104	106	90	465	50	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	30	21	-	-	-	1 115	1 170	1 229
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	10 741	10 299	11 777	18 715	18 715	17 188	21 078	22 132	23 238

The increased spending against this programme from 2011/12 onward is due to the Monitoring and Evaluation sub-programme being fully staffed, the costs of a five-year review plan, the Industrial Development Strategy, as well as spending on printing and publications, among others. There was also spending on office furniture and equipment. The allocation from 2012/13 increases in line with inflation.

As mentioned previously, the Policy and Planning and Research and Development sub-programmes were allocated funding reprioritised from the Knowledge Management sub-programme from 2010/11 onward. Prior to this, the department was unable to finance these sub-programmes, explaining the lack of spending before 2010/11.

Besides the increases due to the various higher than anticipated wage agreements, *Compensation of employees* increased in 2010/11 due to staffing the newly created Policy and Planning and Research and Development sub-programmes. In the 2011/12 Adjusted Appropriation, savings realised because of delays in filling of posts were reprioritised to *Goods and services* to alleviate spending pressures under the Knowledge Management sub-programme, to *Transfers and subsidies to: Households* to provide for

staff exit costs, and to *Machinery and equipment* to cater for a shortfall in respect of capital equipment. This explains the decrease in the Monitoring and Evaluation sub-programme and the increase in *Machinery and equipment* in the 2011/12 Adjusted Appropriation.

The low 2009/10 and 2010/11 spending against *Goods and services* was due to research projects which the department wanted to be conducted by the UKZN, but which could not be carried out due to departmental capacity constraints. In the 2011/12 Adjusted Appropriation, funding was reprioritised from *Compensation of employees* to provide for spending pressures especially in the Knowledge Management sub-programme. The increase in the 2011/12 Main Appropriation was due to once-off funding for the finalisation of a number of provincial policies such as the Industrial Development Strategy. The allocation grows steadily over the 2012/13 MTEF.

Spending against *Machinery and equipment* in 2008/09 relates to the purchase of office furniture and equipment. In the 2011/12 Adjusted Appropriation, funding was provided to cater for a shortfall in respect of capital equipment. The lower Revised Estimate was due to delays in the filling of posts. No purchases of equipment are expected over the 2012/13 MTEF in respect of this programme.

The allocation to *Software and other intangible assets* over the 2012/13 MTEF relates to software purchases for a project support office, which is to be established.

Service delivery measures – Programme 5: Economic Planning

Table 4.28 shows the main service delivery measures pertaining to Programme 5, both standardised and non-standardised.

Table 4.28: Service delivery measures – Programme 5: Economic Planning

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
1. Policy and Planning						
1.1 To develop provincial legislation, economic policies and strategies to achieve sustainable economic development	<ul style="list-style-type: none"> No. of economic strategies developed No. of strategies reviewed 	2 1	1 1	- 1	- 1	
1.2 To be the central source of economic data and lead in the provision of customised economic information to stakeholders in the province	<ul style="list-style-type: none"> No. of publications No. of operational economic statistical portal 	6 1	6 1	6 1	6 1	
1.3 Track and analyse macroeconomic developments in regional and global economies	<ul style="list-style-type: none"> No. of macroeconomic snap shots 	4	4	4	4	
1.4 To build the capacity of stakeholders to plan and manage the local economy	<ul style="list-style-type: none"> No. of economic training sessions conducted 	2	2	2	2	
2. Research and Development						
2.1 To undertake research on identified priority economic sectors in KZN	<ul style="list-style-type: none"> No. of research reports 	6	6	7	7	
2.2 To enter into structural agreements with tertiary institutions on research	<ul style="list-style-type: none"> No. of research and development initiatives supported 	5	5	6	7	
3. Knowledge Management						
3.1 To access, store and disseminate information on the provincial economy	<ul style="list-style-type: none"> No. of provincial economic intelligence reports produced No. of project management information reports produced 	2 6	3 6	3 6	4 6	
4. Monitoring and Evaluation						
4.1 To monitor and evaluate departmental projects and strategies	<ul style="list-style-type: none"> No. of monitoring reports No. of evaluation reports 	9 3	12 5	14 5	14 5	
4.2 To determine the effectiveness and impact of provincial economic development policies, strategies and programmes	<ul style="list-style-type: none"> Provide monitoring and evaluation capacity building for relevant stakeholders in the province 	55	80	80	80	
4.3 To provide M&E capacity building for relevant stakeholders in the province	<ul style="list-style-type: none"> No. of stakeholders trained on monitoring and evaluation 	55	60	60	60	

7. Other programme information

7.1 Personnel numbers and costs

Tables 4.29 and 4.30 show the approved personnel establishment per programme, the total personnel costs of the department and provides details of the personnel numbers and costs. As Table 4.29 shows, the department employs only full-time personnel, and projects significant increases from March, 2012, as it is hoped that most of the vacant posts will be filled.

Table 4.29: Personnel numbers and costs per programme

	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
Personnel numbers							
1. Administration	97	103	117	119	172	172	172
2. Integrated Economic Development Services	75	95	92	108	115	115	115
3. Trade and Sector Development	25	43	39	49	46	46	46
4. Business Regulation and Governance	32	47	45	70	51	51	51
5. Economic Planning	8	13	10	16	25	25	25
Total	237	301	303	362	409	409	409
Total personnel cost (R thousand)	68 918	100 183	118 136	128 967	172 915	181 502	190 575
Unit cost (R thousand)	291	333	390	356	423	444	466

Table 4.30: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Total for department									
Personnel numbers (head count)	237	301	303	409	343	362	409	409	409
Personnel cost (R thousand)	68 918	100 183	118 136	151 914	133 404	128 967	172 915	181 502	190 575
Human resources component									
Personnel numbers (head count)	28	26	26	28	27	27	28	28	28
Personnel cost (R thousand)	4 291	7 090	7 090	8 607	9 440	10 026	10 820	11 415	11 986
Head count as % of total for department	12	9	9	7	8	7	7	7	7
Personnel cost as % of total for department	6	7	6	6	7	8	6	6	6
Finance component									
Personnel numbers (head count)	20	20	20	28	21	21	21	21	21
Personnel cost (R thousand)	3 029	5 245	5 245	10 186	8 501	7 870	7 584	8 001	8 401
Head count as % of total for department	8	7	7	7	6	6	5	5	5
Personnel cost as % of total for department	4	5	4	7	6	6	4	4	4
Full time workers									
Personnel numbers (head count)	237	301	303	409	343	362	409	409	409
Personnel cost (R thousand)	68 918	100 183	118 136	151 914	133 404	128 967	172 915	181 502	190 575
Head count as % of total for department	100	100	100	100	100	100	100	100	100
Personnel cost as % of total for department	100	100	100	100	100	100	100	100	100
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-

The increase in the staff numbers of Programmes 3 and 4 in March 2010 are due to the filling of new posts in these programmes, such as sectoral specialists in various fields and tourism officials.

The timing of the recruitment of new staff in 2008/09 also affected the average cost per employee, as the denominator applies to the full year expenditure, whereas the staff were only recruited in the latter half of the year, and the related expenditure is less than a year. The high unit cost in 2010/11 relates to the effect of the 2010 wage agreement, as well as high level of appointments in Programme 1, due to the Office of the MEC and the Communications unit, etc.

The higher unit cost in 2010/11 is due to a number of performance bonuses and notch increases relating to previous year that were processed in that year.

The increase in salaries over the 2012/13 MTEF is due to the filling of vacant posts being moved forward to the 2012/13 MTEF, as a result of delays in filling these posts in 2011/12.

7.2 Training

Table 4.31 below reflects the payments and estimates for training for the seven-year period.

Table 4.31: Payments on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	571	857	866	1 318	844	1 449	1 500	1 575	1 662
2. Integrated Economic Development Services	178	18	-	-	-	-	-	-	-
3. Trade and Sector Development	226	547	-	-	15	85	40	42	44
4. Business Regulation and Governance	14	-	-	-	-	-	-	-	-
5. Economic Planning	17	36	-	-	-	-	-	-	-
Total	1 006	1 458	866	1 318	859	1 534	1 540	1 617	1 706

A decision was taken in 2009/10 to centralise the bulk of the training budget and move the funds to the Human Resource Management unit under Programme 1. This was to allow the unit to exercise control over the quality and accreditation of training courses attended by departmental officials. This explains the large increase in the training expenditure under Programme 1 from 2009/10. Programme 3 was also high as staff had to be trained on the new regulatory acts, such as the Consumer Protection Act.

Table 4.32 provides further information on training analysed into gender and type of training for the seven-year period.

Table 4.32: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Number of staff	237	301	303	409	343	362	409	409	409
Number of personnel trained	208	301	396	396	396	396	396	396	396
of which									
Male	89	116	157	157	157	157	157	157	157
Female	119	185	239	239	239	239	239	239	239
Number of training opportunities	56	66	90	80	80	80	90	90	90
of which									
Tertiary	24	26	30	30	30	30	30	30	30
Workshops	10	20	40	30	30	30	40	40	40
Seminars	22	20	20	20	20	20	20	20	20
Other	-	-	-	-	-	-	-	-	-
Number of bursaries offered	35	43	48	53	53	53	53	56	56
External	35	43	48	53	53	53	53	56	56
Internal									
Number of interns appointed	20	25	30	36	36	36	36	38	38
Number of learnerships appointed	-	20	20	20	20	20	20	21	21
Number of days spent on training	963	200	200	200	200	200	200	211	211

The high number of training days in 2008/09 relates to specific training on project management and basic economics that was targeted for all employees in order to assist employees in performing their work functions. The department is complying with the requirements of the Skills Development Act in terms of which the department must budget at least 1 per cent of its salary expense for staff training.

ANNEXURE – VOTE 4: ECONOMIC DEVELOPMENT AND TOURISM

Table 4.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	4 282	4 831	5 023	46 095	46 095	5 784	48 400	51 062	53 870
Casino taxes									
Horse racing taxes									
Liquor licences	4 282	4 831	5 023	46 095	46 095	5 784	48 400	51 062	53 870
Motor vehicle licences									
Sale of goods and services other than capital assets	90	111	113	144	144	139	151	159	168
Sale of goods and services produced by dept. (excl. capital assets)	90	111	113	144	144	139	151	159	168
Sales by market establishments	90	111	113	144	144	139	151	159	168
Administrative fees									
Other sales	-	-	-	-	-	-	-	-	-
Of which									
Other									
Sale of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Dividends									
Rent on land									
Sale of capital assets	-	-	350	-	-	304	-	-	-
Land and subsoil assets									
Other capital assets	-	-	350	-	-	304	-	-	-
Transactions in financial assets and liabilities	415	614	100 008	42	42	324	44	46	49
Total	4 787	5 556	105 494	46 281	46 281	6 551	48 595	51 267	54 087

Table 4.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	316 657	443 038	417 435	505 829	546 220	542 376	541 055	580 677	620 337
Compensation of employees	68 918	100 183	118 136	151 914	133 404	128 967	172 915	181 502	190 575
Salaries and wages	61 437	88 478	101 311	132 490	113 961	110 183	148 773	156 160	163 966
Social contributions	7 481	11 705	16 825	19 424	19 443	18 784	24 142	25 342	26 609
Goods and services	247 739	342 855	299 299	353 915	412 816	413 409	368 140	399 175	429 762
of which									
Administrative fees	-	711	601	283	541	234	230	242	254
Advertising	15 246	20 370	13 238	9 861	14 628	13 250	3 505	3 680	3 872
Assets <R5000	3 339	1 853	793	5 482	1 791	972	1 920	2 016	2 123
Audit cost: External	1 431	2 580	1 743	2 100	2 836	2 165	2 530	2 656	2 803
Bursaries (employees)	301	885	321	1 865	802	545	1 275	1 339	1 412
Catering: Departmental activities	4 267	3 199	1 020	1 751	1 056	8 123	1 597	1 677	1 764
Communication	5 065	7 240	7 911	12 614	12 245	9 282	10 589	11 119	11 724
Computer services	3 977	8 229	9 382	8 272	7 900	7 371	11 051	11 603	12 241
Cons/prof: Business & advisory services	132 589	221 137	194 661	219 030	266 929	249 725	252 941	278 213	302 252
Cons/prof: Infrastructure & planning	-	-	-	-	-	645	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	687	613	218	-	-	-	-	-	-
Contractors	-	5 334	6 411	-	3 549	8 306	1 780	1 869	1 971
Agency & support/outourced services	-	393	2	4 977	841	368	1 572	1 650	1 741
Entertainment	-	17	-	95	31	25	566	595	627
Fleet services (incl. GMT)	337	259	597	-	530	1 642	1 471	1 544	1 629
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	97	66	4 621	3 596	812	109	115	120
Inventory: Fuel, oil and gas	-	1	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	15	3	-	-	(35)	-	-	-
Inventory: Materials and supplies	-	84	149	-	-	-	351	369	387
Inventory: Medical supplies	-	79	7	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	32	32	-	-	47	101	106	112
Inventory: Stationery and printing	1 806	4 490	2 348	-	-	2 385	3 112	3 268	3 444
Lease payments	13 026	20 188	22 359	33 517	28 153	25 889	28 120	29 526	31 150
Rental and hiring	-	-	26	-	322	481	50	53	55
Property payments	4 522	5 763	7 620	8 836	7 172	8 039	8 758	9 196	9 702
Transport provided: Departmental activity	2 501	324	45	119	2 579	2 946	32	34	35
Travel and subsistence	18 496	21 831	20 294	19 250	23 128	22 488	25 078	26 332	27 735
Training and development	1 006	1 458	866	1 318	859	1 534	1 540	1 617	1 706
Operating expenditure	28 707	5 822	3 881	13 286	17 564	28 281	3 892	4 086	4 308
Venues and facilities	10 436	9 851	4 705	6 638	15 764	17 889	5 970	6 270	6 595
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	1 441 909	1 971 450	1 192 644	977 650	1 027 423	1 027 410	1 096 621	1 278 503	1 379 636
Provinces and municipalities	1 629	5	106	-	26	11	3 543	3 720	3 907
Provinces	3	5	6	-	26	11	27	28	30
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	3	5	6	-	26	11	27	28	30
Municipalities	1 626	-	100	-	-	-	3 516	3 692	3 877
Municipalities	1 626	-	100	-	-	-	3 516	3 692	3 877
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	126 853	158 355	153 503	169 731	193 221	193 222	183 327	192 817	203 139
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	126 853	158 355	153 503	169 731	193 221	193 222	183 327	192 817	203 139
Universities and technikons	791	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	100 000	280 000	324 382	246 810	246 810	331 906	349 949	367 447
Public corporations	-	100 000	280 000	324 382	246 810	246 810	331 906	349 949	367 447
Subsidies on production	-	-	-	40 082	-	-	42 406	44 526	46 753
Other transfers	-	100 000	280 000	284 300	246 810	246 810	289 500	305 423	320 694
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 312 607	1 712 916	758 899	483 537	587 182	587 207	577 845	732 017	805 143
Households	29	174	136	-	184	160	-	-	-
Social benefits	-	6	-	-	-	-	-	-	-
Other transfers to households	29	168	136	-	184	160	-	-	-
Payments for capital assets	7 999	10 829	13 469	3 471	3 915	2 706	3 342	3 165	3 323
Buildings and other fixed structures	-	3 261	741	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	3 261	741	-	-	-	-	-	-
Machinery and equipment	7 806	6 815	5 978	3 136	3 580	2 396	2 177	1 943	2 039
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	7 806	6 815	5 978	3 136	3 580	2 396	2 177	1 943	2 039
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	450	-	-	-	-	-	-	-
Software and other intangible assets	193	303	6 750	335	335	310	1 165	1 222	1 284
Payments for financial assets	-	-	763	-	-	-	-	-	-
Total	1 766 565	2 425 317	1 624 311	1 486 950	1 577 558	1 572 492	1 641 018	1 862 345	2 003 296

Table 4.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	100 128	136 244	168 208	183 319	210 649	220 840	176 670	185 507	194 779
Compensation of employees	21 627	40 302	49 415	59 756	54 642	53 503	62 487	65 613	68 891
Salaries and wages	18 947	35 489	42 172	52 151	46 719	45 745	53 779	56 470	59 291
Social contributions	2 680	4 813	7 243	7 605	7 923	7 758	8 708	9 143	9 600
Goods and services	78 501	95 942	118 793	123 563	156 007	167 337	114 183	119 894	125 888
of which									
Administrative fees	-	317	368	22	37	7	-	-	-
Advertising	6 393	16 490	10 055	2 257	8 928	9 008	1 250	1 312	1 385
Assets <R5000	1 395	1 580	252	2 789	1 301	636	740	777	819
Audit cost: External	1 431	2 377	1 695	2 100	2 800	2 129	2 430	2 551	2 692
Bursaries (employees)	150	437	333	959	802	545	1 255	1 318	1 390
Catering: Departmental activities	1 482	1 470	624	1 684	759	7 388	651	683	721
Communication	3 486	4 862	6 262	10 485	8 425	6 782	8 116	8 522	8 991
Computer services	3 806	7 935	9 140	8 208	7 315	6 804	10 991	11 540	12 175
Cons/prof: Business & advisory services	24 655	8 351	36 058	33 878	48 371	43 420	26 984	28 335	29 293
Cons/prof: Infrastructure & planning	-	-	-	-	-	645	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	687	600	218	-	-	-	-	-	-
Contractors	-	4 373	5 856	-	1 607	5 568	1 580	1 659	1 750
Agency & support/outourced services	-	345	2	609	717	289	1 572	1 650	1 741
Entertainment	-	-	-	76	16	10	356	374	395
Fleet services (incl. GMT)	337	257	597	-	530	1 642	1 471	1 544	1 629
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	43	37	2 118	2 422	22	75	79	83
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	3	3	-	-	(35)	-	-	-
Inventory: Materials and supplies	-	50	142	-	-	-	-	-	-
Inventory: Medical supplies	-	-	7	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	23	29	-	-	47	73	77	81
Inventory: Stationery and printing	1 005	4 038	1 508	-	-	2 286	1 933	2 030	2 142
Lease payments	13 220	19 743	22 092	33 000	27 966	25 827	28 120	29 526	31 150
Rental and hiring	-	-	-	-	322	435	-	-	-
Property payments	3 839	5 763	7 620	8 836	7 172	7 914	8 758	9 196	9 702
Transport provided: Departmental activity	844	218	45	119	2 318	2 451	32	34	35
Travel and subsistence	1 968	10 039	10 809	7 247	10 541	9 631	11 128	11 685	12 327
Training and development	571	857	866	1 318	844	1 449	1 500	1 575	1 662
Operating expenditure	10 757	2 614	2 335	5 047	10 774	19 888	3 204	3 364	3 549
Venues and facilities	2 475	3 157	1 840	2 811	12 040	12 549	1 964	2 063	2 176
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	31	173	346	-	160	145	27	28	30
Provinces and municipalities	3	5	106	-	26	11	27	28	30
Provinces	3	5	6	-	26	11	27	28	30
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	3	5	6	-	26	11	27	28	30
Municipalities	-	-	100	-	-	-	-	-	-
Municipalities	-	-	100	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	242	-	-	24	-	-	-
Households	28	168	(2)	-	134	110	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	28	168	(2)	-	134	110	-	-	-
Payments for capital assets	3 517	9 858	12 349	2 291	2 291	1 760	902	947	994
Buildings and other fixed structures	-	3 261	741	-	-	-	-	-	-
Buildings	-	3 261	741	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 324	5 922	4 885	1 971	1 971	1 460	852	895	939
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	3 324	5 922	4 885	1 971	1 971	1 460	852	895	939
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	450	-	-	-	-	-	-	-
Software and other intangible assets	193	225	6 723	320	320	300	50	52	55
Payments for financial assets	-	-	763	-	-	-	-	-	-
Total	103 676	146 275	181 666	185 610	213 100	222 745	177 599	186 482	195 803

Table 4.D: Details of payments and estimates by economic classification - Programme 2: Integrated Economic Development Services

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	114 795	130 992	140 021	207 047	172 479	175 356	209 271	217 580	228 459
Compensation of employees	25 421	32 127	35 697	44 782	44 287	39 002	50 055	52 497	55 122
Salaries and wages	22 576	28 500	30 521	39 074	37 866	33 347	43 151	45 255	47 517
Social contributions	2 845	3 627	5 176	5 708	6 421	5 655	6 904	7 242	7 605
Goods and services	89 374	98 865	104 324	162 265	128 192	136 354	159 216	165 083	173 337
of which									
Administrative fees	-	65	85	179	160	102	230	242	254
Advertising	3 744	1 278	265	2 284	640	789	1 190	1 250	1 313
Assets <R5000	1 134	111	79	838	142	189	544	571	602
Audit cost: External	-	203	48	-	36	36	100	105	111
Bursaries (employees)	74	8	(10)	242	-	-	20	21	22
Catering: Departmental activities	1 372	942	234	-	174	211	422	443	466
Communication	355	787	1 085	1 241	972	1 031	1 335	1 402	1 477
Computer services	-	-	-	32	-	-	60	63	66
Cons/prof: Business & advisory services	60 627	85 043	96 225	144 357	114 893	121 358	143 690	148 779	156 176
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	3	-	-	-	-	-	-	-
Contractors	-	604	381	-	1 399	1 345	-	-	-
Agency & support/outsourced services	-	6	-	-	-	-	-	-	-
Entertainment	-	17	-	19	15	15	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	17	10	710	248	215	32	34	35
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	31	4	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	1	2	-	-	-	-	-	-
Inventory: Stationery and printing	288	107	73	-	-	-	259	272	287
Lease payments	(401)	-	-	420	-	-	-	-	-
Rental and hiring	-	-	-	-	-	21	-	-	-
Property payments	683	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	929	-	-	-	261	261	-	-	-
Travel and subsistence	13 088	6 526	4 815	7 312	6 864	6 607	8 778	9 217	9 707
Training and development	178	18	-	-	-	-	-	-	-
Operating expenditure	3 453	794	496	3 486	1 394	1 916	606	636	669
Venues and facilities	3 850	2 304	532	1 145	994	2 258	1 950	2 048	2 152
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	700	100 059	280 030	284 300	248 130	248 130	296 016	312 265	327 879
Provinces and municipalities	700	-	-	-	-	-	3 516	3 692	3 877
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	700	-	-	-	-	-	3 516	3 692	3 877
Municipalities	700	-	-	-	-	-	3 516	3 692	3 877
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	970	970	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	970	970	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	100 000	280 000	284 300	246 810	246 810	289 500	305 423	320 694
Public corporations	-	100 000	280 000	284 300	246 810	246 810	289 500	305 423	320 694
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	100 000	280 000	284 300	246 810	246 810	289 500	305 423	320 694
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	59	-	-	350	350	3 000	3 150	3 308
Households	-	-	30	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	30	-	-	-	-	-	-
Payments for capital assets	2 410	254	310	585	617	360	755	449	471
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 410	206	310	585	617	360	755	449	471
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	2 410	206	310	585	617	360	755	449	471
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	48	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	117 905	231 305	420 361	491 932	421 226	423 846	506 042	530 294	556 809

Table 4.E: Details of payments and estimates by economic classification - Programme 3: Trade and Sector Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	74 743	144 735	72 945	62 118	87 852	80 285	100 204	119 933	136 560
Compensation of employees	10 318	10 332	11 555	18 733	9 241	14 222	25 842	27 134	28 491
Salaries and wages	9 755	9 110	9 995	16 355	7 994	12 416	22 257	23 370	24 539
Social contributions	563	1 222	1 560	2 378	1 247	1 806	3 585	3 764	3 952
Goods and services	64 425	134 403	61 390	43 385	78 611	66 063	74 362	92 799	108 069
of which									
Administrative fees	-	55	42	63	78	40	-	-	-
Advertising	1 899	951	1 250	3 956	459	523	420	441	463
Assets <R5000	365	41	334	593	188	95	130	137	144
Bursaries (employees)	75	440	(2)	664	-	-	-	-	-
Catering: Departmental activities	987	532	55	32	33	150	160	168	176
Communication	66	181	305	238	342	381	560	588	618
Computer services	24	-	171	-	3	3	-	-	-
Cons/prof: Business & advisory services	40 972	122 540	55 776	27 582	72 386	56 516	69 671	87 873	102 896
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	10	-	-	-	-	-	-	-
Contractors	-	274	29	-	543	1 393	-	-	-
Agency & support/outsourced services	-	42	-	4 158	-	-	-	-	-
Entertainment	-	-	-	-	-	-	10	11	11
Fleet services (incl. GMT)	-	2	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	25	6	798	342	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	12	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	2	-	-	-	-	-	-	-
Inventory: Medical supplies	-	79	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	5	1	-	-	-	-	-	-
Inventory: Stationery and printing	231	90	61	-	-	99	171	179	189
Lease payments	50	444	267	47	187	62	-	-	-
Rental and hiring	-	-	26	-	-	25	-	-	-
Property payments	-	-	-	-	-	125	-	-	-
Transport provided: Departmental activity	722	87	-	-	-	204	-	-	-
Travel and subsistence	2 300	3 588	2 218	2 006	2 157	3 039	2 870	3 013	3 164
Training and development	226	547	-	-	15	5	40	42	44
Operating expenditure	13 341	1 423	255	2 499	651	2 007	-	-	-
Venues and facilities	3 167	3 033	596	749	1 227	1 396	330	347	364
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	1 441 178	1 871 212	912 239	653 268	779 083	779 085	758 172	921 684	1 004 974
Provinces and municipalities	926	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	926	-	-	-	-	-	-	-	-
Municipalities	926	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	126 853	158 355	153 503	169 731	192 251	192 252	183 327	192 817	203 139
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	126 853	158 355	153 503	169 731	192 251	192 252	183 327	192 817	203 139
Universities and technikons	791	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 312 607	1 712 857	758 657	483 537	586 832	586 833	574 845	728 867	801 835
Households	1	-	79	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	1	-	79	-	-	-	-	-	-
Payments for capital assets	1 238	361	447	85	122	116	270	284	298
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 238	361	447	70	107	106	270	284	298
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 238	361	447	70	107	106	270	284	298
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	15	15	10	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 517 159	2 016 308	985 631	715 471	867 057	859 486	858 646	1 041 901	1 141 832

Table 4.F: Details of payments and estimates by economic classification - Programme 4: Business Regulation and Governance

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	16 827	20 908	24 640	34 720	57 040	48 807	34 947	36 695	38 530
Compensation of employees	7 850	11 894	14 287	17 439	16 313	15 814	22 955	24 103	25 309
Salaries and wages	6 802	10 270	12 030	15 111	13 736	13 315	19 604	20 584	21 614
Social contributions	1 048	1 624	2 257	2 328	2 577	2 499	3 351	3 519	3 695
Goods and services	8 977	9 014	10 353	17 281	40 727	32 993	11 992	12 592	13 221
of which									
Administrative fees	-	274	90	-	234	85	-	-	-
Advertising	3 164	1 555	1 624	1 243	4 582	2 919	630	661	694
Assets <R5000	212	84	112	1 257	146	41	506	531	558
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	397	236	100	-	80	371	330	347	364
Communication	1 115	1 312	136	567	2 365	955	427	448	471
Computer services	50	294	4	32	582	494	-	-	-
Cons/prof: Business & advisory services	1 752	2 135	3 983	7 590	25 389	21 601	5 776	6 065	6 368
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	-	83	145	-	-	-	200	210	221
Agency & support/outsourced services	-	-	-	210	124	79	-	-	-
Entertainment	-	-	-	-	-	-	200	210	221
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	-	4	5	851	267	323	2	2	2
Inventory: Fuel, oil and gas	-	1	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	-	-	3	-	-	-	351	369	387
Inventory: Medical supplies									
Inventory: Medicine									
Meddas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	2	-	-	-	-	20	21	22
Inventory: Stationery and printing	219	135	401	-	-	-	551	579	607
Lease payments	122	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	50	53	55
Property payments									
Transport provided: Departmental activity	6	19	-	-	-	30	-	-	-
Travel and subsistence	679	1 301	1 995	2 407	3 161	2 327	1 468	1 541	1 618
Training and development	14	-	-	-	-	14	-	-	-
Operating expenditure	493	627	203	2 042	2 667	2 536	-	-	-
Venues and facilities	754	952	1 552	1 082	1 130	1 218	1 481	1 555	1 633
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	-	-	-	40 082	-	-	42 406	44 526	46 753
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	40 082	-	-	42 406	44 526	46 753
Public corporations	-	-	-	40 082	-	-	42 406	44 526	46 753
Subsidies on production	-	-	-	40 082	-	-	42 406	44 526	46 753
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	-	-	-	-	-	-	-	-	-
Social benefits									
Other transfers to households									
Payments for capital assets	257	222	236	420	420	420	300	315	331
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	257	222	230	420	420	420	300	315	331
Transport equipment									
Other machinery and equipment	257	222	230	420	420	420	300	315	331
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	-	6	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	17 084	21 130	24 876	75 222	57 460	49 227	77 653	81 536	85 614

Table 4.G: Details of payments and estimates by economic classification - Programme 5: Economic Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	10 164	10 159	11 621	18 625	18 200	17 088	19 963	20 962	22 009
Compensation of employees	3 702	5 528	7 182	11 204	8 921	6 426	11 576	12 155	12 762
Salaries and wages	3 357	5 109	6 593	9 799	7 646	5 360	9 982	10 481	11 005
Social contributions	345	419	589	1 405	1 275	1 066	1 594	1 674	1 757
Goods and services	6 462	4 631	4 439	7 421	9 279	10 662	8 387	8 807	9 247
of which									
Administrative fees	-	-	16	19	32	-	-	-	-
Advertising	46	96	44	121	19	11	15	16	17
Assets <R5000	233	37	16	5	14	11	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	2	-	-	-	-	-	-	-	-
Catering: Departmental activities	29	19	7	35	10	3	34	36	37
Communication	43	98	123	83	141	133	151	159	167
Computer services	97	-	67	-	-	70	-	-	-
Cons/prof: Business & advisory services	4 583	3 068	2 619	5 623	5 890	6 830	6 820	7 161	7 519
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency & support/outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	8	8	144	317	252	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	1	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	1	-	-	-	-	8	8	9
Inventory: Stationery and printing	63	120	305	-	-	-	198	208	219
Lease payments	35	1	-	50	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	461	377	457	278	405	884	834	876	919
Training and development	17	36	-	-	-	66	-	-	-
Operating expenditure	663	364	592	212	2 078	1 934	82	86	90
Venues and facilities	190	405	185	851	373	468	245	257	270
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	6	29	-	50	50	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	6	29	-	50	50	-	-	-
Social benefits	-	6	-	-	-	-	-	-	-
Other transfers to households	-	-	29	-	50	50	-	-	-
Payments for capital assets	577	134	127	90	465	50	1 115	1 170	1 229
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	577	104	106	90	465	50	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	577	104	106	90	465	50	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	30	21	-	-	-	1 115	1 170	1 229
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	10 741	10 299	11 777	18 715	18 715	17 188	21 078	22 132	23 238

Table 4.H: Payments and estimates by economic classification: Conditional grant: EPWP Integrated Grant for Provinces

R thousand	Audited Outcome			Main Appropriati	Adjusted Appropriati	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	-	-	-	-	536	-	1 000	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	536	-	1 000	-	-
of which									
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets <R5000	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	-	-	-	-	536	-	1 000	-	-
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency & support/outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	-	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating expenditure	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	536	-	1 000	-	-

Table 4.1: Details of payments of infrastructure by category

No.	Project name	Municipality/ Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available	MTEF forward estimates	
			Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish						2012/13	2013/14	2014/15
R thousand														
New and replacement assets								-	-	-	-	-	-	-
Upgrades and additions								-	-	-	-	-	-	-
Rehabilitation, renovations and refurbishments								-	-	-	-	-	-	-
Maintenance and repairs								-	-	-	-	-	-	-
Infrastructure transfers - current								-	-	-	-	-	-	-
1.	Dube TradePort	eThekwini	Dube TradePort	1	01 Apr 2006	31 Mar 2060	Equitable share	Programme 3	-	-	-	39 313	41 475	43 964
Total Infrastructure transfers - current									-	-	-	39 313	41 475	43 964
Infrastructure transfers - capital								-	-	-	-	-	-	-
1.	Dube TradePort	eThekwini	Dube TradePort	1	01 Apr 2006	31 Mar 2060	Equitable share	Programme 3	-	4 913 587	944 956	392 995	541 860	603 572
2.	RBIDZ	uThungulu	RBIDZ	1	01 Apr 2010	31 Mar 2011	Equitable share	Programme 3	-	233 630	44 382	62 618	66 062	70 026
Total Infrastructure transfers - capital									-	5 147 217	989 338	455 613	607 922	673 598
Total Infrastructure									-	5 147 217	989 338	494 926	649 397	717 562

Table 4.J: Summary of transfers to local government (Joint Project Funding, International Newcastle Alliance Summit)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	-	-	-	-	-	-	-	-	-
B KZN213 Umzumbhe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	-	-	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	-	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
B KZN241 Endumeni	-	-	-	-	-	-	-	-	-
B KZN242 Nqutu	-	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	-	-	-	-	-	-	-
B KZN245 Umvoti	-	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	926	-	100	-	-	-	-	-	-
B KZN252 Newcastle	-	-	100	-	-	-	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	926	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZN271 Umhlabuyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	-	-	-	-	-	-	-	-	-
B KZN274 Hlabisa	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	1 800	1 890	1 985
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	-	-	-	-	-	-	-	-	-
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	1 800	1 890	1 985
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	1 716	1 802	1 892
B KZN291 Mandeni	-	-	-	-	-	-	1 716	1 802	1 892
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	700	-	-	-	-	-	-	-	-
B KZN431 Ingwe	-	-	-	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 Umzimkulu	300	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	400	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	1 626	-	100	-	-	-	3 516	3 692	3 877

Table 4.K: Financial summary for Ithala Development Finance Corporation (Ithala)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Tax revenue							
Non-tax revenue	1 035 951	904 800	892 285	785 194	866 511	964 329	1 109 866
Sale of goods and services other than capital assets	115 546	157 908	25 458	52 703	67 570	59 535	61 702
Net Interest income	920 405	746 892	866 827	732 491	798 941	904 794	1 048 164
Transfers received	38 073	129 814	245 960	246 810	289 500	305 423	320 694
Sale of capital assets	-	-	(1 527)	(2 152)	10 000	10 000	10 000
Total revenue	1 074 024	1 034 614	1 136 718	1 029 852	1 166 011	1 279 752	1 440 560
Expenses							
Current expense	1 017 166	959 459	1 094 845	870 424	985 149	1 076 296	1 200 820
Compensation of employees	258 614	284 567	284 120	309 729	349 273	374 669	402 168
Goods and services	582 510	536 410	694 205	442 403	506 016	527 838	565 394
Depreciation	32 893	38 999	40 257	50 676	52 925	65 027	72 128
Interest, dividends and rent on land	143 284	97 975	73 760	67 616	76 935	108 762	161 130
Tax and Outside shareholders Interest	6 469	1 681	2 503	-	-	-	-
Impairment on investment properties	(6 604)	(173)	-	-	-	-	-
Unearned reserves (social security funds only)	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	1 017 166	959 459	1 094 845	870 424	985 149	1 076 296	1 200 820
Surplus/(deficit)	56 858	75 155	41 873	159 428	180 862	203 456	239 740
Cash flow summary							
Adjust surplus/(deficit) for accrual transactions	57 275	289 082	118 702	128 877	116 692	158 165	186 870
Adjustments for:							
Depreciation	32 893	45 917	42 190	50 676	52 295	65 027	72 128
Interest	143 284	97 975	73 760	67 616	76 935	108 762	161 130
Net (profit)/loss on disposal of fixed assets	19 093	2 400	537	-	-	-	-
Straight line rental adj./provisions/impairment	(137 995)	142 790	2 215	10 585	(12 538)	(15 624)	(46 388)
Operating surplus/(deficit) before changes in working capital	114 133	364 237	160 575	288 305	297 554	361 621	426 610
Changes in working capital	(3 751)	(62 861)	74 148	89 330	(33 066)	(42 085)	(43 885)
(Decrease)/increase in accounts payable	20 948	9 887	125 457	11 060	13 675	13 529	14 152
Decrease/(increase) in accounts receivable	(19 588)	(37 385)	(49 472)	78 270	(46 741)	(55 614)	(58 037)
(Decrease)/increase in inventory	(5 111)	(35 363)	(1 837)	-	-	-	-
Taxation paid							
Cash flow from operating activities	20 948	9 887	125 457	11 060	13 675	13 529	14 152
Transfers from government	-	-	-	-	-	-	-
Capital							
Current							
Cash flow from investing activities	(9 528)	(298 709)	(280 682)	(350 969)	(529 900)	(578 233)	(628 964)
Acquisition of assets	(71 958)	(180 623)	(103 973)	(132 175)	(215 903)	(236 700)	(281 200)
Other flows from investing activities	62 430	(118 086)	(176 709)	(218 794)	(313 997)	(341 533)	(347 764)
Cash flow from financing activities	70 718	(19 830)	(8 579)	186 915	223 714	418 776	483 761
Net increase/(decrease) in cash and cash equivalents	82 138	(308 652)	(163 804)	(152 994)	(292 511)	(145 928)	(131 051)
Balance sheet data							
Carrying value of assets	851 259	975 820	941 712	1 023 017	1 186 625	1 358 298	1 567 370
Investments	11 180	11 875	14 095	14 290	14 290	14 290	14 290
Cash and cash equivalents	1 837 734	1 828 656	1 769 045	1 683 292	1 572 094	1 606 751	1 703 580
Receivables and prepayments	1 724 841	1 791 823	1 940 286	1 936 871	2 245 397	2 578 888	2 933 038
Inventory	6 193	41 556	21 982	21 667	21 667	21 667	21 667
TOTAL ASSETS	4 431 207	4 649 730	4 687 120	4 679 137	5 040 073	5 579 894	6 239 945
Capital and reserves	1 571 926	1 656 963	1 698 836	1 797 760	1 909 122	1 987 155	2 086 202
Borrowings	1 898 800	1 901 527	1 898 809	2 038 798	2 314 697	2 762 956	3 309 808
Post retirement benefits	59 923	64 376	66 150	68 135	70 179	72 284	74 452
Trade and other payables	160 341	172 255	258 767	83 112	88 012	90 971	98 554
Provisions	34 595	34 566	77 084	76 674	83 405	91 870	96 271
Managed funds	705 622	820 043	687 474	614 658	574 658	574 658	574 658
TOTAL EQUITY AND LIABILITIES	4 431 207	4 649 730	4 687 120	4 679 137	5 040 073	5 579 894	6 239 945
Contingent Liabilities	-	21 799	19 803	-	-	-	-

Table 4.L: Financial summary for the KZN Sharks Board (KZNSB)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Tax revenue							
Non-tax revenue	19 732	20 924	21 499	23 639	25 057	26 561	28 022
Sale of goods and services other than capital assets							
Other non-tax revenue	19 732	20 924	21 499	23 639	25 057	26 561	28 022
Transfers received	23 297	25 337	25 551	41 334	30 938	34 502	36 400
Sale of capital assets							
Total revenue	43 029	46 261	47 050	64 973	55 995	61 063	64 421
Expenses							
Current expense	39 068	46 077	50 176	67 622	55 995	61 063	64 421
Compensation of employees	22 794	27 391	32 714	34 873	37 279	39 330	41 493
Goods and services	12 415	13 620	13 082	28 117	16 739	17 660	18 631
Depreciation	3 842	5 055	4 370	4 632	1 977	4 073	4 297
Interest, dividends and rent on land	17	11	10	-	-	-	-
Unearned reserves (social security funds only)							
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	39 068	46 077	50 176	67 622	55 995	61 063	64 421
Surplus/(Deficit)	3 961	184	(3 126)	(2 649)	-	-	-
Cash flow summary							
Adjust surplus/(deficit) for accrual transactions	1 362	2 047	3 220	3 413	686	2 704	2 852
Adjustments for:							
Depreciation	3 842	5 055	4 370	4 632	1 977	4 073	4 297
Interest	(1 656)	(1 196)	550	583	618	655	691
Net (profit)/loss on disposal of fixed assets	(192)	(303)	(100)	(106)	(112)	(119)	(126)
Other	(632)	(1 509)	(1 600)	(1 696)	(1 797)	(1 905)	(2 010)
Operating surplus/(deficit) before changes in working capital	5 323	2 231	94	764	686	2 704	2 852
Changes in working capital	2 160	(417)	(442)	(469)	(497)	(527)	(556)
(Decrease)/increase in accounts payable	1 984	(1 336)	(1 416)	(1 501)	(1 591)	(1 687)	(1 780)
Decrease/(increase) in accounts receivable	164	657	696	738	782	829	875
(Decrease)/increase in provisions	12	262	278	294	312	331	349
Cash flow from operating activities	7 483	1 814	(348)	295	189	2 177	2 297
Transfers from government	-	-	-	-	-	-	-
Capital							
Current							
Cash flow from investing activities	(4 370)	(5 047)	856	(2 909)	(3 083)	(3 268)	(3 448)
Acquisition of assets	(6 009)	(6 232)	(400)	(4 240)	(4 494)	(4 764)	(5 026)
Other flows from investing activities	1 639	1 185	1 256	1 331	1 411	1 496	1 578
Cash flow from financing activities	-	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	3 113	(3 233)	508	(2 614)	(2 894)	(1 091)	(1 151)
Balance sheet data							
Carrying value of assets	63 242	64 604	68 480	66 000	64 000	62 000	60 000
Investments	4 650	4 348	4 609	4 885	5 179	5 489	5 791
Cash and cash equivalents	17 392	14 320	15 179	12 000	10 000	8 000	6 000
Receivables and prepayments	1 402	798	846	897	950	1 007	1 062
Inventory	1 467	1 504	1 595	1 690	1 791	1 900	2 004
TOTAL ASSETS	88 153	85 574	90 709	85 472	81 920	78 396	74 857
Capital and reserves	72 223	72 392	76 736	70 661	66 220	61 754	57 300
Borrowings	89	41	43	46	49	51	54
Post retirement benefits	6 330	4 480	4 749	5 034	5 336	5 656	5 967
Trade and other payables	5 100	3 972	4 210	4 463	4 731	5 015	5 291
Provisions	2 247	2 509	2 660	2 819	2 988	3 168	3 342
Managed funds	2 164	2 180	2 311	2 449	2 596	2 752	2 903
TOTAL EQUITY AND LIABILITIES	88 153	85 574	90 709	85 472	81 920	78 396	74 857
Contingent Liabilities	-	-	-	-	-	-	-

Table 4.M: Financial summary for Tourism KwaZulu-Natal (TKZN)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	-	2 672	4 868	100	105	110	116
Sale of goods and services other than capital assets	-	2 289	4 810	-	-	-	-
Other non-tax revenue	-	383	58	100	105	110	116
Transfers received	-	78 602	71 444	89 381	87 776	92 165	96 773
Sale of capital assets							
Total revenue	-	81 274	76 312	89 481	87 881	92 275	96 889
Expenses							
Current expense	-	72 466	87 190	84 481	87 881	92 275	96 889
Compensation of employees	-	18 803	22 635	24 038	25 625	27 393	28 900
Goods and services	-	51 273	62 145	57 367	58 999	61 445	64 363
Depreciation							
Interest, dividends and rent on land	-	2 390	2 410	3 076	3 257	3 437	3 626
Tax and outside shareholders Interest							
Adjustments to fair value							
Unearned reserves (social security funds only)							
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	-	72 466	87 190	84 481	87 881	92 275	96 889
Surplus/(deficit)	-	8 808	(10 878)	5 000	-	-	-
Cash flow summary							
Adjust surplus/(deficit) for accrual transactions	-	-	-	-	-	-	-
Adjustments for:							
Depreciation							
Interest							
Net (profit)/loss on disposal of fixed assets							
Other							
Operating surplus/(deficit) before changes in working capital	-	8 808	(10 878)	5 000	-	-	-
Changes in working capital							
(Decrease)/increase in accounts payable							
Decrease/(increase) in accounts receivable							
(Decrease)/increase in provisions							
Cash flow from operating activities	-	8 808	(10 878)	5 000	-	-	-
Transfers from government	-	8 808	10 878	5 000	-	-	-
Capital							
Current	-	8 808	10 878	5 000	-	-	-
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	-	8 808	(10 878)	5 000	-	-	-
Balance sheet data							
Carrying value of assets	3 014	2 734	2 436	1 692	1 793	1 901	2 005
Investments							
Cash and cash equivalents	9 423	20 872	8 309	27 092	28 717	30 440	32 114
Receivables and prepayments	5 036	5 891	4 850	4 976	5 275	5 592	5 899
Inventory							
TOTAL ASSETS	17 473	29 497	15 595	33 760	35 785	37 932	40 018
Capital and reserves	5 734	5 600	(5 272)	5 406	5 730	6 074	6 408
Borrowings							
Post retirement benefits							
Trade and other payables	10 694	22 691	19 554	27 129	28 757	30 482	32 159
Provisions	1 045	1 206	1 313	1 225	1 298	1 376	1 451
Managed funds							
TOTAL EQUITY AND LIABILITIES	17 473	29 497	15 595	33 760	35 785	37 932	40 018
Contingent Liabilities	-	-	-	-	-	-	-

Table 4.N: Financial summary for Agri-business Development Agency (ADA)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	-	-	138	1 353	-	-	-
Sale of goods and services other than capital assets							
Other non-tax revenue	-	-	138	1 353	-	-	-
Transfers received	-	-	26 800	26 000	36 591	38 676	41 032
Total revenue	-	-	26 938	27 353	36 591	38 676	41 032
Expenses							
Current expense	-	-	19 351	32 499	36 591	38 676	41 032
Compensation of employees	-	-	4 395	10 527	21 007	22 204	23 537
Goods and services	-	-	10 826	8 450	10 885	10 740	11 383
Depreciation	-	-	147	-	-	-	-
Interest, dividends and rent on land							
Capacity building and technical support			3 900	13 522	4 699	5 732	6 112
Leave provision			83				
Unearned reserves (social security funds only)	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	-	-	19 351	32 499	36 591	38 676	41 032
Surplus/(deficit)	-	-	7 587	(5 146)	-	-	-
Cash flow summary							
Adjust surplus/(deficit) for accrual transactions	-	-	376	-	-	-	-
Adjustments for:							
Depreciation	-	-	64	-	-	-	-
Impairments							
Interest	-	-	(105)	-	-	-	-
Net (profit)/loss on disposal of fixed assets							
Other	-	-	417	-	-	-	-
Operating surplus/(deficit) before changes in working capital	-	-	7 963	(5 146)	-	-	-
Changes in working capital							
(Decrease)/increase in accounts payable	-	-	(1 555)	-	-	-	-
Decrease/(increase) in accounts receivable	-	-	1 248	-	-	-	-
Decrease/(increase) in inventory	-	-	(2 803)	-	-	-	-
(Decrease)/increase in provisions							
Cash flow from operating activities	-	-	6 408	(5 146)	-	-	-
Transfers from government	-	-	-	-	-	-	-
Capital							
Current							
Cash flow from investing activities	-	-	(1 376)	-	(942)	(229)	(243)
Acquisition of assets	-	-	(1 376)	-	(942)	(229)	(243)
Other flows from investing activities							
Cash flow from financing activities	-	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	-	-	5 032	(5 146)	(942)	(229)	(243)
Balance sheet data							
Carrying value of assets	-	-	1 376	-	-	-	-
Investments							
Cash and cash equivalents	-	-	8 084	2 524	2 525	2 525	2 525
Receivables and prepayments							
Inventory							
TOTAL ASSETS	-	-	9 460	2 524	2 525	2 525	2 525
Capital and reserves	-	-	7 670	2 524	2 525	2 525	2 525
Borrowings							
Post retirement benefits							
Trade and other payables	-	-	1 290	-	-	-	-
Provisions	-	-	500	-	-	-	-
Managed funds							
TOTAL EQUITY AND LIABILITIES	-	-	9 460	2 524	2 525	2 525	2 525
Contingent Liabilities	-	-	-	-	-	-	-

Table 4.O: Financial summary for Dube TradePort Corporation (DTP)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	-	-	-	42 267	58 099	8 909	9 800
Sale of goods and services other than capital assets	-	-	-	42 267	58 099	8 909	9 800
Transfers received	-	-	-	448 335	432 308	583 335	647 535
Sale of capital assets	-	-	-	-	-	-	-
Total revenue	-	-	-	490 602	490 407	592 244	657 335
Expenses							
Current expense	-	-	-	159 676	187 959	196 890	221 228
Compensation of employees	-	-	-	34 306	50 803	68 193	84 833
Goods and services	-	-	-	28 649	35 599	22 062	24 428
Depreciation	-	-	-	96 620	101 451	106 524	111 850
Interest, dividends and rent on land	-	-	-	101	106	111	117
Transfers and subsidies	-	-	-	-	-	-	-
Capital expense	-	-	-	330 926	302 448	395 354	436 107
Total expenses	-	-	-	490 602	490 407	592 244	657 335
Surplus/(deficit)	-	-	-	-	-	-	-
Cash flow summary							
Adjust surplus/(deficit) for accrual transactions	-	-	-	96 721	101 557	106 635	111 967
Adjustments for:							
Depreciation	-	-	-	96 620	101 451	106 524	111 850
Interest	-	-	-	101	106	111	117
Operating surplus/(deficit) before changes in working capital	-	-	-	96 721	101 557	106 635	111 967
Changes in working capital	-	-	-	2 510 786	(187 871)	(196 809)	631 458
(Decrease)/increase in accounts payable	-	-	-	2 540 786	(192 871)	(195 559)	632 770
Decrease/(increase) in accounts receivable	-	-	-	(30 000)	5 000	(1 250)	(1 312)
(Decrease)/increase in provisions	-	-	-	-	-	-	-
Cash flow from operating activities	-	-	-	2 607 507	(86 314)	(90 174)	743 425
Transfers from government	-	-	-	-	-	-	-
Capital							
Current							
Cash flow from investing activities	-	-	-	(1 721 738)	(106 495)	(189 667)	(205 195)
Acquisition of assets	-	-	-	(1 721 738)	(106 495)	(189 667)	(205 195)
Other flows from investing activities	-	-	-	-	-	-	-
Cash flow from financing activities	-	-	-	892	(89)	(80)	(72)
Net increase/(decrease) in cash and cash equivalents	-	-	-	886 661	(192 898)	(279 921)	538 158
Balance sheet data							
Carrying value of assets	-	-	-	2 493 002	2 685 899	2 965 821	3 280 277
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	886 661	996 211	1 111 644	2 085 908
Receivables and prepayments	-	-	-	30 000	25 000	26 250	27 562
Inventory	-	-	-	-	-	-	-
TOTAL ASSETS	-	-	-	3 409 663	3 707 110	4 103 715	5 393 747
Capital and reserves	-	-	-	867 985	1 358 392	1 950 636	2 607 971
Borrowings	-	-	-	892	803	723	650
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	-	-	-	2 540 786	2 347 915	2 152 356	2 785 126
Provisions	-	-	-	-	-	-	-
Managed funds	-	-	-	-	-	-	-
TOTAL EQUITY AND LIABILITIES	-	-	-	3 409 663	3 707 110	4 103 715	5 393 747
Contingent Liabilities	-	-	-	-	-	-	-

Note: Although DEDT transferred funding to DTP from 2008/09 to 2010/11, the DTP was not listed as a public entity during that time.

Table 4.P: Financial summary for the Trade and Investment KwaZulu-Natal (TIK)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	553	429	630	126	133	142	151
Sale of goods and services other than capital assets	-	-	-	-	-	-	-
Other non-tax revenue	553	429	630	126	133	142	151
Transfers received	42 000	54 416	58 583	61 537	64 613	68 167	72 257
Sale of capital assets	-	-	-	-	-	-	-
Total revenue	42 553	54 845	59 213	61 663	64 746	68 309	72 408
Expenses							
Current expense	42 051	49 825	57 016	58 403	64 746	68 309	72 408
Compensation of employees	16 663	19 124	21 254	26 279	29 129	31 688	33 431
Goods and services	21 656	26 616	32 004	28 447	31 751	32 557	34 686
Depreciation	1 042	980	808	478	507	537	570
Interest, dividends and rent on land	2 690	3 105	2 950	3 199	3 359	3 527	3 721
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	42 051	49 825	57 016	58 403	64 746	68 309	72 408
Surplus/(deficit)	502	5 020	2 197	3 259	-	-	-
Cash flow summary							
Adjust surplus/(deficit) for accrual transactions	642	672	864	884	937	993	1 053
Adjustments for:							
Depreciation	1 042	980	808	857	908	962	1 020
Interest	(411)	(318)	31	-	-	-	-
Net (profit)/loss on disposal of fixed assets	12	8	39	1	1	1	1
Other	-	2	(15)	26	28	29	31
Operating surplus/(deficit) before changes in working capital	1 144	5 692	3 061	4 143	937	993	1 053
Changes in working capital	748	2 553	(2 735)	(2 970)	(3 148)	(3 337)	(3 537)
(Decrease)/increase in accounts payable	1 728	2 441	(1 255)	(1 401)	(1 485)	(1 575)	(1 669)
Decrease/(increase) in accounts receivable	(733)	(86)	(1 751)	(1 856)	(1 967)	(2 085)	(2 211)
(Decrease)/increase in provisions	(246)	198	271	287	304	323	342
Cash flow from operating activities	1 893	8 245	326	1 173	(2 211)	(2 344)	(2 485)
Transfers from government	-	-	-	-	-	-	-
Capital							
Current							
Cash flow from investing activities	-	(682)	(630)	(345)	(366)	(388)	(411)
Acquisition of assets	-	(684)	(631)	(345)	(366)	(388)	(411)
Other flows from investing activities	-	2	1	-	-	-	-
Cash flow from financing activities	-	(90)	-	156	165	-	-
Net increase/(decrease) in cash and cash equivalents	1 893	7 473	(304)	984	(2 411)	(2 732)	(2 896)
Balance sheet data							
Carrying value of assets	1 694	1 388	1 171	1 241	1 315	1 394	1 478
Investments	-	-	-	500	10 000	10 000	10 000
Cash and cash equivalents	2 901	19 771	17 585	10 000	10 600	11 236	11 910
Receivables and prepayments	767	853	2 604	880	933	989	1 048
Inventory							
TOTAL ASSETS	5 361	22 011	21 360	12 621	22 848	23 619	24 436
Capital and reserves	781	781	2 978	-	-	-	-
Borrowings	302	211	360	300	280	260	240
Post retirement benefits							
Trade and other payables	3 115	9 784	10 096	11 820	12 568	13 359	14 196
Provisions	1 164	1 362	-	-	-	-	-
Managed funds	-	9 873	7 926	500	10 000	10 000	10 000
TOTAL EQUITY AND LIABILITIES	5 361	22 011	21 360	12 620	22 848	23 619	24 436
Contingent Liabilities	-	-	-	-	-	-	-

VOTE 5

Education

Operational budget	R 34 763 066 911
MEC remuneration	R 1 566 089
Total amount to be appropriated	R 34 764 633 000
Responsible MEC	Mr. E. Mchunu, MEC for Education
Administering department	Education
Accounting officer	Head: Education

1. Overview

Vision

The vision of the Department of Education is: *A well educated, skilled and highly developed citizenry.*

Mission statement

The department's mission is: *To provide equitable access to quality education for the people of KwaZulu-Natal.*

Strategic goals

Strategic policy directions: These are directly linked to the national government's 12 outcomes which also inform the department's strategic goals and objectives, as listed below:

- Quality basic education.
- Skilled and capable workforce to support an inclusive growth path.

Six strategic goals encapsulate the department's contribution toward the achievement of national and provincial goals, and all other international mandates within the context of the Medium-Term Strategic Framework (MTSF) 2010-2014 for the current electoral cycle, and national and provincial action plans. Hereunder are the department's strategic goals:

- Broaden access to education and provide resources.
- Improve schools' functionality and educational outcomes at all levels.
- Develop human resource and organisational capacity and enhance skills.
- Develop schools into centres of community focus, care and support.
- Ensure good corporate governance, management and an efficient administration.
- Promote national identity and social cohesion.

Core functions

The core functions of the department are summarised below:

Public Ordinary Schools

This is the department's primary function aimed at the provision of educators in schools, the development of educators to ensure that they are equipped to provide the best quality teaching and the provision of

Learner Teacher Support Materials (LTSM). Also included here is the provision of new schools and school facilities, effective maintenance of existing facilities, as well as monitoring of the quality of education services through the system of whole school evaluation. Lastly, the function includes the provision of food to Public Ordinary School learners from the poorest communities, through the National School Nutrition Programme (NSNP).

Public Special School Education

The aim of this programme is to provide public education in special schools and full-service schools.

Further Education and Training (FET)

This service is aimed specifically at providing market-related skills, to ensure that learners are employable on completion of training at this level.

Early Childhood Development (ECD)

This service evolved as a national initiative to strengthen pre-Grade R education, and to make it available to the majority of citizens.

Adult Basic Education

This programme aims to increase the level of skills and reduce the adult illiteracy rate, to enable adults to participate in economic and other structures in the province and the country.

Legislative mandates

The following pieces of legislation, among others, govern the operations of the department:

- The Constitution of the Republic of South Africa, No. 108 of 1996
- Public Service Act, No. 103 of 1994
- National Education Policy Act (NEPA), No. 27 of 1996
- South African Schools Act (SASA), No. 84 of 1996
- Employment of Educators Act, No. 76 of 1998
- Further Education and Training Colleges (FETC) Act, No. 16 of 2006
- Adult Basic Education and Training Act, No. 52 of 2000
- South African Council for Educators (SACE) Act, No. 31 of 2000
- South African Qualifications Authority (SAQA) Act, No. 58 of 1995
- National Policy on HIV and AIDS for Learners and Educators in Public Schools and Students and Educators in FET Institutions, 1999
- Education White Paper 5 on Early Childhood Development, 2000
- Education White Paper 6 on Inclusive Education, 2001
- Revised National Curriculum Statement (RNCS), 2002
- Labour Relations Act, No. 66 of 1995
- Employment Equity Act, No. 55 of 1998
- Public Finance Management Act, No. 1 of 1999, as amended and Treasury Regulations
- KZN Provincial SCM Policy Framework of 2006
- Preferential Procurement Policy Framework Act, No. 5 of 2000
- Promotion of Access to Information Act, No. 2 of 2000

2. Review of the 2011/12 financial year

Section 2 provides a review of 2011/12, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

Improving the conditions of service for public servants and educators

During 2011/12, the wage dispute was settled at 1.3 per cent above the budgeted increase. Notwithstanding that the department received the full funding of the higher than budgeted 2011 wage agreement, the funding pressures brought about by the filling of numerous unfunded vacant posts, as well as prior years' under-funding and the concomitant carry-through costs, continue to be the single biggest cause of the department's over-expenditure.

During the year, improvements were made to the salaries of ECD practitioners, as well as the hourly rate payable to Adult Basic Education and Training (ABET) practitioners, while 600 assistant teachers were converted into permanency. This also contributed to the existing spending pressures against *Compensation of employees*, as this was not catered for in the budget.

Public Ordinary Schools

The promotion of access to, and participation of historically marginalised groups in education, continued and the success thereof was evident in the accommodation of all applicants in the schools. The number of no fee schools remain at 4 739, rendering close to 80 per cent of the schools in KZN as no fee schools.

The ability of some schools to pay their electricity and water accounts remains problematic. During the year, the department was allocated R45 million to assist these schools. The department is at an advanced stage in attempting to resolve this matter by paying these accounts on behalf of the schools.

The NSNP was expanded to cover all primary and secondary schools in Quintiles 1, 2 and 3. A deviation was granted by the Department of Basic Education, to the effect that the department may continue to feed primary schools in Quintiles 4 and 5, provided that the minimum requirements of the NSNP conditional grant are being met.

This is the second year in which the Technical Secondary Schools Recapitalisation grant is running in the department, with the aim of ensuring that all such schools, in time, have the necessary tools and equipment to support the technical curriculum. The Dinaledi Schools grant is aimed at ensuring that more learners take up and pass mathematics and physical science. There was slow spending on these grants in 2011/12, due to challenges experienced with procurement processes on the Technical Secondary Schools Recapitalisation grant, and the changes made in the business plan for the Dinaledi Schools grant which delayed the implementation.

Examinations

In order to bolster the pass rate at Grade 12 level, the department engaged in interventions that seek to turn the system around through the introduction of the Provincial Intervention Team, whose responsibility was to ensure quality curriculum coverage at the classroom level and, where such was lacking, to provide the necessary workshops. The 2011 school year saw the department conduct various types of examinations, which included the National Senior Certificate (NSC) examinations, the National Senior Certificate Common Tests for Grade 11 and 12 (on a quarterly basis), as well as the Common Task for Assessments (CTAs) set by the department and administered to all Grade 9 learners in the province.

Of the 127 056 learners that entered for the NSC examination in 2011, 122 126 wrote and 83 201 passed. All systems were in place, and the necessary risk analysis and security checks were conducted to deliver a credible examination, without compromising integrity. Despite this, the number of learners that passed dropped compared to 2010, where 86 556 of the 122 444 learners passed. The pass rate dropped from 70.7 per cent in 2010 to 68.1 per cent in 2011.

The Annual National Assessments (ANA) were written for the first time in 2011/12. The results thereof were unsatisfactory, thus requiring a focus on the reading, literacy, writing and mathematical skills of KZN learners.

Learner Transport Programme

After a long period of engagement and deliberations, this year saw a Memorandum of Agreement (MoA) being entered into with the Department of Transport, which had the effect of transferring some functions of this programme to the Department of Transport. As such, R37 million was transferred to Vote 12: Transport during the 2011/12 Adjustments Estimate to cater for the six months to March 2012. Functions that were transferred to the Department of Transport include route planning and management of operators, while the department retained functions such as planning and verification of learner numbers.

The review of the implementation of the National Curriculum Statement

The 2009 school year saw the first cohort of learners, who entered the education system in Grade 1 in 1998 based on the Outcomes Based Education (OBE), writing their NCS examinations. After its implementation, the NCS was reviewed under the guidance of the Minister of Basic Education, and the criticism was on the administrative burden on teachers and the under-performance of learners in international tests. The recommendations, which are currently being implemented, are as follows:

- Rationalise the current NCS documents into a single set of simple and coherent curriculum documents per subject per phase from grade R to grade 12.
- Conduct regular external annual assessments in Mathematics, Home Language and English First Additional Language (FAL) in Grades 3, 6 and 9.
- Introduce the teaching of English as a subject, parallel to Home Language, from Grade 1 for learners who will use English as a language of learning and teaching from Grade 4.
- Reduce the overload in the intermediate phase by reducing the number of subjects to six.
- Ensure that teacher training is strengthened and in-service training is provided where it is needed.
- Re-assert the role of textbooks, develop a national catalogue of textbooks and plan for provision of textbooks for all learners for every subject.

Strategy for improving Grade 12 results and National Strategy for Learner Attainment (NSLA)

In addition to the NSLA, which is a transversal programme directing the focus of the education system to improve the results of all Grade 12 learners, the department implemented a strategy aimed specifically at improving Grade 12 results in schools, where the pass rate of the school is less than 50 per cent, while encouraging better performing schools to improve their performance even further.

Notwithstanding the reduction in the overall pass percentage from 70.7 per cent in 2010 to 68.1 per cent in 2011, the department has produced the highest number of passes compared to other provinces at 83 204 learners, with 27 397 candidates achieving a pass with entry into a university to access Bachelor's degrees. This 2.6 per cent decline compared to the 2010 results presents the department with an opportunity to intensify its achievements to close gaps that could have resulted from the 2010 industrial action of teachers, especially in lower grades.

Infrastructure

The department continued to make strides in addressing backlogs in the provision of classrooms, toilets, computer rooms, laboratories and media centres within the context of capacity challenges that exist within the department and the infrastructure industry as a whole. However, in view of the time that it has taken to deliver such infrastructure and the pressing needs that exist, the department has lodged an intention to enter into a Public Private Partnership (PPP) arrangement in order to hasten the infrastructure delivery programme. The department continued to implement existing infrastructure programmes, and initiated new programmes based on new needs and policy directives, notwithstanding the continuously rising construction costs.

While the department explored alternative building materials for infrastructure provisioning, this proved to be too costly in the long run and was thus shelved. All new primary schools that are now constructed have ECD classrooms built as part of the scope, and this provides a challenge with expenditure allocation, as schools' expenditure falls under Programme 2: Public Ordinary School Education, while ECD falls under Programme 7: Early Childhood Development.

The electrification programme continues to be rolled out by the Department of Minerals and Energy, while the provision and maintenance of solar electrical systems by the department needs to be reconsidered, in light of rampant vandalism of these installations.

The gazetting of the Minimum Uniform Norms and Standards for Infrastructure in early 2010, which now constitutes a planning guide, enabled the department to undertake an assessment of how its infrastructure compares to various norms and standards as stipulated. This will, in the forthcoming years, enable the improved implementation of the infrastructure programme based on such plans.

Public Special School Education

In an effort to increase access to education for all learners, particularly learners experiencing barriers to learning, the department scaled up the implementation of Inclusive Education. Learners that require low, moderate and high levels of support are accommodated in ordinary, full-service and special schools, respectively.

To date, 50 ordinary schools have been converted to full-service schools, and 16 special schools as resource centres. Due to the unequal distribution of facilities for learners experiencing barriers to learning, the majority of these facilities are located in rural areas, as these areas are inadequately provided for. Various interventions, which started in 2008, have seen the enrolment of learners with barriers to learning increase steadily over the years. While there were 14 889 learners in special schools and 17 450 in mainstream schools in 2010, in 2011 the figure increased to 16 103 registered learners with disabilities in special schools and 20 729 in mainstream schools.

With regard to infrastructure, the construction of new special schools continues to be a problem, due to the implementing agent's inability to deliver.

Further Education and Training (FET)

In 2011/12, the budget for FET was administered as a conditional grant, due to the change in the location of the programme at a national level. Notwithstanding this change, the province remains responsible for over-seeing the functions of the FET colleges and, as such, a protocol agreement was signed between the Department of Higher Education and Training and all nine provincial Departments of Education.

The colleges continued to offer both the National Certificate (Vocational) [NC(V)] and National Education (NATED) programmes in the FET colleges sector. These have enabled the colleges to increase the pool of local skills, generate a cohort of employable persons, contribute toward self-employment and provide a platform for employability and self-actualisation.

The funding of the skills (NATED) programme continues to be a bone of contention between the two departments as no firm determination has been made with respect to such responsibility. The department continues to carry the financial burden of this programme, which is an unfunded national priority.

Adult Basic Education and Training (ABET)

The Norms and Standards for ABET, which allow for progressive implementation thereof, were introduced in 2009/10. However, this process was halted due to additional work that needed to be undertaken. Notwithstanding this, the province continued with assessing the readiness of the Public Adult Learning Centres (PALCs) to implement the norms, including the auditing of the various centres to ensure that they run the curricula according to indicated standards, and that they have capabilities to administer their own operations through governance structures. The department is still awaiting directives from the national office in respect of the way forward.

Early Childhood Development (ECD)

ECD felt the effect of cost-cutting more than any other programme during the past two financial years. In 2011/12, all attempts were made to ensure that the deliverables of this programme are reached.

KZN currently has 6 100 Grade R classes in 3 881 Public Primary Schools and 55 community based sites that are funded primarily by the department. In 2011, almost 198 880 learners were enrolled in public schools that offer Grade R services. The salaries of ECD practitioners were increased from R3 000 to R4 000 per month. As this was not budgeted for, it contributed to the existing spending pressures.

3. Outlook for the 2012/13 financial year

Section 3 looks at the key focus areas of 2012/13, outlining what the department is hoping to achieve during the year, as well as briefly looking at the challenges, and proposed new developments.

Cost-containment strategy

Due to the ongoing spending pressures on *Compensation of employees*, the department has developed some control measures from 2011/12 onward, which are expected to control the ever rising personnel costs. These measures include, among others, a moratorium on vacant posts, filling of educator posts by redeploying excess teachers currently on the system while, in the mean-time, terminating temporary educators with no academic/professional qualifications from the system. This plan will only yield results, pending the department's commitment and adherence to it.

Policy changes and reviews

The MTSF raised critical issues around output based measurements with specific reference to measurement of learner performance, delivery of relevant LTSM and improvement in the performance of learners. These pronouncements have a profound impact on the performance of the department, as it generally has high learner numbers. Therefore, the performance of the learners in KZN has a significant bearing on the overall performance of the country. To this end, the department needs to build on the successes and failures of past performances.

Arising from the 2009 Programme of Action, the plan known as *Toward the realisation of Schooling 2025* was conceptualised. Schooling 2025 is a long-term plan aimed at the improvement of the schooling system to ensure that education is prioritised as the main lever to alleviate poverty. This is an integrated plan for which and through which the education sector will be held accountable. It seeks to consolidate all existing public commitments and priorities and will flag priorities and key measurable areas of performance for all levels, including schools.

Due to its long-term nature, the plan has been broken down into manageable five-year cycles, termed 'Action Plans', the first being the *Action Plan to 2014* which sees 2012/13 as its third year of implementation. This plan focuses on three types of goals, these being:

- Output goals, which focus on what the quality of learning outcomes should be, in measurable terms or how grade attainment indicators should be improved.
- Foreground goals, which focus on what the society can observe directly, such as smaller classes.
- Background goals, which relate to improvements in administration and governance.

The department will also continue with its drive to convert some Section 20 schools into Section 21 schools, where they will perform the functions performed by Section 21 schools and the department will not need to keep petty cash for such schools.

Public Ordinary Schools

This programme houses most of the goals and targets that are contained in the Schooling 2025 Action Plan. To this end, the ANA that will be conducted at various exit points will have a direct impact on this programme in terms of implementing the outcomes of the assessments. The ANA results have clearly indicated the areas that are still problematic to the learners. Currently, the department has developed inter-directorate intervention strategies for literacy/language and numeracy/mathematics based on ANA findings. The interventions are planned to address learning outcomes and the concepts that are problematic to learners, such as reading, writing and counting.

Teachers and the teaching process

There are a number of interventions to improve the rate at which new, young and appropriately trained teachers enter the teaching profession. These include the placement of *Funza Lushaka* bursary holders into schools, the awarding of bursaries to non-employees for them to pursue a teaching profession, and the upgrading of unqualified and under-qualified educators who are already in the system.

A large scale training process that was postponed in 2011/12 is underway with a view to ensure that, when changes are implemented in the curriculum, educators are well poised to pass on the knowledge to the learners. The training is earmarked for the grades that will be implementing the Curriculum and Assessment Policy Statements (CAPS) in the 2013 school year.

A series of in-service training workshops will be held to uplift the level of understanding and teaching for those educators who were challenged in learning areas, mainly mathematics and physical science. It is anticipated that these workshops will improve the levels of educators' understanding of these learning areas, and therefore will result in positive results achieved by learners.

Availability of textbooks, workbooks and other educational material

In 2012/13, the department will continue to ensure that all Section 20 schools have the necessary supply of LTSM on the first day of school. The use of workbooks at home will be done through the implementation of homework policies. The workbook will play a central role in the turn-around strategies, thus improving academic performance.

The poor quality of desks and chairs previously supplied to schools is of concern to the department. In order to circumvent this, the department will continue to only deal with registered manufacturers. However, it must be emphasised that this quality control mechanism can only be enforced in respect of Section 20 schools.

Strategy for improving Grade 12 results

As previously mentioned, the province's 2011 Grade 12 results showed a decline of 2.6 per cent in the pass rate from 2010. A concerted and sustained effort will be made to support the improvement of teaching and learning in order for the province to improve the quality and the quantity of learners passing the 2012 NSC examinations. In addressing the decline and improving the quality of Grade 12 results, the department plans to put in place numerous interventions in 2012/13, which include the following:

- The development of supplementary materials to guide teachers and learners in addressing the identified challenges in each subject.
- Establishing a supplementary tuition programme to provide learners with extended learning opportunities.
- Ensuring that schools finish their syllabus by the end of August and use the remaining period for focused remediation and revision of challenges learners encounter in the focused areas.

School infrastructure

As mentioned earlier, the school infrastructure provision will be informed by the planning process undertaken in terms of the Minimum Uniform Norms and Standards for Infrastructure. There are two types of classifications of infrastructure, taking into account a school as a unit of measure, namely, basic functionality and optimum functionality.

To this end, the department will continue to deal with the issues of basic functionality as a first phase, and this includes projects such as water provision, sanitation, electricity and security, together with the eradication of inappropriate structures. Thereafter, issues of eliminating gross overcrowding, where a school is provided with all facilities required for optimum functionality, will be tackled, and the last phase will be curriculum redress where a school will be provided with a specific, targeted resource, e.g. a laboratory, computer room, media centre, etc., to enhance the delivery of the curriculum.

Taking into account the available funding, the department will be pursuing the clustering of schools, largely in matters of curriculum redress as a first step of eliminating disparities.

Learner well-being (NSNP)

The department acknowledges the use of a school as a location to promote access to children for a full range of public health and poverty reduction interventions. The goal of the department is to develop schools into centres of community development, care, support and agents for nation building.

The goal of the NSNP is to enhance learning capacity and to promote access to education through the provision of nutritious meals to poor learners. Half of the schools in the programme do not have proper food storage and cooking facilities and, as a result, containers have been sourced for cooking and storage purposes. In future, all new schools will have fully equipped kitchens as part of their basic design. It is intended that economic spin-offs, which have so far been generated by the programme, are extended. The programme is expected to reach almost 2 171 071 learners in 2012/13, representing 84.4 per cent of the total number of learners enrolled in public ordinary schools.

The no fee policy, which now applies to 4 739 schools, means that the majority of poor learners have been granted access to education. The schools in the upper quintiles, which grant fee exemptions to poor learners, will continue to benefit from the re-imbursement programme, provided that they meet certain criteria.

Public Special School Education

The department will continue with scaling up the implementation of the Inclusive Education strategy. As part of the new organisational review, the department has created a new directorate for Inclusive Education so that the matters of special needs education are not viewed in parallel to the overall education offering. Notwithstanding the inability of the implementing agent to deliver on the construction of new special schools that commenced in 2011/12, the department remains hopeful that the situation will improve in 2012/13.

It is the intention of the department to strengthen the human resource capacity of the educators in special schools through the offering of tailor-made programmes. As part of the monitoring and evaluation aspect, the department will continue to revisit the communities and partner with other departments with a view to ensuring that all learners with special needs are accommodated in schools closest to them.

Adult Basic Education and Training (ABET)

The Norms and Standards for ABET, which allow for progressive implementation thereof, and were supposed to be implemented in 2010/11, have been put on hold until the re-scoping work that is being done and the separation of functions and responsibilities between the Department of Basic Education and the Department of Higher Education and Training is completed.

The programme for Adult Education and Training (AET) in 2012/13 will include the establishment of Learning Area Committees in all districts, development of an improved strategy for Levels 1 to 4 on formative and summative assessments, and the development of the Information Management System.

Learner Transport Programme

The programme's responsibilities have been clearly defined and appropriated between the Departments of Education and Transport. The Department of Education will provide the planning data. In this regard, learner transport needs were determined at various districts, based largely on the distance travelled. However, until the learner transport and public transport programmes have been merged, the Department of Education will maintain the current provision. As such, an amount of R106.081 million was moved to Vote 12: Transport in 2012/13, while the department remains with an amount of R47.870 million. The remaining allocation will be finalised during the 2012/13 Adjustments Estimate, pending final discussions regarding the extension of the service to other areas currently not catered for, the development of a provincial scholar transport framework, as well as allocations for the two outer years of the 2012/13 MTEF.

HIV and AIDS

A two-pronged approach will be used to deliver the HIV and AIDS Life-skills Programme: the targeted approach and the mainstream approach. The former focuses on vulnerable groups and the latter seeks to provide all beneficiaries in schools with life-skills.

As a response to the high prevalence of Orphaned and Vulnerable Children (OVC) in the province, 1 500 schools with the highest prevalence of OVC will continue to receive a budget of R12 000 per school, for care and support of OVC. Learners are provided with services like a focussed life-skills programme, psycho-social support, nutrition and other services depending on their particular needs.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 5.1 below shows the sources of funding for Vote 5: Education over the seven-year period 2008/09 to 2014/15. The table also compares actual and budgeted receipts against actual and budgeted payments. As shown, the total receipts for Vote 5 increase from R22.014 billion in 2008/09 to R39.524 billion in 2014/15. The department receives its funding through a provincial allocation and conditional grants. The provincial allocation has grown from R20.733 billion in 2008/09 to R35.757 billion in 2014/15, while the conditional grant allocation has increased from R1.281 billion to R3.767 billion in the same period.

Table 5.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Provincial allocation	20 732 982	24 678 757	26 971 637	29 539 337	30 016 893	30 017 889	31 419 832	33 577 128	35 757 105
Conditional grants	1 280 569	1 341 818	2 598 423	3 078 939	3 108 039	3 108 039	3 344 801	3 582 787	3 766 589
Education Infrastructure grant (previously IGP)	602 756	746 136	1 035 501	1 158 136	1 175 956	1 175 956	1 247 477	1 318 435	1 373 989
HIV and AIDS (Life-Skills Education) grant	39 910	39 765	42 686	45 114	45 114	45 114	46 806	49 368	52 261
National School Nutrition Programme (NSNP) grant	458 233	555 917	855 285	1 070 013	1 070 013	1 070 013	1 151 644	1 214 985	1 283 755
FET College Sector Recapitalisation grant	162 974	-	-	-	-	-	-	-	-
FET College Sector grant	-	-	649 177	754 793	765 537	765 537	839 837	938 774	991 823
Education Disaster Management grant	16 696	-	-	-	-	-	-	-	-
Technical Secondary Schools Recapitalisation grant	-	-	15 274	38 563	38 563	38 563	40 490	42 716	45 193
EPWP Integrated Grant for Provinces	-	-	500	-	536	536	1 000	-	-
Dinaledi Schools grant	-	-	-	12 320	12 320	12 320	17 547	18 509	19 568
Total receipts	22 013 551	26 020 575	29 570 060	32 618 276	33 124 932	33 125 928	34 764 633	37 159 915	39 523 694
Total payments	22 991 742	26 230 746	28 746 616	32 618 276	33 227 001	34 301 590	34 764 633	37 159 915	39 523 694
Surplus/(Deficit) before financing	(978 191)	(210 171)	823 444	-	(102 069)	(1 175 662)	-	-	-
Financing									
of which									
Provincial roll-overs	107 738	38 279	-	-	102 069	102 069	-	-	-
Provincial cash resources	215 455	-	-	-	-	-	-	-	-
Suspension to ensuing year	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after financing	(654 998)	(171 892)	823 444	-	-	(1 073 593)	-	-	-

The allocation for conditional grants reflects a significant increase from 2008/09 to 2014/15 due to the introduction of the FET College Sector grant and the Technical Secondary Schools Recapitalisation grant in 2010/11 and an additional grant being introduced in 2011/12, namely the Dinaledi Schools grant. There has also been a substantial increase in the allocation for the Education Infrastructure grant in order to provide for general school infrastructure requirements, as well as for the repair of infrastructure damaged by floods. The NSNP has also seen a substantial increase in order to deal with the feeding in Quintile 3 secondary schools. The conditional grants are described in more detail in Section 5.5.

The department over-spent its 2008/09 budget by R654.998 million, largely as a result of the book entry conducted in 2007/08 in respect of the 'no work, no pay policy' which had to be reversed due to funds that were not recovered in 2007/08, and the higher than anticipated overtime payments in respect of the recovery plan. The over-expenditure was also fuelled by the shortfall in funding for the OSD for educators. The department received roll-overs totalling R107.738 million in respect of the OSD for educators, vehicles for learners with special needs and under-expenditure on the NSNP conditional grant. Additional funding amounting to R215.455 million was allocated in 2008/09 in respect of costs for OSD for educators and pressures relating to examination services.

In 2009/10, the department undertook to cut spending in various areas, including *Buildings and other fixed structures*, *Goods and services* and *Machinery and equipment*, to reduce its spending levels, as part of the Provincial Recovery Plan. However, due to shortfalls in funding for OSD related costs and the higher than anticipated 2009 wage agreement, the department over-spent by R171.892 million. The department received a roll-over of R38.279 million in respect of the under-expenditure on the NSNP conditional grant. The department was affected by the first instalment of the first charge of R111.466 million as per S43 (2) of the PFMA.

In 2010/11, the department under-spent its budget by R823.444 million. This was largely due to the reversal of the *Compensation of employees* payments made to employees during the period of the strike. In order to fairly present the AFS, the expenditure had to be taken out of the Statement of Financial

Performance and be reflected as a debtor in the Statement of Financial Position. This amounted to R576 million. The other contributing factor to this under-spending was cost-cutting on areas such as *Goods and services* and *Machinery and equipment*, to reduce spending levels.

The department showed significant pressure in 2011/12 due to the continued filling of unfunded vacant posts and the carry-through effects of the under-funding of prior years. This under-funding had accumulated to R2.341 billion at the end of 2010/11, and 2011/12 showed under-funding of R961 million. The department received additional funding in the 2011/12 Adjustments Estimate with regard to the 2011 wage agreement and other compensation pressures. Notwithstanding this, the department still experiences pressures as reflected in the projected over-expenditure of R1.074 billion for 2011/12. This projected pressure is, however, inclusive of the reversal of the journal for 'no work, no pay' amounting to R576 million related to the 2010 public sector wage strike. The additional funding for personnel pressures did not help ease the over-expenditure situation in 2011/12, as more than 3 500 posts were filled without funding. The spending pressures in *Compensation of employees* will continue to be the biggest financial threat, until the department effectively implements and adheres to its cost-containment strategy, which includes placing a moratorium on new appointments. The 2012/13 MTEF includes provision for the carry-through effects of the 2011 wage agreement and additional funding provided for compensation pressures.

4.2 Departmental receipts collection

Table 5.2 below illustrates the revenue collected by the Department of Education over a seven-year period. Details of these receipts are presented in Table 5.A in the *Annexure – Vote 5: Education*.

Table 5.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	28 532	30 979	33 384	34 455	34 455	42 441	36 420	38 423	46 108
Transfers received	50	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	24 094	22 735	1 539	231	231	11 921	243	256	307
Sale of capital assets	-	1 749	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	43 920	32 665	28 941	20 149	20 149	29 135	21 156	22 320	26 784
Total	96 596	88 128	63 864	54 835	54 835	83 497	57 819	60 999	73 199

The major source of own revenue for the department falls under *Sale of goods and services other than capital assets*. It includes commission earned on payroll deductions such as insurance and garnishees, examination and remarking fees, as well as fees for the viewing of scripts, and housing and parking rentals for staff members. The 2011/12 Revised Estimate is higher than both the Main and Adjusted Appropriations due to higher than anticipated commission on PERSAL insurance and garnishee deductions. It must be noted that it is difficult to accurately predict revenue collection from this category. There is a steady increase over the 2012/13 MTEF against this category.

Interest, dividends and rent on land reflects higher collection in 2008/09 and 2009/10 due to the discounts received from the procurement of LTSM. This collection normalises in 2010/11 and over the 2012/13 MTEF, as the discounts received are not recurrent. The department also collects revenue in respect of interest charged on outstanding staff debts. The high 2011/12 Revised Estimate is due to discounts received from the LTSM suppliers for previous financial year's purchases, and also the interest charged on outstanding staff debts recovered which is higher than budgeted for.

The revenue collection against *Sale of capital assets* in 2009/10 relates to the sale of redundant official vehicles.

Revenue collected under *Transactions in financial assets and liabilities* consists mainly of debts owed to the department, as well as refunds relating to previous years' expenditure. The high amount in 2008/09 is

due to the concerted effort of debt collection, and the fluctuations are due to the difficulty in budgeting for the collection against this category. The high 2011/12 Revised Estimate is mainly due to higher than anticipated recovery of outstanding staff debts.

4.3 Donor funding

Tables 5.3 and 5.4 below reflect donor funding received and payments made by the department. The department received donor funds from the Royal Netherlands Embassy for the project to construct and equip a network of 120 districts and satellite education centre sites in various areas within the province. The bulk of the capital works took place in 2007/08, and was completed in 2009/10. An agreement, in respect of the running costs of these centres, was signed between the Royal Netherlands Embassy and the department late in 2010/11 and R31.709 million was received in respect of work that had been done in 2009/10. No intention to continue with the donation was indicated with regard to 2011/12 and beyond. In 2010/11, the department incurred expenditure to the value of R4.366 million, for which the funding is still expected in 2011/12.

Table 5.3: Details of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Donor funding	29 999	-	31 709	-	-	-	-	-	-
Royal Netherlands Embassy	29 999	-	31 709	-	-	-	-	-	-
Total	29 999	-	31 709	-	-	-	-	-	-

Table 5.4: Details of payments and estimates of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Donor funding	19 606	5 843	4 366	-	-	-	-	-	-
Royal Netherlands Embassy	19 606	5 843	4 366	-	-	-	-	-	-
Total	19 606	5 843	4 366	-	-	-	-	-	-

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 5: Education*.

5.1 Key assumptions

The following key assumptions were used in formulating the 2012/13 MTEF budget:

- Provision was made for the carry-through costs of the 2011 wage agreement and an inflationary wage adjustment of 5 per cent for each of the three years of the 2012/13 MTEF, and the pay progression of 1.5 per cent of the wage bill.
- No provision has been made for the filling of vacant posts due to budgetary constraints. However, critical funded posts that become vacant during the year will be filled.
- The personnel budget does not cater for all the personnel numbers currently on the system (PERSAL).
- Inflation related items have been based on CPI projections.
- The cost-cutting measures, as reissued by Provincial Treasury in 2012/13, and the department's newly developed cost-containment strategy, will be adhered to over the 2012/13 MTEF.

5.2 Additional allocations for the 2010/11 to 2012/13 MTEF

Table 5.5 shows additional funding received by the department over the three MTEF periods: 2010/11, 2011/12 and 2012/13. It must be noted that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of this 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 carry-through allocations for the 2010/11 and 2011/12 MTEF periods (i.e. for the financial year 2014/15) are based on the incremental percentage used in the 2012/13 MTEF.

Table 5.5: Summary of additional provincial allocations for 2010/11 to 2012/13 MTEF

R thousand	2010/11	2011/12	2012/13	2013/14	2014/15
2010/11 MTEF period	736 899	784 103	833 125	878 947	931 684
Carry-through of 2009/10 Adjustments Estimate - 2009 wage agreement	671 720	750 724	830 527	876 206	928 778
Provincial priorities	(1 985)	(2 085)	(5 189)	(5 474)	(5 803)
Discontinuation of 2010 funding	(15 052)	(15 805)	(19 595)	(20 673)	(21 913)
Policy on Incapacity Leave and Ill Health Retirement (PILIR)	13 067	13 720	14 406	15 198	16 110
National priorities	67 164	35 464	7 787	8 215	8 708
OSD for educators	651 970	655 283	658 597	694 820	736 509
Function shift: FET colleges to National (conditional grant)	(584 806)	(619 819)	(650 810)	(686 605)	(727 801)
2011/12 MTEF period		729 786	1 200 771	1 331 060	1 410 924
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement		603 008	679 775	749 990	794 989
Provincial priorities - Expansion of Provincial Examination Administration		126 778	147 430	167 602	177 658
National priorities - OSD for educators		348 819	393 661	438 778	465 105
National Cabinet decision to cut provinces by 0.3 per cent		(15 557)	(20 095)	(25 310)	(26 829)
2012/13 MTEF period			309 141	691 102	897 917
Carry-through of 2011/12 Adjustments Estimate			406 313	435 342	466 428
2011 wage agreement			322 469	338 592	355 522
Funding for personnel spending pressures			83 844	96 750	110 906
National priorities			-	246 406	421 667
Expansion of no fee schools			-	99 379	186 325
Universalisation of Grade R			-	147 027	235 342
Improving infrastructure support			8 909	9 354	9 822
Learner Transport (Portion moved to Transport)			(106 081)	-	-
Total	736 899	1 513 889	2 343 037	2 901 109	3 240 524

The department received additional funds over the 2010/11 MTEF in respect of carry-through costs of the higher than anticipated 2009 wage agreement. Further additional funding was allocated in respect of the OSD for educators and Policy on Incapacity Leave and Ill Health Retirement (PILIR). The equitable share allocation was reduced in respect of the FET colleges' funding, as it was converted to the FET College Sector grant from 2010/11. The allocation for 2010 World Cup related activities was discontinued from 2010/11 onward.

The department received additional funding over the 2011/12 MTEF in respect of the carry-through costs of the higher than anticipated 2010 wage agreement, the expansion of provincial examination administration and OSD for educators. Also in the 2011/12 MTEF, National Cabinet took a decision to cut all national votes and the provincial equitable share by 0.3 per cent. The bulk of this equitable share reduction in KZN was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus of the province. The balance was sourced proportionately from all 16 provincial votes.

Over the 2012/13 MTEF, an amount of R106.081 million was reduced from the department's baseline in 2012/13 and moved to Vote 12: Transport, being portion of the Learner Transport function transferred to the Department of Transport. Discussions are still under-way in finalising the allocations for the two outer years of the MTEF, as well as funding requirements for possible additional learners and expansion of the programme to cater for other areas currently not provided for. The department also received additional funding over the 2012/13 MTEF to cater for the following priorities:

- The carry-through effects of the higher than anticipated 2011 wage agreement.
- Additional funding to partly address the existing pressures in *Compensation of employees*.

- Improving infrastructure support.
- Allocations in the two outer years of the MTEF for expansion of no fee schools, and universalisation of Grade R, which are both national priorities.

5.3 Summary by programme and economic classification

Tables 5.6 and 5.7 provide a summary of the vote's payments and budgeted estimates by programme and economic classification, respectively, for the seven-year period, 2008/09 to 2014/15.

The services rendered by the department are categorised under eight programmes, in accordance with the revised uniform programme and budget structure for the Education sector.

Table 5.6: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
1. Administration	1 395 327	1 342 563	1 497 853	1 445 530	1 460 291	1 477 702	1 548 341	1 598 062	1 723 188
2. Public Ordinary School Education	19 358 373	22 599 131	24 887 533	27 735 065	28 338 360	29 344 273	29 526 161	31 463 304	33 407 896
3. Independent School Subsidies	53 488	54 098	58 524	63 357	63 357	63 357	66 525	70 184	74 395
4. Public Special School Education	473 865	565 165	643 453	1 026 653	1 036 645	1 010 653	1 087 321	1 120 163	1 187 698
5. Further Education and Training	712 189	670 523	705 883	760 823	776 382	823 649	843 514	942 370	995 136
6. Adult Basic Education and Training	143 798	160 574	132 824	153 449	157 024	188 057	163 881	165 370	175 357
7. Early Childhood Development	202 646	250 487	352 992	731 572	686 720	697 760	771 937	962 048	1 099 452
8. Auxiliary and Associated Services	652 056	588 205	467 554	701 827	708 222	696 139	756 953	838 414	860 572
Total	22 991 742	26 230 746	28 746 616	32 618 276	33 227 001	34 301 590	34 764 633	37 159 915	39 523 694
Unauth. exp. (1 st charge) not available for spending	-	(111 466)	(133 602)	-	-	-	-	-	-
Baseline available for spending after 1st charge	22 991 742	26 119 280	28 613 014	32 618 276	33 227 001	34 301 590	34 764 633	37 159 915	39 523 694

Note: Programme 1 includes MEC remuneration: Salary: R1 566 089

Table 5.7: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Current payments	20 137 451	23 109 269	24 880 844	27 851 325	28 435 879	30 035 080	29 721 748	31 579 941	33 586 732
Compensation of employees	18 038 091	20 864 307	22 609 337	24 585 670	25 061 155	26 848 710	26 325 100	27 765 323	29 599 262
Goods and services	2 098 824	2 241 718	2 271 101	3 265 655	3 374 724	3 186 048	3 396 648	3 814 618	3 987 470
Interest and rent on land	536	3 244	406	-	-	322	-	-	-
Transfers and subsidies to:	1 625 964	1 602 910	1 724 719	2 305 757	2 311 572	2 055 531	2 459 420	2 985 645	3 221 974
Provinces and municipalities	179	426	1 375	-	1 000	950	1 000	1 100	1 100
Departmental agencies and accounts	14 877	19 278	16 552	18 944	18 944	18 944	19 961	20 981	22 030
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 553 455	1 520 515	1 631 707	2 223 614	2 228 429	1 951 038	2 373 100	2 905 738	3 138 071
Households	57 453	62 691	75 085	63 199	63 199	84 599	65 359	57 826	60 773
Payments for capital assets	1 228 327	1 407 097	1 920 880	2 461 194	2 479 550	2 210 979	2 583 465	2 594 329	2 714 988
Buildings and other fixed structures	1 145 398	1 288 181	1 836 333	2 091 741	2 110 097	2 134 826	2 192 854	2 288 816	2 427 310
Machinery and equipment	81 823	118 855	84 547	369 453	369 453	76 153	390 611	305 513	287 678
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 106	61	-	-	-	-	-	-	-
Payments for financial assets	-	111 470	220 173	-	-	-	-	-	-
Total	22 991 742	26 230 746	28 746 616	32 618 276	33 227 001	34 301 590	34 764 633	37 159 915	39 523 694
Unauth. exp. (1 st charge) not available for spending	-	(111 466)	(133 602)	-	-	-	-	-	-
Baseline available for spending after 1st charge	22 991 742	26 119 280	28 613 014	32 618 276	33 227 001	34 301 590	34 764 633	37 159 915	39 523 694

The department's budget grows substantially from R22.992 billion in 2008/09 to R39.524 billion in 2014/15, indicating a growth of 72 per cent over the seven-year period. All programmes show positive growth over the 2012/13 MTEF. In terms of Section 34(2) of the PFMA, the department is liable for the repayment of previous year's over-expenditure, resulting in a first charge against the department's budget. In 2009/10, the first instalment of R111.466 million was implemented against the budget while the second instalment of R133.602 million was implemented in 2010/11. These first charge amounts resulted in the amount available for spending by the department being reduced, as reflected in the footnote to the tables above.

Programme 1: Administration fluctuates, with 2008/09 being higher than 2009/10 and 2010/11, due to cost-cutting being implemented from 2009/10. The 2011/12 Adjusted Appropriation has been adjusted upward when compared to the Main Appropriation as a result of the additional allocation with respect to the 2011 wage agreement. However, the 2011/12 Revised Estimate is still higher than the 2011/12 Adjusted Appropriation due to the spending pressures that exist in *Compensation of employees*.

Programme 2: Public Ordinary School Education reflects significant growth over the seven years, largely influenced by additional funding that was made available for the various wage and OSD agreements, as well as funding of various national priorities such as LTSM, expansion of no fee schools, reduction of Learner: Educator (L:E) ratio, etc. Due to the pressures that exist in *Compensation of employees*, the 2011/12 Revised Estimate reflects higher spending than the 2011/12 Adjusted Appropriation.

Programme 3: Independent School Subsidies reflects steady growth over the seven-year period. This programme is experiencing some pressures due to the increase in the number of schools that require subsidies. These subsidies are based on the available budget.

Programme 4: Public Special School Education reflects significant growth over the seven-year period. The significant increase from 2009/10 onward is due to focus on expanding Inclusive Education. Additional funding was allocated during the 2009/10 MTEF for support to Inclusive Education, which increases drastically during 2011/12. Regrettably, spending on capital projects with regard to special schools is not going according to plan due to poor performance by the implementing agent, hence the lower 2011/12 Revised Estimate. The programme grows modestly over the 2012/13 MTEF.

The decrease against Programme 5: Further Education and Training in 2009/10 can be attributed to the once-off increase in 2008/09 for the implementation of the FETC Act, which necessitated the concurrent offering of two curricula for a limited period, as it was anticipated that the old curriculum would be phased out. The 2011/12 Revised Estimate is higher than the Adjusted Appropriation due to the pressures caused by the under-funding of *Compensation of employees* for prior years. The programme grows modestly over the 2012/13 MTEF.

Programme 6: Adult Basic Education and Training fluctuates between 2008/09 and 2010/11, with the latter being significantly lower due to delays in the processing of claims for that year. The 2011/12 Revised Estimate reflects a higher amount than the Adjusted Appropriation due to the increase in the hourly rates to be paid to the practitioners during this period, which was not budgeted for. The programme grows steadily over the 2012/13 MTEF, and provision has been made for skills programmes for ABET educators.

The significant increase against Programme 7: Early Childhood Development from 2009/10 onward relates to additional funding allocated toward the expansion of Grade R. This translates to a significant growth in the programme baseline over the seven-year period. The allocation for this programme doubles from 2010/11 to the 2011/12 Main Appropriation due to the roll-out of the programme's infrastructure in 2011/12. The decrease in the 2011/12 Adjusted Appropriation relates to the movement of infrastructure funds to Programme 2 to cater for the construction of ECD classrooms in new and existing schools where there are still backlogs. The increase in the 2011/12 Revised Estimate is influenced by the unbudgeted increments made to the monthly payments for ECD practitioners.

Programme 8: Auxiliary and Associated Services fluctuates over the seven-year period. The high amount in 2008/09 is due to the pressures experienced, relating to the expenditure demands in respect of the increased number and frequency of exams, resulted in more papers printed, more markers appointed and venues hired. The decrease from 2009/10 to 2010/11 is due to the phasing out of the old curricula at the General Education and Training (GET) and FET levels. The 2011/12 Revised Estimate is lower than the Adjusted Appropriation due to cost-cutting. During the 2011/12 MTEF, an additional R300 million was injected into the first year of the MTEF (with carry-through effects), largely due to the additional allocation of R126.778 million, and the remainder being the reprioritisation of the budget initially set aside for the *Masifundisane* literacy project, which had reached its end. The carry-through effects of the 2011/12 additional allocation are reflected in the steady increase of the programme over the 2012/13 MTEF.

Compensation of employees reflects a significant increase from R18.038 billion in 2008/09 to R29.599 billion in 2014/15 due to higher than anticipated wage agreements and increase in OSD costs, relating to various agreements such as Education Labour Relations Council (ELRC) Agreements No. 3 and 4 of 2009, and PSCBC Resolution 1 of 2007, entered into regarding the remuneration of educators and administrators. The actual cost of the wage and OSD agreements was not fully funded. This spending pressure can be seen in the 2011/12 Revised Estimate which is higher than the 2011/12 Adjusted Appropriation by R1.788 billion. However, the spending pressure could have been drastically reduced in 2011/12, had the department not continued to fill unfunded posts and adhered to its cost-containment strategy, which is yet to yield positive results. It must also be noted that the 2011/12 Revised Estimate is inclusive of the reversal of the journal entry of R576 million with respect to 'no work, no pay' related to the 2010 public sector strike.

The *Goods and services* increase from 2009/10 onward is attributable to the increase in the NSNP allocation in order to expand the programme to other quintiles, as well as the LTSM. The 2011/12 Revised Estimate reflects lower spending compared to the 2011/12 Adjusted Appropriation, due to the effects of cost-cutting implemented to curtail over-expenditure. The *Goods and services* budget grows substantially over the 2012/13 MTEF due to additional funding, especially in the NSNP grant and funding being made available for the extension of the no fee schools.

Transfers and subsidies to: Non-profit institutions reflects lower spending in the 2011/12 Revised Estimate due to some Section 21 schools not complying with the requirements to enable the department to transfer funds to them. The allocation has been increased over the 2012/13 MTEF in anticipation of all schools being allocated some of the Section 21 functions and increased transfers to FET Colleges in line with the conditional grant allocation.

Transfers and subsidies to: Households caters for staff exit costs, and the major fluctuations can be ascribed to the difficulty in budgeting for this item.

Buildings and other fixed structures reflects a 112 per cent growth over the seven-year period, largely due to additional funding in respect of the Education Infrastructure grant. The 2011/12 Revised Estimate is slightly higher than the Adjusted Appropriation due to spending pressure caused by infrastructure damaged by floods which was partly funded during the Adjustments Estimate. The budget reflects healthy growth over the 2012/13 MTEF.

Machinery and equipment fluctuates between 2008/09 and 2010/11. The decrease from 2009/10 to 2010/11 is due to cost-cutting. The 2011/12 Revised Estimate reflects lower spending which is also ascribed to cost-cutting to partly fund the spending pressures on *Compensation of employees* which continues to place a burden on other areas of economic classification. The growth in *Machinery and equipment* in the first two years of the 2012/13 MTEF will assist the department in the acquisition of the tools of trade that are sorely lacking due to previous cost-cutting exercises.

Payments for financial assets in 2009/10 relates to the first instalment of the first charge, and 2010/11 relates to the second instalment of the first charge, as well as the write-off of staff debts which could not be recovered during the debt recovery drive by the department.

5.4 Summary of payments and estimates by district municipal area

Table 5.8 provides details of the department's spending within district municipal areas. It must be noted that, due to the nature of services rendered by the department, it is difficult to extract administration costs, and therefore the full budget is reflected.

Spending levels in all areas increase on a similar scale over the 2012/13 MTEF. The highest spending occurs in uMgungundlovu, eThekweni, Zululand and uThungulu district municipal areas, mainly due to the number of schools and other education institutions located here, as well as the general need in these areas.

Table 5.8: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14	2014/15
eThekweni	6 324 257	7 546 351	7 650 850	8 178 004	8 698 185
Ugu	2 012 263	2 401 111	2 433 288	2 600 941	2 766 392
uMgungundlovu	6 899 187	8 232 381	8 342 702	8 917 511	9 484 772
Uthukela	1 724 797	2 058 095	2 085 676	2 229 378	2 371 193
Umkhanyathi	1 149 864	1 372 063	1 390 450	1 486 251	1 580 795
Amajuba	1 149 864	1 372 063	1 390 450	1 486 251	1 580 795
Zululand	2 587 196	3 087 143	3 128 514	3 344 067	3 556 790
Umkhanyakude	2 012 263	2 401 111	2 433 288	2 600 941	2 766 392
uThungulu	2 299 729	2 744 128	2 780 901	2 972 504	3 161 591
Ilembe	1 437 331	1 715 080	1 738 063	1 857 815	1 975 994
Sisonke	1 149 865	1 372 064	1 390 451	1 486 251	1 580 795
Total	28 746 616	34 301 590	34 764 633	37 159 915	39 523 694

5.5 Summary of conditional grant payments and estimates

Tables 5.9 and 5.10 provide a summary of conditional grants payments and estimates by programme and economic classification for the period 2008/09 to 2014/15.

Note that the historical figures set out in Table 5.9 below reflect actual expenditure per grant, and should not be compared to those reflected in Table 5.1, which represent the actual receipts with respect to each grant. The department administers seven conditional grants from 2011/12.

The details in respect of each conditional structure are included in the *Annexure Vote 5: Education*.

Table 5.9: Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
National School Nutrition Programme grant	343 079	603 211	753 216	1 070 013	1 172 082	1 124 256	1 151 644	1 214 985	1 283 755
HIV and AIDS (Life-Skills Education) grant	40 486	39 672	39 998	45 114	45 114	45 114	46 806	49 368	52 261
Education Infrastructure grant (previously IGP)	602 756	746 136	1 035 501	1 158 136	1 175 956	1 175 956	1 247 477	1 318 435	1 373 989
Technical Secondary Schools Recapitalisation grant	-	-	15 039	38 563	38 563	38 563	40 490	42 716	45 193
FET College Sector grant	-	-	705 883	754 793	765 537	822 253	839 837	938 774	991 823
EPWP Integrated Grant for Provinces	-	-	500	-	536	536	1 000	-	-
FET College Sector Recapitalisation grant	162 974	-	-	-	-	-	-	-	-
Education Disaster Management grant	16 696	-	-	-	-	-	-	-	-
Dinaledi Schools grant	-	-	-	12 320	12 320	12 320	17 547	18 509	19 568
Total	1 165 991	1 389 019	2 550 137	3 078 939	3 210 108	3 218 998	3 344 801	3 582 787	3 766 589

Table 5.10: Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	386 177	671 162	1 049 368	1 372 100	1 484 913	1 547 881	1 560 344	1 625 159	1 702 559
Compensation of employees	-	100	223 610	214 768	225 512	280 376	238 131	229 206	229 206
Goods and services	386 177	671 062	825 701	1 157 332	1 259 401	1 267 505	1 322 213	1 395 953	1 473 353
Other	-	-	57	-	-	-	-	-	-
Transfers and subsidies to:	176 079	20 425	499 951	540 025	540 025	570 046	612 531	724 211	777 260
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions	176 079	20 425	499 617	540 025	540 025	569 840	612 531	724 211	777 260
Households	-	-	334	-	-	206	-	-	-
Payments for capital assets	603 735	697 432	1 000 818	1 166 814	1 185 170	1 101 071	1 171 926	1 233 417	1 286 770
Buildings and other fixed structures	602 756	694 519	994 647	1 158 136	1 176 492	1 063 239	1 142 963	1 203 013	1 253 820
Machinery and equipment	979	2 913	6 171	8 678	8 678	37 832	28 963	30 404	32 950
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total	1 165 991	1 389 019	2 550 137	3 078 939	3 210 108	3 218 998	3 344 801	3 582 787	3 766 589

The Education Infrastructure grant, previously known as the Infrastructure Grant to Provinces (IGP) caters for physical infrastructure needs of schools. This grant has grown from R602.756 million in 2008/09 to R1.374 billion in 2014/15, indicating a growth of some 128 per cent. This grant will supplement existing infrastructure budgets and functions.

The HIV and AIDS (Life-Skills Education) grant funds a life-skills programme, aimed at creating awareness among learners and educators.

The coverage of the NSNP grant has been expanded to include Quintile 3 secondary schools. This grant has seen significant growth from R343.079 million in 2008/09 to R1.284 billion in 2014/15. The programme is set to benefit almost 2 171 071 learners in 2012/13.

The Technical Secondary Schools Recapitalisation grant was introduced for the first time in 2010/11, and is aimed at equipping technical secondary schools with the necessary equipment to enhance curriculum delivery such as increasing the number of suitably qualified and technically skilled learners. The amount allocated for this grant grows from R15.039 million in 2010/11 to R45.193 million in 2014/15.

The FET College Sector grant is merely a ring-fencing of the previous allocation which was funded through the equitable share. This emanates from the establishment of the Department of Higher Education and Training, whereby all FET colleges will form part of the institutions that will be governed by this department.

The EPWP Integrated Grant for Provinces, which was first allocated in the 2010/11 Adjusted Appropriation, is aimed at providing incentives to departments to utilise members of the community in its infrastructure projects.

The Dinaledi Schools grant, which was introduced in 2011/12, will be used to increase access to maths and science at higher grade level in under-privileged schools.

The NSNP, Technical Secondary Schools Recapitalisation grant, Education Infrastructure grant and Dinaledi Schools grant have part of their allocations reflected against *Goods and services* and *Machinery and equipment*, while a portion of the Education Infrastructure grant is also reflected against *Buildings and other fixed structures*. The HIV and AIDS (Life-Skills Education) grant is reflected against *Goods and services* and *Transfers and subsidies to: Non-profit institutions* in order to cater for the OVC project. The FET College Sector grant has been allocated against *Compensation of employees* and *Transfers and subsidies to: Non-profit institutions*. A portion of the NSNP is allocated to *Compensation of employees* in order to deal with capacity issues relating to monitoring.

5.6 Summary of infrastructure payments and estimates

Table 5.11 below presents a summary of infrastructure payments and estimates by category for the vote, including both capital and current expenditure on infrastructure for the period 2008/09 to 2014/15. Detailed information on infrastructure is given in the *Annexure – Vote 5: Education*.

Table 5.11: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
New and replacement assets	232 599	167 360	206 963	871 401	753 401	595 811	615 601	865 960	856 789
Existing infrastructure assets	1 004 809	1 224 891	1 713 317	1 326 340	1 462 696	1 620 286	1 788 553	1 640 278	1 792 690
Upgrades and additions	863 223	868 957	958 967	829 859	948 395	1 010 867	1 067 878	990 959	1 124 757
Rehabilitation, renovations and refurbishments	49 576	251 864	670 403	390 481	408 301	528 148	509 375	431 897	445 764
Maintenance and repairs	92 010	104 070	83 947	106 000	106 000	81 271	211 300	217 422	222 169
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Current									
Capital									
Capital infrastructure	1 145 398	1 288 181	1 836 333	2 091 741	2 110 097	2 134 826	2 192 854	2 288 816	2 427 310
Current infrastructure	92 010	104 070	83 947	106 000	106 000	81 271	211 300	217 422	222 169
Total	1 237 408	1 392 251	1 920 280	2 197 741	2 216 097	2 216 097	2 404 154	2 506 238	2 649 479

The infrastructure budget shows significant growth over the period. The strong growth over the 2012/13 MTEF, which corresponds to the increase in the Education Infrastructure grant, should enable the department to make provision for pressing infrastructural needs, particularly in respect of the roll-out of Grade R, building of special schools, and non-school buildings.

New and replacement assets grows by 268 per cent over the seven-year period. The 2011/12 Revised Estimate has been reduced due to the implementing agent's failure to implement new special schools projects, and redirected to *Upgrades and additions*. The allocation grows during the second year of the 2012/13 MTEF in anticipation of these challenges being resolved by then.

Upgrades and additions, which is aimed at dealing with issues of over-crowding, is the category that has been allocated a larger portion of the budget over the seven-year period. The programmes relating to additions and/or renovations of schools to accommodate learners with special needs, boarding facilities, as well as office accommodation will continue over the 2012/13 MTEF. In addition to classrooms and toilets, the budget also includes provision for laboratories, computer centres and ECD spaces. *Maintenance and repairs*, which has previously not been allocated sufficient funding, grows substantially over the 2012/13 MTEF.

Rehabilitation, renovations and refurbishments fluctuates over the seven-year period. The high 2011/12 Revised Estimate compared to the Adjusted Appropriation and the growth in 2012/13 is mainly due to the high demand for the rehabilitation and renovation of the existing schools infrastructure. Due to the implementing agent's inability to implement projects under *New and replacement assets* category on time in 2011/12, the department has decided to rehabilitate and renovate some of the dilapidated schools infrastructure as an alternative, to avoid continuous under-spending on its infrastructure budget.

5.7 Public Private Partnerships – Nil

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.9 Transfers to other entities

Table 5.12 provides details of transfers made to other entities over the seven-year period under review.

Table 5.12: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
		2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12					
Other	1.2. Corp. Services	171	208	1 317	-	1 000	962	1 000	1 100	1 100
Section 21 schools	2.1. Public Pr. & 2.2. Public Sec. Sch	930 311	959 666	945 340	1 109 826	1 109 826	1 109 826	1 187 514	1 252 827	1 315 468
Section 20 schools (petty cash)	2.1. Public Pr. & 2.2. Public Sec. Sch	70 023	53 844	82 203	8 883	8 883	8 883	9 505	10 028	10 529
HIV and AIDS	2.6. Conditional grants	13 105	20 425	23 592	25 000	25 000	25 000	7 200	10 800	10 800
Independent schools	3.1. Primary & 3.2. Secondary phase	53 488	54 098	58 524	63 357	63 357	63 357	66 525	70 184	74 395
Public special schools	4.1. Special Schools	63 706	71 041	69 603	125 410	125 410	110 869	131 681	138 923	143 091
FET colleges	5.3. Cond. grants	431 001	381 854	476 025	540 025	544 840	544 840	601 961	709 790	762 581
ECD centres	7.1. Gr. R in Pub. Sch & 7.2. Com Ctrs	4 926	12	-	28 216	28 216	24 000	29 627	67 865	91 499
ETDP SETA	8.2. Payments to SETA	14 877	19 278	16 552	18 944	18 944	18 944	19 961	20 981	22 030
Total		1 581 608	1 560 426	1 673 156	1 919 661	1 925 476	1 906 681	2 054 974	2 282 498	2 431 493

The largest portion of transfers is in respect of Section 21 schools, relating to the transfers of norms and standards funding. The increased budget in respect of public special schools, especially from 2008/09 onward, reflects the extent to which the department is focussing on learners with special needs, by making sure that schools are allocated funding that will enable them to assist the learners and to ensure that the Inclusive Education programme is granted the attention it deserves.

It is anticipated that all schools will attain Section 21 functions from 2012/13 onward, thus obviating the need to provide petty cash payments.

The decrease in the transfers to FET colleges in 2009/10 is largely attributable to once-off funding allocated in 2008/09 for the implementation of NC(V) programmes, while simultaneously phasing out NATED certificate courses.

The increase from 2011/12 onward on ECD centres is to ensure that schools with Grade R classes are able to run their own affairs in line with the Norms and Standards for Grade R. Additional allocations for the expansion of Grade R also contribute to the increase over the MTEF.

5.10 Transfers to local government

It is noted that, although the payment of motor vehicle licences now falls under *Transfers and subsidies to: Provinces and municipalities*, in line with changes in the SCOA classification, these funds are not transferred to any municipality, and therefore the table reflecting transfers to local government is excluded.

5.11 Transfers and subsidies

Table 5.13 provides a summary of transfers by programme and main category over the seven-year period.

The department mainly transfers funds to schools and FET colleges. Apart from these, there are smaller transfers in respect of employees' severance packages, which are difficult to predict, thus showing fluctuations over the years.

Table 5.13: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	5 176	6 579	9 815	25 488	26 488	23 285	26 762	28 234	29 646
Provinces and municipalities	171	208	1 305	-	1 000	950	1 000	1 100	1 100
Motor vehicle licences	171	208	1 305	-	1 000	950	1 000	1 100	1 100
Non-profit institutions	-	-	12	-	-	12	-	-	-
Other	-	-	12	-	-	12	-	-	-
Households	5 005	6 371	8 498	25 488	25 488	22 323	25 762	27 134	28 546
Social benefits	5 005	6 371	8 498	25 488	25 488	22 323	25 762	27 134	28 546
2. Public Ordinary School Education	1 048 019	1 067 040	1 090 044	1 502 997	1 502 997	1 267 789	1 578 147	1 944 585	2 093 318
Non-profit institutions	1 000 334	1 013 510	1 027 543	1 466 606	1 466 606	1 207 960	1 539 936	1 915 355	2 062 626
Section 21 schools	930 311	959 666	945 340	1 466 606	1 466 606	1 207 960	1 539 936	1 915 355	2 062 626
Section 20 schools	70 023	53 844	82 203	-	-	-	-	-	-
Households	47 685	53 530	62 501	36 391	36 391	59 829	38 211	29 230	30 692
Social benefits	47 685	53 530	62 501	36 391	36 391	59 829	38 211	29 230	30 692
3. Independent School Subsidies	53 488	54 098	58 524	63 357	63 357	63 357	66 525	70 184	74 395
Non-profit institutions	53 488	54 098	58 524	63 357	63 357	63 357	66 525	70 184	74 395
Independent schools	53 488	54 098	58 524	63 357	63 357	63 357	66 525	70 184	74 395
4. Public Special School Education	65 521	72 755	71 497	126 705	126 705	112 296	133 041	140 358	144 598
Provinces and municipalities	8	218	70	-	-	-	-	-	-
Motor vehicle licences	8	218	70	-	-	-	-	-	-
Non-profit institutions	63 706	71 041	69 603	125 410	125 410	110 869	131 681	138 923	143 091
Public special schools	63 706	71 041	69 603	125 410	125 410	110 869	131 681	138 923	143 091
Households	1 807	1 496	1 824	1 295	1 295	1 427	1 360	1 435	1 507
Social benefits	1 807	1 496	1 824	1 295	1 295	1 427	1 360	1 435	1 507
5. Further Education and Training	433 135	382 370	476 359	540 025	544 840	545 046	605 331	713 411	766 460
Non-profit institutions	431 001	381 854	476 025	540 025	544 840	544 840	605 331	713 411	766 460
FET colleges	431 001	381 854	476 025	540 025	544 840	544 840	605 331	713 411	766 460
Households	2 134	516	334	-	-	206	-	-	-
Social benefits	2 134	516	334	-	-	206	-	-	-
6. Adult Basic Education and Training	388	199	1 001	25	25	138	26	27	28
Households	388	199	1 001	25	25	138	26	27	28
Social benefits	388	199	1 001	25	25	138	26	27	28
7. Early Childhood Development	5 358	215	334	28 216	28 216	24 103	29 627	67 865	91 499
Non-profit institutions	4 926	12	-	28 216	28 216	24 000	29 627	67 865	91 499
ECD centres	4 926	12	-	28 216	28 216	24 000	29 627	67 865	91 499
Households	432	203	334	-	-	103	-	-	-
Social benefits	432	203	334	-	-	103	-	-	-
8. Auxiliary and Associated Services	14 879	19 654	17 145	18 944	18 944	19 517	19 961	20 981	22 030
Departmental agencies and accounts	14 877	19 278	16 552	18 944	18 944	18 944	19 961	20 981	22 030
ETDP SETA	14 877	19 278	16 552	18 944	18 944	18 944	19 961	20 981	22 030
Households	2	376	593	-	-	573	-	-	-
Social benefits	2	376	593	-	-	573	-	-	-
Total	1 625 964	1 602 910	1 724 719	2 305 757	2 311 572	2 055 531	2 459 420	2 985 645	3 221 974

The category *Households* under Programme 1, over the seven-year period, reflects payments made in respect of staff exit costs. The fluctuations are as a result of the difficulty in predicting the expenditure in respect of this category. The 2011/12 Revised Estimate and Adjusted Appropriation against *Provinces and municipalities* reflects an amount that is due to the Department of Transport for motor vehicle licences in line with the SCOA classification changes. The prior year figures were restated for comparison purposes.

Programme 2 houses the larger portion of the transfers to schools. *Transfers and subsidies* increase over the seven-year period, and include the following:

- *Non-profit institutions* reflects payments made in respect of norms and standards. These payments are made to all schools. However, the allocation was increased in 2008/09 and 2009/10 to cater for transfers to Non-Section 21 schools for the purchase of stationery as there were delays experienced in the appointment of a managing agent. The increase in the 2012/13 MTEF accounts for the remainder of the schools that will be converted into Section 21 schools. Also included are transfers to schools in respect of the HIV and AIDS programme.
- *Households* reflects payments in respect of staff exit costs. The fluctuations relate to the difficulty in predicting the expenditure in respect of this category.

Non-profit institutions under Programme 3 reflects payments made in respect of the subsidy given to independent schools.

With regard to Programme 4:

- *Non-profit institutions* reflects payments made to special schools. The allocation increases during 2011/12 and over the 2012/13 MTEF.
- *Households* caters for staff exit costs, which are difficult to predict, hence the fluctuations over the seven-year period.

The category *Transfers and subsidies* under Programme 5 reflects an increasing trend, while there is a reduction in 2009/10 as a result of the allocation for the FET College Sector Recapitalisation grant which ceased in 2008/09. This category includes the following:

- *Non-profit institutions* reflects payments to FET colleges for the running of these institutions. The allocation was reduced in 2009/10 due to delays in the transfer of administrative responsibilities to the colleges.
- *Households* caters for staff exit costs for lecturers and other administrative staff in the colleges.

Households under Programme 6 reflects payments in respect of severance packages and leave gratuities, which are difficult to predict, hence the fluctuations.

The category *Transfers and subsidies* under Programme 7 increases over the period, and includes:

- *Non-profit institutions* reflects payments made to ECD centres.
- *Households* caters for staff exit costs, which are difficult to predict, hence the fluctuations.

The category *Transfers and subsidies* under Programme 8 fluctuates over the seven-year period, and includes the following:

- *Departmental agencies and accounts* reflects payments made to the Education Training and Development Practices Sector Education and Training Authority (ETDP SETA) in respect of the Skills Development Levy.
- *Households* caters for staff exit costs, which are difficult to predict, hence the fluctuations.

6. Programme description

The services rendered by this department are categorised under eight programmes for the current MTEF, which conform to the uniform budget and programme structure for the sector.

The payments and estimates for each programme are summarised in terms of sub-programmes and economic classification, and detailed in the *Annexure – Vote 5: Education*.

6.1 Programme 1: Administration

Programme 1: Administration has five sub-programmes that are responsible for providing:

- The functioning of the Office of the MEC for Education.
- Overall management of the education system.
- Education management services for the education system.
- Human resource development for office-based staff.
- Education Management Information System (EMIS).

Tables 5.14 and 5.15 below reflect payments and budgeted estimates relating to this programme for the period 2008/09 to 2014/15.

Table 5.14: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Office of the MEC	10 299	11 362	18 238	23 721	23 963	25 995	25 130	26 520	29 404
Corporate Services	891 055	777 712	799 101	443 450	447 978	689 322	471 072	473 607	508 505
Education Management	441 925	511 900	634 768	901 516	911 507	723 533	972 723	1 015 553	1 098 778
Human Resource Development	27 146	25 229	35 372	32 091	32 091	11 671	32 426	32 808	34 448
Education Management Information System (EMIS)	24 902	16 360	10 374	44 752	44 752	27 181	46 990	49 574	52 053
Total	1 395 327	1 342 563	1 497 853	1 445 530	1 460 291	1 477 702	1 548 341	1 598 062	1 723 188
Unauth. exp. (1 st charge) not available for spending	-	(111 466)	(133 602)	-	-	-	-	-	-
Baseline available for spending after 1st charge	1 395 327	1 231 097	1 364 251	1 445 530	1 460 291	1 477 702	1 548 341	1 598 062	1 723 188

Table 5.15: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	1 188 923	1 153 159	1 210 585	1 249 147	1 262 908	1 374 809	1 342 139	1 380 519	1 502 684
Compensation of employees	603 938	716 486	778 197	779 185	793 946	855 712	848 681	909 921	1 002 423
Goods and services	584 691	435 860	432 096	469 962	468 962	518 870	493 458	470 598	500 261
Interest and rent on land	294	813	292	-	-	227	-	-	-
Transfers and subsidies to:	5 176	6 579	9 815	25 488	26 488	23 285	26 762	28 234	29 646
Provinces and municipalities	171	208	1 305	-	1 000	950	1 000	1 100	1 100
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	12	-	-	12	-	-	-
Households	5 005	6 371	8 498	25 488	25 488	22 323	25 762	27 134	28 546
Payments for capital assets	201 228	71 355	57 280	170 895	170 895	79 608	179 440	189 309	190 858
Buildings and other fixed structures	172 374	48 780	36 979	78 102	78 102	71 738	82 007	86 517	90 843
Machinery and equipment	28 013	22 514	20 301	92 793	92 793	7 870	97 433	102 792	100 015
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	841	61	-	-	-	-	-	-	-
Payments for financial assets	-	111 470	220 173	-	-	-	-	-	-
Total	1 395 327	1 342 563	1 497 853	1 445 530	1 460 291	1 477 702	1 548 341	1 598 062	1 723 188
Unauth. exp. (1 st charge) not available for spending	-	(111 466)	(133 602)	-	-	-	-	-	-
Baseline available for spending after 1st charge	1 395 327	1 231 097	1 364 251	1 445 530	1 460 291	1 477 702	1 548 341	1 598 062	1 723 188

As previously mentioned, in terms of Section 34(2) of the PFMA, the department is liable for the repayment of previous year's over-expenditure, resulting in a first charge against the department's budget. In 2009/10, the first instalment of R111.466 million was implemented against the budget, while the second instalment of R133.602 million was implemented in 2010/11. The above-mentioned instalments of the first charge are allocated under the sub-programme: Corporate Services, against *Payments for financial assets*.

The budget increases sharply from 2009/10 to 2014/15, largely due to provisions made for the appointment of subject advisors in 2009/10. The high amount in 2008/09 is due to the once-off purchase of four new buildings in that year. There were expenditure misallocations between the Corporate Services and Education Management sub-programmes which were corrected from 2009/10 onward, but prior year figures could not be restated. These expenditure misallocations relate to *Compensation of employees* and *Goods and services*.

The Human Resources Development budget is inclusive of the employees' bursary budget, as well as the skills development funds. The 2011/12 Revised Estimate is lower than the Adjusted Appropriation due to cost-cutting. The sub-programme increases steadily over the MTEF. The Education Management Information System (EMIS) grows significantly from the 2011/12 Main Appropriation onward in order to ensure a speedy roll-out of the South African Schools Administration and Management System (SA-SAMS), notwithstanding the decreased 2011/12 Revised Estimate due to cost-cutting.

As can be seen in the 2011/12 Revised Estimate, *Compensation of employees* is higher than the Adjusted Appropriation due to filling of unfunded posts, as well as the shortfall from prior years. The decrease in 2012/13, compared to the 2011/12 Revised Estimate, highlights that the department has not been able to cover the entire spending pressures arising from previous years, and therefore will continue to implement the newly developed cost-containment strategy to realise savings that will offset the spending pressures against *Compensation of employees*.

The *Goods and services* expenditure for 2008/09 is higher than the two following years, largely due to the cost-cutting that was implemented from 2009/10. The higher 2011/12 Revised Estimate is largely due to the continued high spending on non-core items such as *Travel and subsistence*. Over the 2012/13 MTEF, the allocation for *Goods and services* grows steadily.

Transfers and subsidies to: Households caters for the payment of capped leave with regard to employees that retire from the department. The budget for this category has grown over the years.

The high expenditure against *Buildings and other fixed structures* in 2008/09 relates to the once-off purchase of four new buildings that were bought for administration purposes. The low spending in 2009/10 and 2010/11 relates to cost-cutting to fund pressures in *Compensation of employees*. *Buildings and other fixed structures* reflects a reduction in the 2011/12 Revised Estimate due to enforced savings to cover spending pressures against the same category in Programme 2. Over the 2012/13 MTEF, the allocation grows steadily in order to ensure that the department buys or constructs the necessary circuit and district offices, as opposed to leasing.

Machinery and equipment reflects a decrease from 2008/09 to 2010/11 due to enforced savings to deal with spending pressures. The increase from 2011/12 onward is to ensure that the department procures the necessary tools of trade which have not been replaced over the years. The significantly low 2011/12 Revised Estimate is due to cost-cutting, to offset spending pressures in *Compensation of employees*.

The high spending against *Payments for financial assets* in 2009/10 relates to the first charge, as indicated earlier, and the 2010/11 amount relates to the second instalment of the first charge, as well as the write-off of staff debts which could not be recovered during the debt recovery drive by the department.

Service delivery measures – Programme 1: Administration

Table 5.16 below illustrates the main service delivery measures relevant to Programme 1: Administration. The department has complied with the service delivery measures as prescribed by the Education sector.

Table 5.16: Service delivery measures – Programme 1: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
To bring effective management to all levels of the system	• No. of public schools that use SA-SAMS (or its equivalent) to provide data to the national unit record tracking system	2 900	3 000	5 500	5 960	
	• No. of schools that can be contacted electronically (e-mail) by the department	3 890	4 988	5 896	5 960	
	• % of current expenditure going toward non-personnel items in schools	12.8%	13.5%	14.2%	15.2%	

6.2 Programme 2: Public Ordinary School Education

This programme houses the core function of the department, and its aim is the provision of public ordinary schools from Grades 1 to 12, in accordance with the South African Schools Act.

This programme has six sub-programmes over the 2012/13 MTEF, which have the following objectives:

- To provide specific public primary ordinary schools with resources for the Grade 1 to 7 levels.
- To provide specific public secondary ordinary schools with resources for the Grade 8 to 12 levels.
- To provide departmental services for the professional and other development of educators and non-educators in public ordinary schools.
- Human resource development for educators and non-educators.
- To provide additional and departmentally managed sporting and cultural activities in public ordinary schools.
- To provide for various national projects that are funded through the conditional grants namely:
 - National School Nutrition Programme.
 - HIV and AIDS (Life Skills Education).
 - Technical Secondary Schools Recapitalisation.
 - Dinaledi Schools.
 - EPWP Integrated Grant for Provinces.

Tables 5.17 and 5.18 reflect payments and budgeted estimates for the period 2008/09 to 2014/15.

This programme includes the budget for educators, their salaries, and development needs. The largest portion of the budget under this programme is allocated to the sub-programme: Public Primary Schools, in proportion to the number of institutions and learners attending these schools. The specific conditional grants funding have been reflected as sub-sub-programmes.

Table 5.17: Summary of payments and estimates - Programme 2: Public Ordinary School Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Public Primary Schools	11 180 496	12 882 297	13 995 395	14 999 584	15 297 016	16 134 046	16 057 243	17 149 864	18 275 868
Public Secondary Schools	7 424 078	8 604 297	9 617 775	11 113 785	11 317 043	11 414 003	11 723 558	12 489 374	13 204 027
Professional Services	316 006	407 679	440 960	257 381	257 381	466 975	291 038	288 998	303 532
Human Resource Development	14 900	20 167	1 867	157 519	157 519	66 632	154 010	164 310	176 253
In-school Sport and Culture	39 328	41 808	22 783	40 786	40 786	41 828	42 825	45 180	47 439
Conditional grants	383 565	642 883	808 753	1 166 010	1 268 615	1 220 789	1 257 487	1 325 578	1 400 777
National School Nutrition Programme	343 079	603 211	753 216	1 070 013	1 172 082	1 124 256	1 151 644	1 214 985	1 283 755
HIV and AIDS (Life-Skills Education) grant	40 486	39 672	39 998	45 114	45 114	45 114	46 806	49 368	52 261
Technical Secondary Schools Recap grant	-	-	15 039	38 563	38 563	38 563	40 490	42 716	45 193
EPWP Incentive Grant for Provinces	-	-	500	-	536	536	1 000	-	-
Dinaledi Schools grant	-	-	-	12 320	12 320	12 320	17 547	18 509	19 568
Total	19 358 373	22 599 131	24 887 533	27 735 065	28 338 360	29 344 273	29 526 161	31 463 304	33 407 896

Table 5.18: Summary of payments and estimates by economic classification - Programme 2: Public Ordinary School Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	17 390 196	20 311 932	22 117 642	24 714 691	25 249 630	26 520 111	26 355 558	27 985 765	29 722 682
Compensation of employees	16 267 148	18 884 525	20 590 918	22 470 984	22 895 854	24 318 308	24 043 345	25 304 466	26 933 264
Goods and services	1 122 807	1 426 548	1 526 669	2 243 707	2 353 776	2 201 708	2 312 213	2 681 299	2 789 418
Interest and rent on land	241	859	55	-	-	95	-	-	-
Transfers and subsidies to:	1 048 019	1 067 040	1 090 044	1 502 997	1 502 997	1 267 789	1 578 147	1 944 585	2 093 318
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 000 334	1 013 510	1 027 543	1 466 606	1 466 606	1 207 960	1 539 936	1 915 355	2 062 626
Households	47 685	53 530	62 501	36 391	36 391	59 829	38 211	29 230	30 692
Payments for capital assets	920 158	1 220 159	1 679 847	1 517 377	1 585 733	1 556 373	1 592 456	1 532 954	1 591 896
Buildings and other fixed structures	880 126	1 144 700	1 659 506	1 316 807	1 385 163	1 503 683	1 379 173	1 414 523	1 492 737
Machinery and equipment	39 767	75 459	20 341	200 570	200 570	52 690	213 283	118 431	99 159
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	265	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	19 358 373	22 599 131	24 887 533	27 735 065	28 338 360	29 344 273	29 526 161	31 463 304	33 407 896

The significant increase in the sub-programmes: Public Primary Schools and Public Secondary Schools from 2009/10 onward can mainly be ascribed to the higher than anticipated wage agreements between 2008 and 2010. These sub-programmes also benefitted from the various national priorities which were funded from the 2008/09 to 2010/11 MTEFs, which included a reduction of the Learner: Educator (L:E) ratio, QIDS-UP, Systemic Evaluation, Education Infrastructure grant and various personnel priorities. The increase in the 2011/12 Adjusted Appropriation against both sub-programmes is due to the provision for the higher than anticipated 2011 wage agreement. Although the 2011 wage agreement was fully funded, the impact of the additional unfunded posts filled, as well as the under-funding of prior years remain problematic, hence the high 2011/12 Revised Estimate in respect of Public Primary Schools and Public Secondary Schools sub-programmes. Despite the under-funding for the 2009/10 OSD for educators and the 2009 wage agreement, the department continued to fill unfunded vacant posts which aggravated the spending pressures even further. These spending pressures continue to hamper the department's ability to deliver quality services, as other line items have to continuously be reduced.

A large portion of the additional allocation in respect of the OSD for educators and the higher than anticipated 2011 wage agreement was allocated to the Public Primary Schools and Public Secondary Schools sub-programmes, as they bear the largest brunt of the shortfall, leaving other sub-programmes within Programme 2, as well as other programmes, without sufficient funds to cater for the carry-through costs of the higher than anticipated wage agreement and OSD from prior years.

The Professional Services sub-programme increases substantially between 2008/09 and 2010/11 as a result of the filling of subject advisor posts. The 2011/12 Revised Estimate is significantly higher than the Adjusted Appropriation, due to the exigency of the services that require subject advisors to travel throughout the province. The allocation over the 2012/13 MTEF increases slightly, but not to the extent of the demands of this sub-programme.

The Human Resource Development sub-programme fluctuates markedly over the period under review, with very low spending in 2010/11 due to a misallocation of expenditure. The expenditure rate in 2011/12 picks up markedly, but not to the extent of the Adjusted Appropriation due to cost-cutting. Notwithstanding this, the department allocates the full skills development budget to this programme, as there is an acknowledgement of the importance of improving its employee skills base, and positive growth can be noted over the 2012/13 MTEF.

The In-school Sport and Culture sub-programme shows a fluctuating trend from 2008/09 to 2010/11. The allocations from 2011/12 onward grow steadily, to enable the department to deliver on its social cohesion goal. However, like most sub-programmes, the low 2011/12 Revised Estimate is due to cost-cutting.

The NSNP grant shows a marked increase over the period under review, due to the progressive implementation of the programme. In 2009/10, the programme was extended to include Quintile 1 secondary schools, and the 2010/11 allocation, also saw growth as a result of additional funds that were allocated to extend the feeding scheme to Quintile 2 secondary schools. From 2011/12, the grant was extended to cater for Quintile 3 secondary schools.

There is consistent growth against the HIV and AIDS (Life-Skills Education) grant from 2009/10 to 2014/15. The grant grows modestly over the 2012/13 MTEF.

In 2010/11, a new conditional grant called the Technical Secondary School Recapitalisation grant was introduced. The 2011/12 allocation is projected to be fully spent, notwithstanding the significant delays that were experienced with the procurement processes. In 2011/12 and over the 2012/13 MTEF, the allocation more than doubles compared to the budget at inception, and this will allow more schools to be accommodated in the programme.

The EPWP Integrated Grant for Provinces was introduced to the department during 2010/11, and it is anticipated that the grant's 2011/12 Adjusted Appropriation will be fully spent.

The Dinaledi Schools grant was introduced in the province during the 2011/12 MTEF, and is aimed at increasing access to maths and science at higher grade level in under-privileged schools. The grant grows modestly over the 2012/13 MTEF.

The expenditure on *Compensation of employees* grew consistently from 2008/09 to 2010/11 largely fuelled by the implementation of OSD for educators in 2008/09 and the higher than anticipated wage agreements, which were not adequately funded. As a result, the carry-through effect of such under-funding and the impact of the additional unfunded posts that were filled can be seen in the 2011/12 Revised Estimate, which is almost R1.422 billion above the Adjusted Appropriation. The allocation for 2012/13 indicates the pressures experienced by this category, as the allocated budget is lower than the 2011/12 Revised Estimate. For the department to escape the continuous over-expenditure year-in, and year-out, it becomes important that the cost-containment strategy it has devised be implemented with vigour and be strictly adhered to.

Goods and services has grown significantly over the seven-year period, largely influenced by additional allocations received, of which the largest share was in respect of NSNP. Furthermore, from 2008/09 to 2009/10, the department transferred the stationery portion of the LTSM budget directly to schools due to the absence of a managing agent to deal with this. This partly explains the growth in the *Goods and services* budget in 2011/12, as the managing agent was appointed by then, and thus obviates the need to transfer the budget to schools. The other factor in the increase of the *Goods and services* budget is the growth in the NSNP allocation. The downward revision of the *Goods and services* budget in the 2011/12 Revised Estimate is as a result of programmes such as training and staff development being put on hold in order to fund the projected over-expenditure against *Compensation of employees*. The 2012/13 MTEF grows substantially, largely influenced by the growth in the NSNP.

Transfers and subsidies to: Non-profit institutions saw a steady increase from 2008/09 to 2009/10 largely due to the department not having a managing agent for stationery which resulted in funds being transferred to schools, and as a result of a portion of the HIV and AIDS (Life-Skills Education) grant being transferred to schools for the OVC project. The increase from 2010/11 to the 2011/12 Main Appropriation and over the 2012/13 MTEF is due to the anticipation of more schools attaining some of the Section 21 functions. The low 2011/12 Revised Estimate is due to some schools not complying with the financial requirements to enable transfers to be made directly to the schools. In such cases, schools have to buy their requirements through the department.

Transfers and subsidies to: Households fluctuates over the seven years, as it relates to staff exit costs.

Buildings and other fixed structures reflects an increase between 2008/09 and 2010/11, which is concomitant to the increase in the budget allocated for infrastructure over the same period. The high expenditure in 2010/11 relates to some spending pressures that were experienced due to cost of upgrading and major repairs to school infrastructure which received more attention due to higher demand. In

ensuring that this programme compensates the other programmes, the allocation for 2011/12 was revised downward, however the pressures are still reflected in the 2011/12 Revised Estimate. The 2011/12 Adjusted Appropriation increased as a result of additional funding received for natural disasters, as well as the inclusion of ECD classrooms in the upgrades and additions as part of the schools' delivery programme and not stand alone in Programme 7. The budget allocation increases over the 2012/13 MTEF compared to the 2011/12 Main Appropriation due to funds allocated for the construction of classrooms, laboratories, computer centres and eradication of unsafe facilities at schools, but is lower compared to the 2011/12 Revised Estimate, due to spending pressures experienced by this programme. The budget allocation over the 2012/13 MTEF does not cater ECD classrooms as it is budgeted under Programme 7, hence the decrease from 2011/12 Adjusted Appropriation to 2012/13.

Machinery and equipment fluctuates between 2008/09 to 2010/11, largely due to the reprioritisation of funds in prior years to partly address pressures in *Compensation of employees*. The allocation for 2011/12 increases significantly when compared to the expenditure trends of prior years, which reflect a low base. Despite the increased budget allocation, the pressures are not subsiding as evidenced in the significantly low 2011/12 Revised Estimate compared to the Main Appropriation. The department realises the need to invest in machinery and equipment in order to deliver quality education, hence the higher allocation in the first year of the 2012/13 MTEF.

Service delivery measures – Programme 2: Public Ordinary School Education

Table 5.19 below illustrates the main service delivery measures relevant to Programme 2. The department has, as far as possible, complied with the service delivery measures as prescribed by the Education sector.

Table 5.19: Service delivery measures – Programme 2: Public Ordinary School Education

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
To provide access in the public ordinary schooling system in accordance with policy	• No. of learners with special education needs that are enrolled in public ordinary schools	22 000	24 000	26 000	28 000	
	• No. of full service schools	60	70	80	90	
	• No. of learners benefitting from the No Fee policy	1 750 721	1 760 882	1 770 980	1 785 240	
	• No. of learners enrolled in public ordinary schools	2 569 793	2 571 793	2 571 907	2 579 358	
	• No. of educators employed in public ordinary schools	88 373	88 373	88 373	88 373	
	• No. of non-educator staff employed in public ordinary schools	11 658	12 058	12 058	12 058	
To put in place basic infrastructure for public ordinary schooling in accordance with policy	• No. of public ordinary schools provided with water supply	5 885	5 910	5 935	5 960	
	• No. of public ordinary schools provided with electricity	5 536	5 566	5 596	5 650	
	• No. of public ordinary schools provided with sanitation facilities	6 136	6 146	6 160	6 176	
	• No. of classrooms built in public ordinary schools	1 500	1 500	1 500	1 500	
	• No. of specialist rooms built in public ordinary schools (all rooms except classrooms – include laboratories, stock rooms, sick bays, kitchens)	265	280	300	325	
	• No. of schools visited at least once a quarter by a circuit manager	6 160	6 160	6 160	6 160	

6.3 Programme 3: Independent School Subsidies

The purpose of this programme is to support independent schools, in accordance with the South African Schools Act. One of the main aims of this programme is to ensure timeous and orderly registration of independent schools in terms of the South African Schools Act, as well as other legislative frameworks. These schools are evaluated and monitored by the department, and their capacity is developed to ensure the effective functioning of these schools and their governing bodies.

Independent schools provide education and training to learners in the same way as public schools do, but are not governed by the same legislation as public schools. For quality purposes, independent schools are registered with the Association for Independent Schools, and have an Independent Examination Board.

Tables 5.20 and 5.21 below reflect summary of payments and estimates relating to this programme. The sub-programmes are split by the education phase category, as reflected in Table 5.20 below.

Table 5.20: Summary of payments and estimates - Programme 3: Independent School Subsidies

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Primary Phase	28 636	32 935	36 088	38 648	38 648	39 767	40 580	42 812	45 654
Secondary Phase	24 852	21 163	22 436	24 709	24 709	23 590	25 945	27 372	28 741
Total	53 488	54 098	58 524	63 357	63 357	63 357	66 525	70 184	74 395

Table 5.21: Summary of payments and estimates by economic classification - Programme 3: Independent School Subsidies

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	53 488	54 098	58 524	63 357	63 357	63 357	66 525	70 184	74 395
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	53 488	54 098	58 524	63 357	63 357	63 357	66 525	70 184	74 395
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	53 488	54 098	58 524	63 357	63 357	63 357	66 525	70 184	74 395

The programme reflects steady growth over the seven-year period in line with the inflationary adjustment. The programme is facing pressures due to the number of enrolments in the independent schools. In order to deal with this, the number of learners subsidised remains constant over the 2012/13 MTEF in order for the programme to stay within the budget.

Service delivery measures – Programme 3: Independent School Subsidies

Table 5.22 below illustrates the main service delivery measure relevant to Programme 3.

Table 5.22: Service delivery measures – Programme 3 : Independent School Subsidies

Outputs	Performance indicators	Estimated Performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
To ensure that quality education occurs in independent schools	• No. of learners subsidised in independent schools	28 696	28 696	28 696	28 696

6.4 Programme 4: Public Special School Education

The purpose of this programme is to provide compulsory public education in special schools in accordance with the South African Schools Act and White Paper 6 on Inclusive Education. The sub-programmes are aimed at providing:

- Specific public special schools with resources.
- Educators and learners in public special schools with departmentally managed support services.

- Departmental services for the professional and other development of educators and non-educators in public special schools.
- Additional and departmentally managed sporting and cultural activities in public special schools.

To date, the department has 70 registered special schools, but more than 60 per cent of these are in urban areas. Furthermore, special schools are not inclusive and only admit learners according to the disability category that the school is registered for, thus excluding a number of learners who do not meet the requirement in terms of the admission policies.

Tables 5.23 and 5.24 below reflect payments and budgeted estimates for the period under review.

Table 5.23: Summary of payments and estimates - Programme 4: Public Special School Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Schools	471 185	563 110	643 132	1 022 733	1 032 725	1 009 573	1 083 193	1 115 799	1 183 116
Human Resource Development	2 680	2 055	321	3 920	3 920	1 080	4 128	4 364	4 582
Total	473 865	565 165	643 453	1 026 653	1 036 645	1 010 653	1 087 321	1 120 163	1 187 698

Table 5.24: Summary of payments and estimates by economic classification - Programme 4: Public Special School Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	367 183	439 577	458 211	479 540	489 532	602 442	512 852	542 346	591 493
Compensation of employees	358 810	422 379	447 177	475 620	485 612	592 740	508 724	537 982	586 998
Goods and services	8 373	17 198	11 034	3 920	3 920	9 702	4 128	4 364	4 495
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	65 521	72 755	71 497	126 705	126 705	112 296	133 041	140 358	144 598
Provinces and municipalities	8	218	70	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	63 706	71 041	69 603	125 410	125 410	110 869	131 681	138 923	143 091
Households	1 807	1 496	1 824	1 295	1 295	1 427	1 360	1 435	1 507
Payments for capital assets	41 161	52 833	113 745	420 408	420 408	295 915	441 428	437 459	451 607
Buildings and other fixed structures	34 560	34 522	69 889	369 559	369 559	280 791	388 037	381 131	392 463
Machinery and equipment	6 601	18 311	43 856	50 849	50 849	15 124	53 391	56 328	59 144
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	473 865	565 165	643 453	1 026 653	1 036 645	1 010 653	1 087 321	1 120 163	1 187 698

The programme experienced steady growth up to and including 2010/11. The significant increase from 2011/12 onward against the Schools sub-programme is indicative of the level of importance given to this programme. The lower 2011/12 Revised Estimate is as a result of the slow infrastructure spending in respect of new special schools due to poor performance by the implementing agent. The 2012/13 MTEF allocation grows steadily.

Compensation of employees reflects an increase from 2008/09 to 2010/11 influenced by the various wage agreements and OSD for educators over the years. The 2011/12 Revised Estimate is higher than the Adjusted Appropriation due to the filling of unfunded posts, as well as the carry-through effect of the under-funding of the wage agreements and OSD in prior years. The allocation for 2012/13 indicates the pressures experienced by this category, as the allocated budget is lower than the 2011/12 Revised Estimate. For the department to escape the continuous over-expenditure year-in, and year-out, it becomes important that the cost-containment strategy be implemented with vigour and strictly adhered to.

The increase in 2009/10 against *Goods and services* relates to the implementation and extension of the Inclusive Education programme through the implementation of full service schools. The expenditure for 2010/11 is lower due to the bulk of the funding having been allocated to transfers to schools as reflected against *Transfers and subsidies to: Non-profit institutions*. The 2011/12 Revised Estimate is higher than the Adjusted Appropriation due to the anticipated expenditure by the department on behalf of the schools, which also explains the lower Revised Estimate against *Transfers and subsidies to: Non-profit*

institutions. Over the 2012/13 MTEF, a minimum allocation is made against *Goods and services* due to the fact that the bulk of the funding will be transferred to the schools.

Transfers and subsidies to: Non-profit institutions fluctuates between 2008/09 and 2010/11. The lower 2011/12 Revised Estimate is as a result of the department procuring some items on behalf of the schools, as explained above. Over the 2012/13 MTEF, the budget allocation steadies in anticipation of the schools procuring most of their requirements on their own.

The expenditure against *Buildings and other fixed structures* doubles between 2008/09 and 2010/11. In 2011/12, the allocation increases significantly, due to additional funding for the construction of schools for learners with special needs and also for the conversion of some schools into full-service schools. However, the low 2011/12 Revised Estimate relates to slow progress in the delivery of infrastructure due to non-delivery of new special schools by the implementing agent. The increase over the 2012/13 MTEF relates to additional funding allocated for Inclusive Education.

Machinery and equipment reflects an increasing expenditure trend between 2008/09 and 2010/11, largely due to buses bought for special schools over the period. Like most programmes, the cost-cutting has affected this programme as reflected in the low 2011/12 Revised Estimate in this category. The allocation over the 2012/13 MTEF increases in order to pursue the equipping of these schools.

Service delivery measures – Programme 4: Public Special School Education

Table 5.25 below illustrates the main service delivery measures relevant to Programme 4.

Table 5.25: Service delivery measures – Programme 4: Public Special School Education

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
To provide access to special schools in accordance with policy and principles of inclusive education	No. of learners enrolled in public special schools	15 189	15 270	15 400	15 600
	No. of teachers employed in public special schools	1 522	1 403	1 467	1 531
	No. of professional non-educator staff employed in public special schools	1 677	1 799	1 887	1 983

6.5 Programme 5: Further Education and Training

The aim of this programme is to provide Further Education and Training at public FET colleges, in accordance with the Further Education and Training Colleges Act. The objectives are:

- To provide specific public FET colleges with resources.
- To provide specific public youth colleges with resources.
- To provide educators and students at public FET colleges with departmentally managed support services.
- To provide departmental services for the professional development of educators and non-educators at public FET colleges.
- To provide additional and departmentally managed sporting and cultural activities at public FET colleges.
- To provide for FET recapitalisation.

Tables 5.26 and 5.27 reflect information related to this programme for the period under review. The budget of this programme has increased over the years, and is expected to increase further to meet the challenges resulting from the transformation of the FET sector. It must be noted that the conditional grants have been reflected as sub-sub-programmes under the sub-programme: Conditional grants, in line with the generic structure for the sector. Some of the conditional grant funding has been allocated to the Public Institutions sub-programme, as explained in detail below.

Table 5.26: Summary of payments and estimates - Programme 5: Further Education and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Public Institutions	549 215	670 523	57 063	220 798	231 542	295 596	238 183	228 959	228 676
Conditional grants	162 974	-	648 820	540 025	544 840	528 053	605 331	713 411	766 460
FET College Sector Recapitalisation grant	162 974	-	-	-	-	-	-	-	-
FET Colleges Sector grant	-	-	648 820	540 025	544 840	528 053	605 331	713 411	766 460
Total	712 189	670 523	705 883	760 823	776 382	823 649	843 514	942 370	995 136

Table 5.27: Summary of payments and estimates by economic classification - Programme 5: Further Education and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	247 924	265 125	225 765	220 798	231 542	277 262	238 183	228 959	228 676
Compensation of employees	245 486	259 043	223 528	220 798	231 542	276 714	238 183	228 959	228 676
Goods and services	2 438	4 512	2 180	-	-	548	-	-	-
Interest and rent on land	-	1 570	57	-	-	-	-	-	-
Transfers and subsidies to:	433 135	382 370	476 359	540 025	544 840	545 046	605 331	713 411	766 460
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	431 001	381 854	476 025	540 025	544 840	544 840	605 331	713 411	766 460
Households	2 134	516	334	-	-	206	-	-	-
Payments for capital assets	31 130	23 028	3 759	-	-	1 341	-	-	-
Buildings and other fixed structures	31 119	23 028	3 759	-	-	1 341	-	-	-
Machinery and equipment	11	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	712 189	670 523	705 883	760 823	776 382	823 649	843 514	942 370	995 136

The funding mechanism for this programme changed from equitable share to conditional grant with effect from 2010/11, in preparation for the transfer of the programme to the Department of Higher Education and Training. This change in the funding method resulted in the department having to fund approximately R63 million over the MTEF from its baseline, as the equitable share formula used to determine how much each province should have budgeted for the FET colleges, resulted in a budget that was higher than the baseline for FET colleges. This put pressure on other programmes within a vote that is already experiencing budgetary constraints caused by the implementation of various OSD and wage agreements, among others.

Due to the non-finalisation of this transfer, the department will continue to pay salaries for some FET employees on an agency basis, hence the re-allocation of the budget to the Public Institutions sub-programme in the 2011/12 Main Appropriation. This process has been carried through in the 2012/13 MTEF, as it is not yet clear when the FET colleges will be transferred to the Department of Higher Education and Training.

The increase in 2009/10 against Public Institutions is mainly due to additional funding for the higher than 2009 wage agreement, FET 2010 training programmes and the spending pressures that were caused by the concurrent running of two curricula, while phasing out the skills (NATED) programmes.

Further funding was allocated in 2011/12 in respect of *Compensation of employees* for the higher than anticipated 2011 wage agreement and provision has been made for the carry-through effects over the 2012/13 MTEF. The allocation for 2012/13 indicates the pressures experienced by this category, as the allocated budget is lower than the 2011/12 Revised Estimate. For the department to escape the continuous over-expenditure year-in and year-out, it becomes important that the cost-containment strategy be implemented and adhered to.

Transfers and subsidies to: Non-profit institutions reflects the transfers to the colleges to administer the NC(V) programmes as provided for in the Norms and Standards.

Service delivery measures – Programme 5: Further Education and Training

Table 5.28 below illustrates the main service delivery measures relevant to Programme 5.

The increase in the number of NC(V) students is noteworthy, and the budget has increased accordingly.

Table 5.28: Service delivery measures – Programme 5: Further Education and Training

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2011/12	2012/13	2013/14	2014/15
To expand the FET college sector in terms of the economic and social needs of the country	• No. of students enrolled in NC(V) courses in FET colleges	24 703	26 195	28 815	31 696
To provide relevant and responsive quality FET learning opportunities	• No. of FET college NC(V) students who completed full courses successfully	8 095	10 722	13 462	16 289

6.6 Programme 6: Adult Basic Education and Training

The objective of this programme is to provide ABET in accordance with the Adult Basic Education and Training Act. It therefore has the responsibility of implementing the national government initiative to afford adults the chance to improve their level of literacy and numeracy. To this end, this programme seeks to eliminate adult illiteracy, improve average levels of education attainment, and provide the skills necessary for adults to contribute to the growth of the economy.

Tables 5.29 and 5.30 below reflect payments and budgeted estimates relating to this programme for the period 2008/09 to 2014/15.

Table 5.29: Summary of payments and estimates: Programme 6: Adult Basic Education and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Public Centres	143 798	160 574	132 824	152 308	155 883	187 786	162 680	164 177	174 104
Human Resource Development	-	-	-	1 141	1 141	271	1 201	1 193	1 253
Total	143 798	160 574	132 824	153 449	157 024	188 057	163 881	165 370	175 357

Table 5.30: Summary of payments and estimates by economic classification: Programme 6: Adult Basic Education and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	143 340	160 273	131 823	151 847	155 422	187 880	162 199	163 596	173 495
Compensation of employees	133 061	151 379	126 226	138 810	142 385	177 756	148 510	149 204	161 319
Goods and services	10 279	8 894	5 597	13 037	13 037	10 124	13 689	14 392	12 176
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	388	199	1 001	25	25	138	26	27	28
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	388	199	1 001	25	25	138	26	27	28
Payments for capital assets	70	102	-	1 577	1 577	39	1 656	1 747	1 834
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	70	102	-	1 577	1 577	39	1 656	1 747	1 834
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	143 798	160 574	132 824	153 449	157 024	188 057	163 881	165 370	175 357

Spending against the Public Centres sub-programme increases between 2008/09 and 2009/10 but decreases in 2010/11 due to the late submission of claims for processing, and due to the movement of educators who were incorrectly paid under this programme instead of Programme 2. The 2011/12 Revised Estimate is higher than the Adjusted Appropriation due to the pressures in *Compensation of employees*.

There is a steady increase over the 2012/13 MTEF period against *Compensation of employees*. However, this increase is insufficient due to unfunded posts filled in 2011/12, as well as the shortfall in the funding for OSD and wage agreements of prior years. As part of the broader transformation process in the education system, the ABET delivery sub-system is progressively being put in place. Again, there is no certainty as to where this programme will be provided for in the future, as indications are that it will move to the Department of Higher Education and Training.

Goods and services reflects a fluctuating downward trend between 2008/09 and 2010/11, due to the policy uncertainty with this programme. The 2011/12 Revised Estimate, as in most programmes, is lower than the Adjusted Appropriation due to cost-cutting. The increased allocation over the 2012/13 MTEF is in anticipation of a clear policy directive on ABET being given.

A minimum budget is allocated against *Machinery and equipment* in order to resource some adult centres.

Service delivery measures – Programme 6: Adult Basic Education and Training

Table 5.31 below illustrates the main service delivery measures relevant to Programme 6.

Table 5.31: Service delivery measures – Programme 6: Adult Basic Education and Training

Outputs	Performance indicators	Estimated Performance	Medium-term targets		
		2010/11	2011/12	2012/13	2013/14
To ensure that all adults without basic education have access to ABET centres	No. of learners enrolled in public ABET centres in the province	58 000	59 000	62 000	65 000
	No. of educators employed in public ABET centres	6 500	6 800	7 000	7 200

6.7 Programme 7: Early Childhood Development

The objective of this programme is to provide ECD at the Grade R and earlier levels in accordance with White Paper 5 on ECD. The main services are:

- To provide specific public ordinary schools with resources required for Grade R.
- To support particular community centres at the Grade R level.
- To provide particular sites with resources required for pre-Grade R.
- To provide educators and learners in ECD sites with departmentally managed support services.
- To provide departmental services for the professional and other development of educators and non-educators in ECD sites.

Tables 5.32 and 5.33 reflect payments and budgeted estimates for the period 2008/09 to 2014/15.

The budget for this programme has grown substantially from 2008/09 to 2014/15. This growth reflects the focus of the sector toward universal access to Grade R by 2014. The sub-programmes within this programme reflect fluctuations over the seven-year period under review, with significant additional funding from 2011/12 which is mainly related to infrastructure.

Table 5.32: Summary of payments and estimates: Programme 7: Early Childhood Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Grade R in Public Schools	186 227	227 485	282 705	515 638	470 786	511 857	533 972	711 613	836 753
Grade R in Community Centres	16 390	16 475	53 524	110 750	110 750	110 750	116 281	122 671	128 805
Pre-grade R	-	-	16 551	103 670	103 670	73 140	108 854	114 841	120 583
Human Resource Development	29	6 527	212	1 514	1 514	2 013	12 830	12 923	13 311
Total	202 646	250 487	352 992	731 572	686 720	697 760	771 937	962 048	1 099 452

Table 5.33: Summary of payments and estimates by economic classification: Programme 7: Early Childhood Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	170 132	213 008	286 495	375 790	380 938	396 279	398 365	487 213	556 345
Compensation of employees	129 556	169 549	218 318	184 242	189 390	282 746	197 240	245 474	290 436
Goods and services	40 576	43 459	68 177	191 548	191 548	113 533	201 125	241 739	265 909
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	5 358	215	334	28 216	28 216	24 103	29 627	67 865	91 499
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	4 926	12	-	28 216	28 216	24 000	29 627	67 865	91 499
Households	432	203	334	-	-	103	-	-	-
Payments for capital assets	27 156	37 264	66 163	327 566	277 566	277 378	343 945	406 970	451 608
Buildings and other fixed structures	27 020	37 115	66 163	327 273	277 273	277 273	343 637	406 645	451 267
Machinery and equipment	136	149	-	293	293	105	308	325	341
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	202 646	250 487	352 992	731 572	686 720	697 760	771 937	962 048	1 099 452

Grade R in Public Schools has increased significantly between 2008/09 and 2010/11, largely due the various wage agreements and increased payments to ECD practitioners. The 2011/12 Revised Estimate is significantly higher than the Adjusted Appropriation, due to the increase in the monthly payments made to ECD practitioners, which was not budgeted for. Furthermore, as mentioned in the analysis in Programme 2, the schools' delivery programme includes the provision of ECD classrooms in new schools, which explains the reduction against *Buildings and other fixed structures*, as this budget was shifted to Programme 2 as reflected in the 2011/12 Adjusted Appropriation.

Grade R in Community Centres reflects an increasing trend over the period under review. The policy allows for a maximum of 15 per cent of the budget to be allocated toward Grade R in Community Centres. The sub-programme indicates increasing expenditure patterns between 2008/09 and 2010/11, due to this programme being a national priority and thus received additional funding during the 2008/09 MTEF for the expansion of Grade R. The responsibility for education as far as Pre-Grade R is concerned is to offer training and, as such, the budget that is provided in this regard is for that purpose.

The Human Resource Development sub-programme's budget is allocated to priorities such as encouraging the uptake of bursaries with respect to employees that wish to focus on ECD and thus counter the shortage of qualified educators in this area. The expenditure patterns between 2008/09 and 2010/11 fluctuate. With effect from 2011/12, an effort is made to make sure that this sub-programme is adequately catered for hence the increase over the 2012/13 MTEF.

The expenditure against *Compensation of employees* increases between 2008/09 and 2010/11 influenced by the OSD and wage agreements during this period. As mentioned above, the 2011/12 Revised Estimate is influenced by the anticipated increase in the monthly payments for the practitioners, filling of unfunded posts, as well as the carry-through effects of OSD and wage agreements that were partly under-funded in prior years. The allocation for 2012/13 indicates the pressures experienced by this category, as the allocated budget is lower than the 2011/12 Revised Estimate. If the department continues to fill unfunded posts, the current spending pressures will not be remedied, and are likely to reach to an unmanageable level over the MTEF. It is imperative that the department implements its newly devised cost-containment strategy in order to control its ever rising personnel costs.

As with the programme growth, *Goods and services* grows steadily over the seven-year period. The significant increase in the 2011/12 Main Appropriation against *Goods and services* relates to additional funding for the expansion of Grade R. However, the 2011/12 Revised Estimate is lower due to cost-cutting. The budget grows significantly over the MTEF compared to the 2011/12 Revised Estimate, and this high growth emanates mainly from line items such as *Communication, Assets <R5000, Venues and facilities* and *Operating expenditure*, which is not in line with the 2011/12 cost-cutting strategy. It is imperative that the department continues to implement cost-cutting on these line items in 2012/13.

The budget allocated to *Transfers and subsidies: Non profit institutions* from 2011/12 onward is to ensure that schools with Grade R classes are able to run their own affairs in line with the Norms and Standards for Grade R. As such, the allocation grows significantly in the two outer years the 2012/13 MTEF.

Despite slow spending patterns in previous years, significant growth can be seen against *Buildings and other fixed structures* which caters for the roll-out of the programme in 2011/12 and the 2012/13 MTEF. The reduction in the 2011/12 Adjusted Appropriation is due to funds being moved to Programme 2 as a result of the inclusion of ECD classrooms as part of the schools' delivery programme.

Service delivery measures – Programme 7: Early Childhood Development

Table 5.34 below illustrates the main service delivery measures relevant to Programme 7.

Table 5.34: Service delivery measures – Programme 7: Early Childhood Development

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
To provide publicly funded Grade R in accordance with policy	• No. of Grade R learners in public schools	198 880	199 060	199 491	197 222
	• No. of public schools that offer Grade R	3 881	3 891	3 891	3 891

6.8 Programme 8: Auxiliary and Associated Services

The purpose of Programme 8 is to provide examination support services to learners in the relevant grades, and ensure quality in the provision of education, through quality assurance. The objectives are as follows:

- To provide the education institutions as a whole with training and support.
- To provide employee human resource development in accordance with the Skills Development Act.
- To provide for projects specified by the Department of Education that are applicable to more than one programme and funded with conditional grants.
- To provide for special departmentally managed intervention projects in the education system as a whole.
- To provide for departmentally managed examination services.

Tables 5.35 and 5.36 reflect payments and estimates relating to the budget for Payments to SETA, Special Projects – *Masifundisane* and Examination Services.

Table 5.35: Summary of payments and estimates: Programme 8: Auxiliary and Associated Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Payments to SETA	14 876	19 278	16 552	18 944	18 944	18 944	19 961	20 981	22 030
Special Projects - Masifundisane	181 720	64 698	59 695	-	-	-	-	-	-
Examination Services	455 460	504 229	391 307	682 883	689 278	677 195	736 992	817 433	838 542
Total	652 056	588 205	467 554	701 827	708 222	696 139	756 953	838 414	860 572

Table 5.36: Summary of payments and estimates by economic classification: Programme 8: Auxiliary and Associated Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	629 753	566 195	450 323	659 512	665 907	676 297	712 452	791 543	811 357
Compensation of employees	300 092	260 946	224 973	316 031	322 426	344 734	340 417	389 317	396 146
Goods and services	329 660	305 247	225 348	343 481	343 481	331 563	372 035	402 226	415 211
Interest and rent on land	1	2	2	-	-	-	-	-	-
Transfers and subsidies to:	14 879	19 654	17 145	18 944	18 944	19 517	19 961	20 981	22 030
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	14 877	19 278	16 552	18 944	18 944	18 944	19 961	20 981	22 030
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2	376	593	-	-	573	-	-	-
Payments for capital assets	7 424	2 356	86	23 371	23 371	325	24 540	25 890	27 185
Buildings and other fixed structures	199	36	37	-	-	-	-	-	-
Machinery and equipment	7 225	2 320	49	23 371	23 371	325	24 540	25 890	27 185
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	652 056	588 205	467 554	701 827	708 222	696 139	756 953	838 414	860 572

The Payments to SETA sub-programme reflects a steady increase over the seven-year period, as its budget allocation is linked to the department's wage bill.

With respect to the Special Projects – *Masifundisane* sub-programme, the high spending during 2008/09 is due to commitments from the previous year. The expenditure patterns between 2009/10 and 2010/11 reflect stability, taking into cognisance the budget allocations in these years and the effect of cost-cutting. The 2010/11 financial year was the last year in which the *Masifundisane* literacy project was offered, whereafter it was replaced by *Kha-Ri-Gude*, which is a nationally funded literacy programme.

The increase in the Examination Services sub-programme from 2008/09 to 2009/10 is indicative of the increased number of exams, due to the expansion in the range of courses offered to learners, as well as the concurrent running of two curricula at FET and GET levels. The department also provided examination opportunities to learners to complete their Grade 12 certificates under the old curriculum where the final examination was in the 2011 school year. The low amount in 2010/11 relates to the deferral of the writing of the ANA to February 2011 and, as such, the concomitant expenditure was not captured in that year.

The increase in the 2011/12 Main Appropriation is due to additional funding of R441.810 million over the 2011/12 MTEF, which will eliminate the spending pressures in this programme. In addition, due to the *Masifundisane* literacy project ending in 2010/11, the budget has been reprioritised to the Examination Services sub-programme. This has increased the baseline for Examination Services, which in turn increases the allocation over the 2012/13 MTEF.

The department also received an additional allocation against *Compensation of employees* in 2011/12 to cater for the shortfall in respect of the higher than anticipated 2011 wage agreement, with carry-through costs over the 2012/13 MTEF.

Transfers and subsidies to: Departmental agencies and accounts reflects an increase over the seven-year period in line with the increase in the wage bill. These transfers are made to ETDP (SETA).

Service delivery measures – Programme 8: Auxiliary and Associated Services

Table 5.37 below illustrates the main service delivery measures relevant to Programme 8.

Table 5.37: Service delivery measures – Programme 8: Auxiliary and Associated Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
To provide specialist support services with support functions to Public Ordinary Schools	• No. of candidates for the Grade 12 Senior Certificate examination	54 920	56 000	57 000	59 000
	• No. of candidates for the ABET NQF level 4 examinations	24 000	27 000	29 000	31 000

7. Other programme information

7.1 Personnel numbers and costs

Table 5.38 below reflects personnel information per programme for Education, while Table 5.39 provides a further analysis of personnel information indicating the Finance and Human Resource components, as well as the various categories of employees. The tables include both educator and non-educator salaries and post numbers. Salary costs continue to be a major cost driver in the department's budget, with Programme 2 having the largest share of the department's post allocation.

Table 5.38: Personnel numbers and costs per programme

	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
Personnel numbers							
1. Administration	3 173	3 269	3 057	2 941	2 941	2 941	2 941
2. Public Ordinary School Education	92 216	95 014	97 886	94 166	94 166	94 166	94 166
3. Independent School Subsidies							
4. Public Special School Education	2 722	2 805	2 989	2 875	2 875	2 875	2 875
5. Further Education & Training	1 471	1 516	1 227	1 180	1 180	1 180	1 180
6. Adult Basic Education & Training	80	82	87	84	84	84	84
7. Early Childhood Development	150	155	256	246	246	246	246
8. Auxiliary & Associated Services	270	278	240	231	231	231	231
Total	100 082	103 119	105 742	101 723	101 723	101 723	101 723
Total personnel cost (R thousand)	18 038 091	20 864 307	22 609 337	26 848 710	26 325 100	27 765 323	29 599 262
Unit cost (R thousand)	180	202	214	264	259	273	291
Unfunded posts *	-	-	-	8 411	8 411	8 411	8 411

* Note that the unfunded posts were tracked from 2011/12.

Table 5.39: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Total for department									
Personnel numbers (head count)	100 082	103 119	105 742	101 723	101 723	101 723	101 723	101 723	101 723
Personnel cost (R thousand)	18 038 091	20 864 307	22 609 337	24 585 670	25 061 155	26 848 710	26 325 100	27 765 323	29 599 262
Human resources component									
Personnel numbers (head count)	1 172	1 540	974	937	937	937	937	937	937
Personnel cost (R thousand)	189 864	203 154	191 587	185 518	191 814	198 014	218 265	229 840	244 167
Head count as % of total for department	1.17	1.49	0.92	0.92	0.92	0.92	0.92	0.92	0.92
Personnel cost as % of total for department	1.05	0.97	0.85	0.75	0.77	0.74	0.83	0.83	0.82
Finance component									
Personnel numbers (head count)	700	542	518	498	498	498	498	498	498
Personnel cost (R thousand)	113 400	121 338	121 338	96 586	99 864	103 092	113 636	119 662	127 121
Head count as % of total for department	0.70	0.53	0.49	0.49	0.49	0.49	0.49	0.49	0.49
Personnel cost as % of total for department	0.63	0.58	0.54	0.39	0.40	0.38	0.43	0.43	0.43
Full time workers									
Personnel numbers (head count)	97 029	102 295	105 035	101 043	101 043	101 043	101 043	101 043	101 043
Personnel cost (R thousand)	17 633 263	20 696 694	22 515 378	24 494 687	24 967 085	26 751 599	26 218 057	27 652 604	29 479 516
Head count as % of total for department	96.95	99.20	99.33	99.33	99.33	99.33	99.33	99.33	99.33
Personnel cost as % of total for department	97.76	99.20	99.58	99.63	99.62	99.64	99.59	99.59	99.60
Part-time workers									
Personnel numbers (head count)	544	613	485	467	467	467	467	467	467
Personnel cost (R thousand)	1 714	124 692	64 287	62 251	64 363	66 444	73 239	77 123	81 930
Head count as % of total for department	0.54	0.59	0.46	0.46	0.46	0.46	0.46	0.46	0.46
Personnel cost as % of total for department	1.71	120.92	60.80	61.20	63.27	65.32	72.00	75.82	80.54
Contract workers									
Personnel numbers (head count)	2 509	211	222	214	214	214	214	214	214
Personnel cost (R thousand)	403 114	42 921	29 672	28 732	29 707	30 667	33 804	35 596	37 815
Head count as % of total for department	2.51	0.20	0.21	0.21	0.21	0.21	0.21	0.21	0.21
Personnel cost as % of total for department	2.23	0.21	0.13	0.12	0.12	0.11	0.13	0.13	0.13

Due to the trends in absenteeism, as well as the high incidence of HIV and AIDS infection among educators in the province, provision was made for 2 513 substitute educators.

The personnel budget increases notably from 2010/11, with the unit cost also expected to grow substantially.

It should be noted that the personnel numbers indicated from 2011/12 onward are not the actual headcount that currently exists within the department. The department had almost 110 134 personnel

numbers on PERSAL as at the end of December 2011. The 101 723 indicated in Table 5.38 below is the number of personnel that can be accommodated within the budget, rendering almost 8 411 filled posts unfunded. This is mainly caused by the continuous filling of unfunded posts by the department, thus aggravating the spending pressures that existed due to the historic shortfall in funding for various wage agreements and OSD for educators. Included in the 8 411 posts not catered for, are almost 3 500 unfunded educator posts that were filled in 2011/12, while the remaining balance of 4 911 posts were rendered unfunded due to the shortfall that was caused by the under-funding of various wage agreements dating back to 2009, and OSD for educators. The department's 2012/13 MTEF allocations include additional funding to partly address the spending pressures on *Compensation of employees*. Furthermore, the department's cost-containment plan for 2012/13 includes control measures such as a moratorium on the filling of vacant posts, and the filling of educator posts by redeploying excess educators, among others. These measures are expected to control the ever rising personnel costs.

As can be seen in Table 5.38, the funded personnel numbers do not reflect growth over the 2012/13 MTEF, as the department cannot afford to appoint new employees with the current budget provisions. The decrease in personnel numbers against Programme 5 as at 31 March 2011 is as a result of some employees having become FET college council employees.

7.2 Training

Tables 5.40 and 5.41 reflect departmental expenditure on training per programme, as well as information on training over the seven-year period under review. The total training budget comprises of the allocations for training and development and employees' bursaries.

Table 5.40: Payments and estimates on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	36 015	23 305	41 182	32 091	32 091	23 954	32 426	32 808	34 448
2. Public Ordinary School Education	53 580	19 320	10 223	162 519	162 519	31 273	154 010	164 310	176 253
3. Independent School Subsidies									
4. Public Special School Education	8 373	2 055	98	3 920	3 920	690	4 128	4 364	4 582
5. Further Education & Training									
6. Adult Basic Education & Training	-	105	-	1 141	1 141	156	1 201	1 193	1 253
7. Early Childhood Development	-	17 050	11 288	12 748	12 748	9 252	12 830	12 923	13 311
8. Auxiliary & Associated Services	-	950	246	-	-	-	-	-	-
Total	97 968	62 785	63 037	212 419	212 419	65 325	204 595	215 598	229 847

Table 5.41: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Number of staff	100 082	103 119	105 742	101 723	101 723	101 723	101 723	101 723	101 723
Number of personnel trained	37 000	51 300	46 500	28 490	28 490	3 575	3 933	4 719	5 663
of which									
Male	15 000	24 100	19 550	9 117	9 117	1 577	1 735	2 082	2 498
Female	22 000	27 200	26 950	19 373	19 373	1 998	2 198	2 637	3 165
Number of training opportunities	37 000	51 300	-	-	-	3 343	3 677	4 413	5 295
of which									
Tertiary	9 250	12 719	-	-	-	2 643	2 907	3 489	4 187
Workshops	25 900	36 268	-	-	-	700	770	924	1 109
Seminars	1 850	2 313	-	-	-	-	-	-	-
Other									
Number of bursaries offered	2 741	3 015	3 317	3 649	3 649	-	-	-	-
External									
Internal	2 741	3 015	3 317	3 649	3 649	-	-	-	-
Number of interns appointed	150	200	200	200	200	232	255	306	367
Number of learnerships appointed	150	150	50	50	50	-	-	-	-
Number of days spent on training	111	-	-	-	-	3	3	4	5

The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. The decrease from the 2008/09 to 2010/11 is attributable to the continued implementation of cost-cutting measures. A reduction is noted in the 2011/12 Revised Estimate due to the effects of the cost-cutting measures implemented to curtail over-expenditure which had an impact on training expenditure. The training budget is set to increase way above the minimum 1 per cent over the 2012/13 MTEF, in order to address the educators' skills gaps and improve on the quality of education.

ANNEXURE – VOTE 5: EDUCATION

Table 5.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	28 532	30 979	33 384	34 455	34 455	42 441	36 420	38 423	46 108
Sale of goods and services produced by dept. (excl. capital assets)	28 532	30 963	33 383	34 455	34 455	42 441	36 420	38 423	46 108
Sales by market establishments	-	-	2 223	-	-	-	-	-	-
Administrative fees	28 532	2 732	31 160	34 455	34 455	42 441	36 420	38 423	46 108
Other sales	-	28 231	-	-	-	-	-	-	-
Of which									
Other	-	28 231	-	-	-	-	-	-	-
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	16	1	-	-	-	-	-	-
Transfers received from:	50	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises	50	-	-	-	-	-	-	-	-
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land	24 094	22 735	1 539	231	231	11 921	243	256	307
Interest	24 094	22 735	1 539	231	231	11 921	243	256	307
Dividends									
Rent on land									
Sale of capital assets	-	1 749	-	-	-	-	-	-	-
Land and subsoil assets									
Other capital assets	-	1 749	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	43 920	32 665	28 941	20 149	20 149	29 135	21 156	22 320	26 784
Total	96 596	88 128	63 864	54 835	54 835	83 497	57 819	60 999	73 199

Table 5.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
				2011/12					
Current payments	20 137 451	23 109 269	24 880 844	27 851 325	28 435 879	30 035 080	29 721 748	31 579 941	33 586 732
Compensation of employees	18 038 091	20 864 307	22 609 337	24 585 670	25 061 155	26 848 710	26 325 100	27 765 323	29 599 262
Salaries and wages	14 430 474	16 669 152	18 069 319	19 109 111	19 499 622	20 833 585	20 468 386	21 569 125	23 018 180
Social contributions	3 607 617	4 195 155	4 540 018	5 476 559	5 561 533	6 015 125	5 856 714	6 196 198	6 581 082
Goods and services	2 098 824	2 241 718	2 271 101	3 265 655	3 374 724	3 186 048	3 396 648	3 814 618	3 987 470
of which									
Administrative fees	7 259	33 514	15 990	-	-	17 887	-	-	-
Advertising	11 849	3 464	2 613	15 806	15 806	11 183	16 593	17 506	18 032
Assets <R5000	125 316	119 114	53 192	245 844	245 844	80 972	127 248	137 320	160 320
Audit cost: External	10 580	9 220	12 656	7 785	7 785	7 292	8 174	8 624	8 883
Bursaries (employees)	22 132	13 722	22 142	25 686	25 686	16 884	25 686	25 686	26 457
Catering: Departmental activities	80 021	57 085	40 772	61 533	61 533	71 056	66 716	72 216	74 462
Communication	10 101	50 728	47 606	5 245	5 245	29 093	6 574	6 574	6 771
Computer services	29 402	21 851	38 327	72 376	72 376	35 272	79 155	77 591	79 918
Cons/prof: Business & advisory services	39 276	22 002	86 178	33 785	33 785	71 422	35 478	37 429	38 552
Cons/prof: Infrastructure & planning	-	-	-	6 360	6 360	-	6 678	7 047	7 256
Cons/prof: Laboratory services	1 435	-	-	2 020	2 020	121	2 121	2 238	2 305
Cons/prof: Legal cost	7 675	2 775	2 845	2 900	2 900	8 268	3 045	3 212	3 308
Contractors	23 457	28 178	40 917	25 676	25 676	48 895	30 876	42 432	64 423
Agency & support/outourced services	28 010	29 559	16 423	31 687	31 687	22 554	38 259	41 881	46 637
Entertainment	1 219	118	7	880	880	919	924	975	1 004
Fleet services (incl. GMT)	719	22	216	11 601	10 601	10 118	7 788	2 801	2 886
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	458 233	588 327	752 327	1 070 988	1 173 057	1 121 277	1 152 668	1 216 065	1 284 868
Inventory: Fuel, oil and gas	198	260	272	229	229	927	241	254	262
Inventory: Learner and teacher supp material	351 660	293 948	418 693	683 384	683 384	613 088	655 438	801 126	788 686
Inventory: Materials and supplies	-	11 853	1 531	16 000	16 000	486	16 800	17 724	18 256
Inventory: Medical supplies	2 993	546	75	5 563	5 563	4 066	5 841	6 162	6 346
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	27 723	47 354	12 328	62 776	62 776	22 722	65 913	70 283	72 392
Inventory: Stationery and printing	82 692	243 103	91 568	115 817	115 817	142 880	129 091	143 771	148 222
Lease payments	57 376	78 976	113 954	67 793	67 793	90 392	74 191	77 958	81 216
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	8 379	218 068	187 347	43 700	88 700	218 706	211 300	217 422	222 169
Transport provided: Departmental activity	52 361	30 490	19 470	118 629	81 629	52 211	86 458	195 106	202 987
Travel and subsistence	269 800	244 089	209 812	174 475	174 475	297 849	184 079	199 948	217 993
Training and development	88 942	49 063	40 895	186 733	186 733	48 441	178 909	189 912	202 648
Operating expenditure	98 230	13 296	23 631	63 920	63 920	71 890	67 116	70 782	72 904
Venues and facilities	201 786	30 993	19 314	106 464	106 464	69 177	113 288	124 573	127 307
Interest and rent on land	536	3 244	406	-	-	322	-	-	-
Interest	536	3 244	406	-	-	322	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	1 625 964	1 602 910	1 724 719	2 305 757	2 311 572	2 055 531	2 459 420	2 985 645	3 221 974
Provinces and municipalities	179	426	1 375	-	1 000	950	1 000	1 100	1 100
Provinces	179	426	1 375	-	1 000	950	1 000	1 100	1 100
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	179	426	1 375	-	1 000	950	1 000	1 100	1 100
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	14 877	19 278	16 552	18 944	18 944	18 944	19 961	20 981	22 030
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	14 877	19 278	16 552	18 944	18 944	18 944	19 961	20 981	22 030
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 553 455	1 520 515	1 631 707	2 223 614	2 228 429	1 951 038	2 373 100	2 905 738	3 138 071
Households	57 453	62 691	75 085	63 199	63 199	84 599	65 359	57 826	60 773
Social benefits	57 453	62 691	75 085	63 199	63 199	84 599	65 359	57 826	60 773
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 228 327	1 407 097	1 920 880	2 461 194	2 479 550	2 210 979	2 583 465	2 594 329	2 714 988
Buildings and other fixed structures	1 145 398	1 288 181	1 836 333	2 091 741	2 110 097	2 134 826	2 192 854	2 288 816	2 427 310
Buildings	1 145 398	1 288 181	1 836 333	2 091 741	2 110 097	2 134 826	2 192 854	2 288 816	2 427 310
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	81 823	118 855	84 547	369 453	369 453	76 153	390 611	305 513	287 678
Transport equipment	-	-	43 856	62 725	62 725	-	65 694	27 007	28 357
Other machinery and equipment	81 823	118 855	40 691	306 728	306 728	76 153	324 917	278 506	259 321
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 106	61	-	-	-	-	-	-	-
Payments for financial assets	-	111 470	220 173	-	-	-	-	-	-
Total	22 991 742	26 230 746	28 746 616	32 618 276	33 227 001	34 301 590	34 764 633	37 159 915	39 523 694
Unauth. exp. (1 st charge) not available for spending	-	(111 466)	(133 602)	-	-	-	-	-	-
Baseline available for spending after 1st charge	22 991 742	26 119 280	28 613 014	32 618 276	33 227 001	34 301 590	34 764 633	37 159 915	39 523 694

Table 5.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Current payments	1 188 923	1 153 159	1 210 585	1 249 147	1 262 908	1 374 809	1 342 139	1 380 519	1 502 684
Compensation of employees	603 938	716 486	778 197	779 185	793 946	855 712	848 681	909 921	1 002 423
Salaries and wages	483 150	573 189	622 558	640 500	655 261	710 241	693 336	747 874	824 299
Social contributions	120 788	143 297	155 639	138 685	138 685	145 471	155 345	162 047	178 124
Goods and services	584 691	435 860	432 096	469 962	468 962	518 870	493 458	470 598	500 261
of which									
Administrative fees	7 259	7 604	6 012	-	-	9 622	-	-	-
Advertising	10 662	3 109	2 546	14 282	14 282	10 646	14 993	15 818	16 293
Assets <R5000	36 354	5 037	1 064	42 084	42 084	8 853	44 185	31 616	32 564
Audit cost: External	6 362	5 872	11 940	7 785	7 785	6 966	8 174	8 624	8 883
Bursaries (employees)	22 132	13 722	20 832	25 686	25 686	16 884	25 686	25 686	26 457
Catering: Departmental activities	41 377	9 055	1 677	12 352	12 352	6 758	12 970	13 683	14 093
Communication	10 101	43 413	44 535	5 245	5 245	27 481	6 574	6 574	6 771
Computer services	9 781	16 392	29 659	43 567	43 567	17 477	48 906	45 678	47 048
Cons/prof: Business & advisory services	7 634	18 643	4 893	19 051	19 051	10 441	20 004	21 104	21 737
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	359	359	40	377	398	410
Cons/prof: Legal cost	7 675	2 775	2 845	2 900	2 900	8 268	3 045	3 212	3 308
Contractors	23 457	21 003	40 432	-	-	47 477	-	-	-
Agency & support/outsourced services	15 035	16 385	3 384	15 676	15 676	7 225	16 754	16 785	20 789
Entertainment	1 219	118	7	880	880	919	924	975	1 004
Fleet services (incl. GMT)	-	-	-	9 727	8 727	9 727	5 820	724	746
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	192	44	397	397	534	417	440	453
Inventory: Fuel, oil and gas	102	15	55	118	118	212	124	131	135
Inventory: Learner and teacher supp material	3 336	5 805	192	3 862	3 862	3 782	4 055	4 278	4 406
Inventory: Materials and supplies	-	281	219	-	-	77	-	-	-
Inventory: Medical supplies	2 197	270	2	3 642	3 642	1 780	3 824	4 034	4 154
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	20 248	2 983	2 042	23 087	23 087	7 029	24 241	25 574	26 341
Inventory: Stationery and printing	19 943	28 483	16 202	19 969	19 969	27 850	20 967	21 230	21 867
Lease payments	29 436	36 206	57 673	51 345	51 345	29 828	55 432	56 789	58 493
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	5 720	50 316	54 097	20 180	20 180	51 835	21 189	22 354	23 025
Transport provided: Departmental activity	36 409	8 703	335	36 201	36 201	1 615	38 011	39 876	41 072
Travel and subsistence	228 172	115 116	98 676	76 543	76 543	158 885	79 567	79 261	93 685
Training and development	26 989	9 583	20 350	6 405	6 405	7 070	6 740	7 122	7 336
Operating expenditure	-	2 914	4 913	15 154	15 154	16 055	15 912	8 765	9 028
Venues and facilities	13 091	11 865	7 470	13 465	13 465	23 534	14 567	9 867	10 163
Interest and rent on land	294	813	292	-	-	227	-	-	-
Interest	294	813	292	-	-	227	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	5 176	6 579	9 815	25 488	26 488	23 285	26 762	28 234	29 646
Provinces and municipalities	171	208	1 305	-	1 000	950	1 000	1 100	1 100
Provinces	171	208	1 305	-	1 000	950	1 000	1 100	1 100
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	171	208	1 305	-	1 000	950	1 000	1 100	1 100
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	12	-	-	12	-	-	-
Households	5 005	6 371	8 498	25 488	25 488	22 323	25 762	27 134	28 546
Social benefits	5 005	6 371	8 498	25 488	25 488	22 323	25 762	27 134	28 546
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	201 228	71 355	57 280	170 895	170 895	79 608	179 440	189 309	190 858
Buildings and other fixed structures	172 374	48 780	36 979	78 102	78 102	71 738	82 007	86 517	90 843
Buildings	172 374	48 780	36 979	78 102	78 102	71 738	82 007	86 517	90 843
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	28 013	22 514	20 301	92 793	92 793	7 870	97 433	102 792	100 015
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	28 013	22 514	20 301	92 793	92 793	7 870	97 433	102 792	100 015
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	841	61	-	-	-	-	-	-	-
Payments for financial assets	-	111 470	220 173	-	-	-	-	-	-
Total	1 395 327	1 342 563	1 497 853	1 445 530	1 460 291	1 477 702	1 548 341	1 598 062	1 723 188
Unauth. exp. (1 st charge) not available for spending	-	(111 466)	(133 602)	-	-	-	-	-	-
Baseline available for spending after 1st charge	1 395 327	1 231 097	1 364 251	1 445 530	1 460 291	1 477 702	1 548 341	1 598 062	1 723 188

Table 5.D: Details of payments and estimates by economic classification - Programme 2: Public Ordinary School Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	17 390 196	20 311 932	22 117 642	24 714 691	25 249 630	26 520 111	26 355 558	27 985 765	29 722 682
Compensation of employees	16 267 148	18 884 525	20 590 918	22 470 984	22 895 854	24 318 308	24 043 345	25 304 466	26 933 264
Salaries and wages	13 013 719	15 085 327	16 446 014	17 361 768	17 701 664	18 725 097	18 586 594	19 535 343	20 815 712
Social contributions	3 253 429	3 799 198	4 144 904	5 109 216	5 194 190	5 593 211	5 456 751	5 769 123	6 117 552
Goods and services	1 122 807	1 426 548	1 526 669	2 243 707	2 353 776	2 201 708	2 312 213	2 681 299	2 789 418
of which									
Administrative fees	-	24 811	1 344	-	-	7 664	-	-	-
Advertising	-	240	67	-	-	466	-	-	-
Assets <R5000	82 339	112 260	47 731	140 147	140 147	43 351	16 270	20 587	31 692
Audit cost: External	4 218	3 348	716	-	-	326	-	-	-
Bursaries (employees)	-	-	1 310	-	-	-	-	-	-
Catering: Departmental activities	4 281	10 936	5 780	4 956	4 956	7 475	5 134	5 413	5 655
Communication	-	5 842	1 711	-	-	1 348	-	-	-
Computer services	112	1 347	3 058	-	-	8 163	-	-	-
Cons/prof: Business & advisory services	1 780	3 161	80 543	12 581	12 581	60 324	13 213	13 940	14 358
Cons/prof: Infrastructure & planning	-	-	-	6 360	6 360	-	6 678	7 047	7 256
Cons/prof: Laboratory services	1 435	-	-	1 661	1 661	81	1 744	1 840	1 895
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	7 135	431	25 676	25 676	1 332	30 876	42 432	64 423
Agency & support/outourced services	6 295	3 373	2 876	7 287	7 287	2 421	12 345	15 432	15 895
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	384	-	-	444	444	133	466	492	507
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	458 233	588 133	752 282	1 070 013	1 172 082	1 120 403	1 151 644	1 214 985	1 283 755
Inventory: Fuel, oil and gas	96	178	179	111	111	429	117	123	127
Inventory: Learner and teacher supp material	324 463	273 621	375 910	634 198	634 198	564 101	603 793	731 788	710 553
Inventory: Materials and supplies	-	11 453	1 246	16 000	16 000	406	16 800	17 724	18 256
Inventory: Medical supplies	796	276	60	1 921	1 921	2 285	2 017	2 128	2 192
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	3 965	41 955	8 266	12 673	12 673	11 291	13 307	14 961	15 410
Inventory: Stationery and printing	6 982	51 181	17 044	4 340	4 340	5 387	4 557	5 467	5 631
Lease payments	3 749	19 441	16 066	2 705	2 705	18 107	2 840	3 120	3 214
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	2 337	151 805	125 181	9 564	54 564	148 298	175 458	179 609	183 221
Transport provided: Departmental activity	3 341	17 205	15 211	45 678	8 678	26 987	9 859	114 519	119 983
Travel and subsistence	4 892	69 217	53 647	65 432	65 432	96 667	70 153	85 432	87 995
Training and development	53 580	19 320	8 913	162 519	162 519	31 273	154 010	164 310	176 253
Operating expenditure	83 806	4 264	4 000	9 577	9 577	32 547	10 056	18 605	19 163
Venues and facilities	75 723	6 046	3 097	9 864	9 864	10 443	10 876	21 345	21 984
Interest and rent on land	241	859	55	-	-	95	-	-	-
Interest	241	859	55	-	-	95	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	1 048 019	1 067 040	1 090 044	1 502 997	1 502 997	1 267 789	1 578 147	1 944 585	2 093 318
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 000 334	1 013 510	1 027 543	1 466 606	1 466 606	1 207 960	1 539 936	1 915 355	2 062 626
Households	47 685	53 530	62 501	36 391	36 391	59 829	38 211	29 230	30 692
Social benefits	47 685	53 530	62 501	36 391	36 391	59 829	38 211	29 230	30 692
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	920 158	1 220 159	1 679 847	1 517 377	1 585 733	1 556 373	1 592 456	1 532 954	1 591 896
Buildings and other fixed structures	880 126	1 144 700	1 659 506	1 316 807	1 385 163	1 503 683	1 379 173	1 414 523	1 492 737
Buildings	880 126	1 144 700	1 659 506	1 316 807	1 385 163	1 503 683	1 379 173	1 414 523	1 492 737
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	39 767	75 459	20 341	200 570	200 570	52 690	213 283	118 431	99 159
Transport equipment	-	-	-	38 345	38 345	-	40 095	-	-
Other machinery and equipment	39 767	75 459	20 341	162 225	162 225	52 690	173 188	118 431	99 159
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	265	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	19 358 373	22 599 131	24 887 533	27 735 065	28 338 360	29 344 273	29 526 161	31 463 304	33 407 896

Table 5.E: Details of payments and estimates by economic classification - Programme 3: Independent School Subsidies

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages									
Social contributions									
Goods and services	-	-	-	-	-	-	-	-	-
of which									
Administrative fees									
Advertising									
Assets <R5000									
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities									
Communication									
Computer services									
Cons/prof: Business & advisory services									
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors									
Agency & support/outourced services									
Entertainment									
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies									
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables									
Inventory: Stationery and printing									
Lease payments									
Rental and hiring									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence									
Training and development									
Operating expenditure									
Venues and facilities									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	53 488	54 098	58 524	63 357	63 357	63 357	66 525	70 184	74 395
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions	53 488	54 098	58 524	63 357	63 357	63 357	66 525	70 184	74 395
Households	-	-	-	-	-	-	-	-	-
Social benefits									
Other transfers to households									
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment									
Other machinery and equipment									
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	53 488	54 098	58 524	63 357	63 357	63 357	66 525	70 184	74 395

Table 5.F: Details of payments and estimates by economic classification - Programme 4: Public Special School Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	367 183	439 577	458 211	479 540	489 532	602 442	512 852	542 346	591 493
Compensation of employees	358 810	422 379	447 177	475 620	485 612	592 740	508 724	537 982	586 998
Salaries and wages	287 048	337 903	366 312	391 956	401 948	491 974	419 052	443 152	484 287
Social contributions	71 762	84 476	80 865	83 664	83 664	100 766	89 672	94 830	102 711
Goods and services	8 373	17 198	11 034	3 920	3 920	9 702	4 128	4 364	4 495
of which									
Administrative fees	-	19	30	-	-	9	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets <R5000	-	4	1 940	-	-	1 995	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	485	166	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	-	-	742	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	2	-	-	-
Agency & support/outourced services	-	137	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	22	216	-	-	77	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	107	2 981	-	-	72	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	11	-	-	1	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	37	332	-	-	38	-	-	-
Inventory: Stationery and printing	-	234	51	-	-	284	-	-	-
Lease payments	-	5	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	10 870	508	-	-	6 045	-	-	-
Transport provided: Departmental activity	-	2 804	3 809	-	-	-	-	-	-
Travel and subsistence	-	229	119	-	-	304	-	-	-
Training and development	8 373	2 055	98	3 920	3 920	690	4 128	4 364	4 495
Operating expenditure	-	-	18	-	-	185	-	-	-
Venues and facilities	-	190	13	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	65 521	72 755	71 497	126 705	126 705	112 296	133 041	140 358	144 598
Provinces and municipalities	8	218	70	-	-	-	-	-	-
Provinces	8	218	70	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	8	218	70	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	63 706	71 041	69 603	125 410	125 410	110 869	131 681	138 923	143 091
Households	1 807	1 496	1 824	1 295	1 295	1 427	1 360	1 435	1 507
Social benefits	1 807	1 496	1 824	1 295	1 295	1 427	1 360	1 435	1 507
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	41 161	52 833	113 745	420 408	420 408	295 915	441 428	437 459	451 607
Buildings and other fixed structures	34 560	34 522	69 889	369 559	369 559	280 791	388 037	381 131	392 463
Buildings	34 560	34 522	69 889	369 559	369 559	280 791	388 037	381 131	392 463
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 601	18 311	43 856	50 849	50 849	15 124	53 391	56 328	59 144
Transport equipment	-	-	43 856	24 380	24 380	-	25 599	27 007	28 357
Other machinery and equipment	6 601	18 311	-	26 469	26 469	15 124	27 792	29 321	30 787
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	473 865	565 165	643 453	1 026 653	1 036 645	1 010 653	1 087 321	1 120 163	1 187 698

Table 5.G: Details of payments and estimates by economic classification - Programme 5: Further Education and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	247 924	265 125	225 765	220 798	231 542	277 262	238 183	228 959	228 676
Compensation of employees	245 486	259 043	223 528	220 798	231 542	276 714	238 183	228 959	228 676
Salaries and wages	196 389	207 234	178 822	176 759	187 503	224 138	190 058	184 037	185 869
Social contributions	49 097	51 809	44 706	44 039	44 039	52 576	48 125	44 922	42 807
Goods and services	2 438	4 512	2 180	-	-	548	-	-	-
of which									
Administrative fees									
Advertising									
Assets <R5000									
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities									
Communication									
Computer services									
Cons/prof: Business & advisory services									
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors									
Agency & support/outourced services									
Entertainment									
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies									
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	-	6	-	-	-	-	-	-
Inventory: Stationery and printing									
Lease payments	-	-	-	-	-	6	-	-	-
Rental and hiring									
Property payments	-	2 041	1 053	-	-	-	-	-	-
Transport provided: Departmental activity									
Travel and subsistence	-	2 471	1 121	-	-	532	-	-	-
Training and development									
Operating expenditure	2 438	-	-	-	-	10	-	-	-
Venues and facilities	-								
Interest and rent on land		1 570	57	-	-	-	-	-	-
Interest	-	1 570	57	-	-	-	-	-	-
Rent on land									
Transfers and subsidies to	433 135	382 370	476 359	540 025	544 840	545 046	605 331	713 411	766 460
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions	431 001	381 854	476 025	540 025	544 840	544 840	605 331	713 411	766 460
Households	2 134	516	334	-	-	206	-	-	-
Social benefits	2 134	516	334	-	-	206	-	-	-
Other transfers to households									
Payments for capital assets	31 130	23 028	3 759	-	-	1 341	-	-	-
Buildings and other fixed structures	31 119	23 028	3 759	-	-	1 341	-	-	-
Buildings	31 119	23 028	3 759	-	-	1 341	-	-	-
Other fixed structures									
Machinery and equipment	11	-	-	-	-	-	-	-	-
Transport equipment									
Other machinery and equipment	11	-	-	-	-	-	-	-	-
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total	712 189	670 523	705 883	760 823	776 382	823 649	843 514	942 370	995 136

Table 5.H: Details of payments and estimates by economic classification - Programme 6: Adult Basic Education and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	143 340	160 273	131 823	151 847	155 422	187 880	162 199	163 596	173 495
Compensation of employees	133 061	151 379	126 226	138 810	142 385	177 756	148 510	149 204	161 319
Salaries and wages	106 449	121 103	100 981	114 057	117 632	147 537	122 435	121 636	125 020
Social contributions	26 612	30 276	25 245	24 753	24 753	30 219	26 075	27 568	36 299
Goods and services	10 279	8 894	5 597	13 037	13 037	10 124	13 689	14 392	12 176
of which									
Administrative fees	-	108	23	-	-	55	-	-	-
Advertising									
Assets <R5000	922	972	-	947	947	18	994	999	1 029
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	-	385	45	578	578	377	607	640	660
Communication	-	12	15	-	-	10	-	-	-
Computer services	355	-	-	388	388	26	407	429	442
Cons/prof: Business & advisory services									
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors									
Agency & support/outourced services	-	29	-	138	138	32	145	153	158
Entertainment									
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	-	-	-	578	578	340	607	640	660
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	2 559	1 055	371	3 189	3 189	1 306	3 348	3 532	1 965
Inventory: Materials and supplies	-	72	3	-	-	1	-	-	-
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	52	1	1 281	1 281	99	1 345	1 419	1 462
Inventory: Stationery and printing	2 500	1 884	1 589	138	138	1 658	145	153	158
Lease payments	120	116	176	-	-	158	-	-	-
Rental and hiring									
Property payments	-	-	54	489	489	183	513	541	557
Transport provided: Departmental activity	423	79	26	254	254	191	267	282	290
Travel and subsistence	220	3 665	3 165	-	-	3 254	-	-	-
Training and development	-	105	-	1 141	1 141	156	1 201	1 193	1 253
Operating expenditure	-	-	129	1 519	1 519	1 001	1 595	1 684	1 733
Venues and facilities	3 180	360	-	2 397	2 397	1 259	2 515	2 727	1 809
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	388	199	1 001	25	25	138	26	27	28
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	388	199	1 001	25	25	138	26	27	28
Social benefits	388	199	1 001	25	25	138	26	27	28
Other transfers to households									
Payments for capital assets	70	102	-	1 577	1 577	39	1 656	1 747	1 834
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	70	102	-	1 577	1 577	39	1 656	1 747	1 834
Transport equipment									
Other machinery and equipment	70	102	-	1 577	1 577	39	1 656	1 747	1 834
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total	143 798	160 574	132 824	153 449	157 024	188 057	163 881	165 370	175 357

Table 5.1: Details of payments and estimates by economic classification - Programme 7: Early Childhood Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	170 132	213 008	286 495	375 790	380 938	396 279	398 365	487 213	556 345
Compensation of employees	129 556	169 549	218 318	184 242	189 390	282 746	197 240	245 474	290 436
Salaries and wages	103 645	135 639	174 654	151 469	156 617	234 679	162 694	201 575	239 540
Social contributions	25 911	33 910	43 664	32 773	32 773	48 067	34 546	43 899	50 896
Goods and services	40 576	43 459	68 177	191 548	191 548	113 533	201 125	241 739	265 909
of which									
Administrative fees	-	837	8 483	-	-	293	-	-	-
Advertising	607	55	-	780	780	-	819	864	890
Assets <R5000	1 543	806	2 357	57 322	57 322	26 641	60 188	78 198	88 937
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	3 327	720	4	4 276	4 276	2 776	4 490	4 737	4 879
Communication									
Computer services	2 295	-	-	18 849	18 849	5 785	19 791	20 880	21 506
Cons/prof: Business & advisory services	820	-	-	2 153	2 153	657	2 261	2 385	2 457
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	-	-	6	-	-	-	-	-	-
Agency & support/outourced services	1 500	-	-	1 928	1 928	491	2 024	2 135	2 198
Entertainment									
Fleet services (incl. GMT)	335	-	-	1 430	1 430	181	1 502	1 585	1 633
Housing									
Inventory: Food and food supplies	-	2	1	-	-	-	-	-	-
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	21 302	13 360	39 239	42 135	42 135	43 827	44 242	61 528	71 762
Inventory: Materials and supplies									
Inventory: Medical supplies	-	-	2	-	-	-	-	-	-
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	516	81	2 474	2 474	2 530	2 598	2 741	2 823
Inventory: Stationery and printing	1 925	2 922	528	3 429	3 429	449	3 600	3 798	4 049
Lease payments	194	61	59	-	-	41	-	-	-
Rental and hiring									
Property payments									
Transport provided: Departmental activity	-	52	-	2 981	2 981	640	3 130	3 302	3 401
Travel and subsistence	2 320	6 315	5 821	1 624	1 624	4 448	1 705	1 799	1 853
Training and development	-	17 050	11 288	12 748	12 748	9 252	12 830	12 923	13 311
Operating expenditure	1 820	250	291	13 081	13 081	5 752	13 735	14 490	14 925
Venues and facilities	2 588	513	17	26 338	26 338	9 770	28 210	30 374	31 285
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	5 358	215	334	28 216	28 216	24 103	29 627	67 865	91 499
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions	4 926	12	-	28 216	28 216	24 000	29 627	67 865	91 499
Households	432	203	334	-	-	103	-	-	-
Social benefits	432	203	334	-	-	103	-	-	-
Other transfers to households									
Payments for capital assets	27 156	37 264	66 163	327 566	277 566	277 378	343 945	406 970	451 608
Buildings and other fixed structures	27 020	37 115	66 163	327 273	277 273	277 273	343 637	406 645	451 267
Buildings	27 020	37 115	66 163	327 273	277 273	277 273	343 637	406 645	451 267
Other fixed structures									
Machinery and equipment	136	149	-	293	293	105	308	325	341
Transport equipment									
Other machinery and equipment	136	149	-	293	293	105	308	325	341
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total	202 646	250 487	352 992	731 572	686 720	697 760	771 937	962 048	1 099 452

Table 5.J: Details of payments and estimates by economic classification - Programme 8: Auxiliary and Associated Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	629 753	566 195	450 323	659 512	665 907	676 297	712 452	791 543	811 357
Compensation of employees	300 092	260 946	224 973	316 031	322 426	344 734	340 417	389 317	396 146
Salaries and wages	240 074	208 757	179 978	272 602	278 997	299 919	294 217	335 508	343 453
Social contributions	60 018	52 189	44 995	43 429	43 429	44 815	46 200	53 809	52 693
Goods and services	329 660	305 247	225 348	343 481	343 481	331 563	372 035	402 226	415 211
of which									
Administrative fees	-	135	98	-	-	244	-	-	-
Advertising	580	60	-	744	744	71	781	824	849
Assets <R5000	4 158	35	100	5 344	5 344	114	5 611	5 920	6 098
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	31 036	35 504	33 100	39 371	39 371	53 670	43 515	47 743	49 175
Communication	-	1 461	1 345	-	-	254	-	-	-
Computer services	16 859	4 112	5 610	9 572	9 572	3 821	10 051	10 604	10 922
Cons/prof: Business & advisory services	29 042	198	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	-	40	48	-	-	84	-	-	-
Agency & support/outourced services	5 180	9 635	10 163	6 658	6 658	12 385	6 991	7 376	7 597
Entertainment									
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas	-	67	38	-	-	286	-	-	-
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	-	47	63	-	-	2	-	-	-
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	3 510	1 811	1 600	23 261	23 261	1 735	24 422	25 588	26 356
Inventory: Stationery and printing	51 342	158 399	56 154	87 941	87 941	107 252	99 822	113 123	116 517
Lease payments	23 877	23 147	39 980	13 743	13 743	42 252	15 919	18 049	19 509
Rental and hiring									
Property payments	322	3 036	6 454	13 467	13 467	12 345	14 140	14 918	15 366
Transport provided: Departmental activity	12 188	1 647	89	33 515	33 515	22 778	35 191	37 127	38 241
Travel and subsistence	34 196	47 076	47 263	30 876	30 876	33 759	32 654	33 456	34 460
Training and development	-	950	246	-	-	-	-	-	-
Operating expenditure	10 166	5 868	14 280	24 589	24 589	16 340	25 818	27 238	28 055
Venues and facilities	107 204	12 019	8 717	54 400	54 400	24 171	57 120	60 260	62 066
Interest and rent on land	1	2	2	-	-	-	-	-	-
Interest	1	2	2	-	-	-	-	-	-
Rent on land									
Transfers and subsidies to	14 879	19 654	17 145	18 944	18 944	19 517	19 961	20 981	22 030
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	14 877	19 278	16 552	18 944	18 944	18 944	19 961	20 981	22 030
Social security funds									
Entities receiving funds	14 877	19 278	16 552	18 944	18 944	18 944	19 961	20 981	22 030
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	2	376	593	-	-	573	-	-	-
Social benefits	2	376	593	-	-	573	-	-	-
Other transfers to households									
Payments for capital assets	7 424	2 356	86	23 371	23 371	325	24 540	25 890	27 185
Buildings and other fixed structures	199	36	37	-	-	-	-	-	-
Buildings	199	36	37	-	-	-	-	-	-
Other fixed structures									
Machinery and equipment	7 225	2 320	49	23 371	23 371	325	24 540	25 890	27 185
Transport equipment									
Other machinery and equipment	7 225	2 320	49	23 371	23 371	325	24 540	25 890	27 185
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total	652 056	588 205	467 554	701 827	708 222	696 139	756 953	838 414	860 572

Table 5.K: Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Current payments	386 177	671 162	1 049 368	1 372 100	1 484 913	1 547 345	1 560 344	1 625 159	1 702 559
Compensation of employees	-	100	223 610	214 768	225 512	279 840	238 131	229 206	229 206
Salaries and wages	-	100	178 904	170 729	181 473	224 511	190 006	184 284	185 736
Social contributions	-	-	44 706	44 039	44 039	55 329	48 125	44 922	43 470
Goods and services	386 177	671 062	825 701	1 157 332	1 259 401	1 267 505	1 322 213	1 395 953	1 473 353
of which									
Administrative fees	253	1 588	767	735	735	735	1 500	1 600	1 600
Advertising	-	174	-	2 000	2 000	2 000	800	-	-
Assets <R5000	-	4 507	3 036	5 954	5 954	5 954	6 252	6 594	6 525
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	2 541	1 369	917	2 212	2 212	2 212	2 710	3 040	3 120
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	-	963	944	944	944	992	1 046	1 046
Cons/prof: Business & advisory services	-	-	2 074	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	231	40 293	-	-	-	-	-	-	-
Agency & support/outourced services	16	-	60	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	341 707	588 092	751 550	979 602	1 081 671	1 101 965	1 135 817	1 198 287	1 267 057
Inventory: Fuel, oil and gas	-	-	53	-	-	-	-	-	-
Inventory: Learner and teacher supp material	38	609	46	6 898	6 898	6 898	8 600	13 738	16 554
Inventory: Materials and supplies	-	-	84	-	-	-	500	527	527
Inventory: Medical supplies	4 810	-	-	3	3	3	2 300	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	399	9 209	949	-	-	-	-	-	-
Inventory: Stationery and printing	2 923	312	1 221	3 454	3 454	3 454	7 174	6 220	6 220
Lease payments	190	4 320	289	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	16 752	7 903	47 886	112 729	112 729	124 976	118 594	132 827	137 574
Transport provided: Departmental activity	4 121	1 141	319	1 171	1 171	1 171	2 000	2 000	2 000
Travel and subsistence	7 422	6 402	11 856	19 435	19 435	9 988	18 286	15 680	15 680
Training and development	2 818	1 187	1 130	17 942	17 942	2 942	5 900	4 017	4 017
Operating expenditure	-	116	21	2 190	2 190	2 200	3 441	3 611	3 611
Venues and facilities	1 956	3 840	2 480	2 063	2 063	2 063	7 347	6 766	7 822
Interest and rent on land	-	-	57	-	-	-	-	-	-
Interest	-	-	57	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	176 079	20 425	499 951	540 025	540 025	570 046	612 531	724 211	777 260
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	176 079	20 425	499 951	540 025	540 025	569 840	612 531	724 211	777 260
Households	-	-	334	-	-	206	-	-	-
Social benefits	-	-	334	-	-	206	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	603 735	697 432	1 000 818	1 166 814	1 185 170	1 101 607	1 171 926	1 233 417	1 286 770
Buildings and other fixed structures	602 756	694 519	994 647	1 057 666	1 076 022	1 063 775	1 142 963	1 203 013	1 253 820
Buildings	602 756	694 519	994 647	1 057 666	1 076 022	1 063 775	1 142 963	1 203 013	1 253 820
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	979	2 913	6 171	109 148	109 148	37 832	28 963	30 404	32 950
Transport equipment	-	-	-	1 500	1 500	1 500	-	-	-
Other machinery and equipment	979	2 913	6 171	107 648	107 648	36 332	28 963	30 404	32 950
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 165 991	1 389 019	2 550 137	3 078 939	3 210 108	3 218 998	3 344 801	3 582 787	3 766 589

Table 5.L: Payments and estimates by economic classification: Education Infrastructure grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	-	51 915	44 709	106 000	106 000	118 247	111 300	117 422	122 169
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	51 915	44 709	106 000	106 000	118 247	111 300	117 422	122 169
Contractors	-	40 029	-	-	-	-	-	-	-
Lease payments	-	4 313	275	-	-	-	-	-	-
Property payments	-	7 573	44 434	106 000	106 000	118 247	111 300	117 422	122 169
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	602 756	694 221	990 792	1 052 136	1 069 956	1 057 709	1 136 177	1 201 013	1 251 820
Buildings and other fixed structures	602 756	694 221	990 792	1 052 136	1 069 956	1 057 709	1 136 177	1 201 013	1 251 820
Buildings	602 756	694 221	990 792	1 052 136	1 069 956	1 057 709	1 136 177	1 201 013	1 251 820
Machinery and equipment	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	602 756	746 136	1 035 501	1 158 136	1 175 956	1 175 956	1 247 477	1 318 435	1 373 989

Table 5.M: Payments and estimates by economic classification: HIV and AIDS (Life-Skills Education) grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	27 381	16 633	16 381	45 114	45 114	20 114	39 606	38 568	41 461
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	27 381	16 633	16 381	45 114	45 114	20 114	39 606	38 568	41 461
of which									
Administrative fees	253	1 588	758	735	735	735	1 500	1 600	1 600
Advertising	-	-	-	2 000	2 000	2 000	800	-	-
Assets <R5000	-	-	3	-	-	-	-	-	-
Catering: Departmental activities	2 534	1 366	635	1 812	1 812	1 812	2 130	2 423	2 500
Contractors	231	264	-	-	-	-	-	-	-
Agency & support/outourced services	16	-	60	-	-	-	-	-	-
Inventory: Food and food supplies	-	17	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	38	609	37	500	500	500	5 000	10 000	12 816
Inventory: Medical supplies	4 810	-	-	-	-	-	2 300	-	-
Inventory: Other consumables	385	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	2 551	97	1 129	2 074	2 074	2 074	2 904	2 000	2 000
Lease payments	190	7	9	-	-	-	-	-	-
Property payments	56	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	4 121	1 141	319	1 171	1 171	1 171	2 000	2 000	2 000
Travel and subsistence	7 422	6 402	10 418	18 424	18 424	8 424	14 172	13 220	13 220
Training and development	2 818	1 187	512	16 816	16 816	1 816	3 000	1 500	1 500
Operating expenditure	-	116	21	-	-	-	800	825	825
Venues and facilities	1 956	3 839	2 480	1 582	1 582	1 582	5 000	5 000	5 000
Transfers and subsidies to	13 105	20 425	23 592	-	-	25 000	7 200	10 800	10 800
Non-profit institutions	13 105	20 425	23 592	-	-	25 000	7 200	10 800	10 800
Payments for capital assets	-	2 614	25	-	-	-	-	-	-
Machinery and equipment	-	2 614	25	-	-	-	-	-	-
Other machinery and equipment	-	2 614	25	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	40 486	39 672	39 998	45 114	45 114	45 114	46 806	49 368	52 261

Table 5.N: Payments and estimates by economic classification: National School Nutrition Programme grant (NSNP)

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation 2011/12	Estimate	2012/13	2013/14	2014/15
Current payments	342 100	602 614	753 088	984 232	1 086 301	1 109 791	1 148 143	1 211 335	1 280 105
Compensation of employees	-	100	82	-	-	3 196	3 125	3 343	3 343
Salaries and wages	-	100	82	-	-	3 196	3 125	3 343	3 343
Goods and services	342 100	602 514	753 006	984 232	1 086 301	1 106 595	1 145 018	1 207 992	1 276 762
of which									
Advertising	-	174	-	-	-	-	-	-	-
Assets <R5000	-	4 507	71	-	-	-	-	-	-
Catering: Departmental activities	7	3	282	400	400	400	560	590	590
Inventory: Food and food supplies	341 707	588 075	751 550	979 602	1 081 671	1 101 965	1 135 817	1 198 287	1 267 057
Inventory: Fuel, oil and gas	-	-	53	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	9	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	500	527	527
Inventory: Other consumables	14	9 209	943	-	-	-	-	-	-
Inventory: Stationery and printing	372	215	92	1 100	1 100	1 100	4 000	4 220	4 220
Lease payments	-	-	5	-	-	-	-	-	-
Property payments	-	330	-	-	-	-	-	-	-
Travel and subsistence	-	-	1	-	-	-	600	633	633
Training and development	-	-	-	500	500	500	500	527	527
Operating expenditure	-	-	-	2 190	2 190	2 190	2 641	2 786	2 786
Venues and facilities	-	1	-	440	440	440	400	422	422
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	979	597	128	85 781	85 781	14 465	3 501	3 650	3 650
Buildings and other fixed structures	-	298	-	-	-	-	-	-	-
Buildings	-	298	-	-	-	-	-	-	-
Machinery and equipment	979	299	128	85 781	85 781	14 465	3 501	3 650	3 650
Transport equipment	-	-	-	1 500	1 500	1 500	-	-	-
Other machinery and equipment	979	299	128	84 281	84 281	12 965	3 501	3 650	3 650
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	343 079	603 211	753 216	1 070 013	1 172 082	1 124 256	1 151 644	1 214 985	1 283 755

Table 5.O: Payments and estimates by economic classification: FET College Sector Recapitalisation grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation 2011/12	Estimate	2012/13	2013/14	2014/15
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	162 974	-	-	-	-	-	-	-	-
Non-profit institutions	162 974	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	162 974	-	-	-	-	-	-	-	-

Table 5.P: Payments and estimates by economic classification: FET College Sector grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation 2011/12	Estimate	2012/13	2013/14	2014/15
Current payments	-	-	225 765	214 768	225 512	277 207	234 506	225 363	228 676
Compensation of employees	-	-	223 528	214 768	225 512	276 644	234 506	225 363	228 676
Salaries and wages	-	-	178 822	170 729	181 473	221 315	186 381	180 441	185 206
Social contributions	-	-	44 706	44 039	44 039	55 329	48 125	44 922	43 470
Goods and services	-	-	2 180	-	-	563	-	-	-
of which									
Inventory: Other consumables	-	-	6	-	-	-	-	-	-
Property payments	-	-	1 053	-	-	-	-	-	-
Travel and subsistence	-	-	1 121	-	-	553	-	-	-
Operating expenditure	-	-	-	-	-	10	-	-	-
Interest and rent on land	-	-	57	-	-	-	-	-	-
Interest	-	-	57	-	-	-	-	-	-
Transfers and subsidies to	-	-	476 359	540 025	540 025	545 046	605 331	713 411	766 460
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	476 025	540 025	540 025	544 840	605 331	713 411	766 460
Households	-	-	334	-	-	206	-	-	-
Social benefits	-	-	334	-	-	206	-	-	-
Payments for capital assets	-	-	3 759	-	-	-	-	-	-
Buildings and other fixed structures	-	-	3 759	-	-	-	-	-	-
Buildings	-	-	3 759	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	705 883	754 793	765 537	822 253	839 837	938 774	995 136

Table 5.Q: Payments and estimates by economic classification: Education Disaster Management grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	16 696	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	16 696	-	-	-	-	-	-	-	-
of which									
Property payments	16 696	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	16 696	-	-	-	-	-	-	-	-

Table 5.R: Payments and estimates by economic classification: Technical Secondary Schools Recap grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	-	-	8 925	14 316	14 316	14 316	15 052	23 462	23 393
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	8 925	14 316	14 316	14 316	15 052	23 462	23 393
of which									
Administrative fees	-	-	9	-	-	-	-	-	-
Assets <R5000	-	-	2 962	5 954	5 954	5 954	6 252	6 594	6 525
Computer services	-	-	963	944	944	944	992	1 046	1 046
Cons/prof: Business & advisory services	-	-	2 074	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	84	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	3	3	3	-	-	-
Property payments	-	-	1 899	6 729	6 729	6 729	7 294	15 405	15 405
Travel and subsistence	-	-	316	271	271	271	114	67	67
Training and development	-	-	618	415	415	415	400	350	350
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	6 114	24 247	24 247	24 247	25 438	19 254	21 800
Buildings and other fixed structures	-	-	96	5 530	5 530	5 530	5 786	2 000	2 000
Buildings	-	-	96	5 530	5 530	5 530	5 786	2 000	2 000
Machinery and equipment	-	-	6 018	18 717	18 717	18 717	19 652	17 254	19 800
Other machinery and equipment	-	-	6 018	18 717	18 717	18 717	19 652	17 254	19 800
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	15 039	38 563	38 563	38 563	40 490	42 716	45 193

Table 5.S: Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	-	-	500	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	500	-	-	-	-	-	-
of which									
Property payments	-	-	500	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	536	536	1 000	-	-
Buildings and other fixed structures	-	-	-	-	536	536	1 000	-	-
Buildings	-	-	-	-	536	536	1 000	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	500	-	536	536	1 000	-	-

Table 5.T: Payments and estimates by economic classification: Dinaledi Schools grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	-	-	-	7 670	7 670	7 670	11 737	9 009	10 068
Compensation of employees	-	-	-	-	-	-	500	500	500
Salaries and wages	-	-	-	-	-	-	500	500	500
Goods and services	-	-	-	7 670	7 670	7 670	11 237	8 509	9 568
of which									
Catering: Departmental activities	-	-	-	-	-	-	20	27	30
Inventory: Learner and teacher supp material	-	-	-	6 398	6 398	6 398	3 600	3 738	3 738
Inventory: Stationery and printing	-	-	-	280	280	280	270	-	-
Travel and subsistence	-	-	-	740	740	740	3 400	1 760	1 760
Training and development	-	-	-	211	211	211	2 000	1 640	1 640
Venues and facilities	-	-	-	41	41	41	1 947	1 344	2 400
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	4 650	4 650	4 650	5 810	9 500	9 500
Machinery and equipment	-	-	-	4 650	4 650	4 650	5 810	9 500	9 500
Other machinery and equipment	-	-	-	4 650	4 650	4 650	5 810	9 500	9 500
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	12 320	12 320	12 320	17 547	18 509	19 568

Table 5.U: Details of payments of infrastructure by category

No.	Project name	Municipality/Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available		MTEF forward estimates					
			School - primary/ secondary/ specialised; admin block; water; electricity; sanitation/ toilet; fencing; etc.	Units (i.e. number of classrooms or facilities or square meters)	Date: Start	Date: Finish						2012/13	2013/14	2014/15					
R thousand																			
New and replacement assets														-	-	-	-	-	-
1.	Nkombose	The Big 5 False Bay	School - Secondary	15	27 Aug 2009	31 Mar 2014	Equitable share (ES)	Programme 2	-	31 628	24 111	582	-	582					
2.	Amandlakazulu (Bilanyoni)	Abaqulusi	School - Primary	21	04 Sep 2009	31 Mar 2014	ES	Programme 2	-	30 276	6 466	7 406	3 000	7 406					
3.	Intuthuko Lsen	Umkhanyakude	School - Specialised	8	02 Feb 2011	31 Mar 2014	Edu. Infrs. grant	Programme 4	-	70 000	7 314	8 895	13 320	8 895					
4.	New Ulundi Section D Area	Ulundi	School - Primary	1	01 Apr 2012	31 Mar 2014	ES	Programme 2	-	30 000	-	10 000	5 000	10 000					
5.	New Makhana	Jozini	School - Primary	1	01 Apr 2012	31 Mar 2014	ES	Programme 2	-	30 000	-	5 000	5 000	5 000					
6.	Gannahoeke	Umtshezi	School - Primary	10	01 Apr 2012	31 Mar 2014	ES	Programme 2	-	14 000	1 308	1 125	1 000	1 125					
7.	Khethokuhle	Newcastle	School - Primary	21	09 Mar 2011	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	32 000	1 520	3 000	6 000	3 000					
8.	Kwazamokuhle School For Handicapped	Imbabazane	School - Specialised	1	16 Apr 2009	31 Mar 2014	Edu. Infrs. grant	Programme 4	-	7 000	5 257	272	-	272					
9.	Mabhumane	Emnambithi/Ladysmith	School - Primary	1	15 Feb 2007	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	8 250	8 032	-	-	-					
10.	Mkhamba Gardens	Emnambithi/Ladysmith	School - Primary	1	01 Apr 2012	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	30 000	-	4 000	12 000	4 000					
Other	Various	All	Various	Several	01 Apr 2010	31 Mar 2014	ES/Edu. Infrs. grant	All	-	1 361 446	329 277	575 323	820 640	816 511					
Total New and replacement assets									-	1 644 600	383 285	615 601	865 960	856 789					
Upgrades and additions														-	-	-	-	-	-
1.	Makhedama	Umvoti	School - Secondary	1	01 Apr 2012	31 Mar 2014	ES	Programme 2	-	500	-	-	-	-					
2.	A M Moolla Spes Nova For C P Children	eThekweni	School - Specialised	1	01 Apr 2012	31 Mar 2014	ES	Programme 4	-	900	-	900	-	-					
3.	Abaqulusi	Zululand	Sanitation/toilet buildings	0	01 Apr 2012	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	1 306	-	474	-	-					
4.	Abaqulusi	Zululand	Mobile school	1	01 Feb 2011	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	479	307	172	-	-					
5.	Albert Falls	uMshwathi	School - Primary	7	01 Apr 2012	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	18 303	812	16 000	-	-					
6.	Aldirville	Ilembe	School - Primary	1	19 Mar 2010	31 Mar 2014	ES	Programme 2	-	1 518	842	-	-	-					
7.	Alexandra	Msunduzi	School - Secondary	1	01 Apr 2012	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	768	-	384	-	384					
8.	Alpha	Zululand	Mobile school	2	01 Apr 2012	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	137	-	137	-	-					
9.	Altona	Zululand	Fencing	500	02 Jul 2008	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	78	78	-	-	-					
10.	Altona	Zululand	School - Primary	1	01 Apr 2012	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	10 000	-	4 400	1 000	4 400					
Other	Various	All	Various	38095	01 Apr 2010	31 Mar 2014	ES/Edu. Infrs. grant	All	-	6 502 536	1 508 819	1 045 411	989 959	1 119 973					
Total Upgrades and additions									-	6 536 525	1 510 858	1 067 878	990 959	1 124 757					
Rehabilitation, renovations and refurbishments														-	-	-	-	-	-
1.	Bheki (Ph 4)	Uthukela	School - Secondary	1	19 Mar 2010	31 Mar 2014	ES	Programme 2	-	649	404	-	-	-					
2.	Inqolayolwazi	uMgungundlovu	School - Primary	1	25 Nov 2009	31 Mar 2014	ES	Programme 2	-	122	42	-	-	-					
3.	Alstone	uMgungundlovu	School - Primary	1	01 Apr 2012	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	13 500	251	4 100	3 900	4 100					
4.	Altona	UPhongo	Office accommodation	1	18 Jan 2011	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	1 409	718	691	-	-					
5.	Amajuba - Kalabas	Amajuba	School - Combined	1	02 Feb 2009	31 Mar 2014	ES	Programme 2	-	715	715	-	-	-					
6.	Amajuba - Mfundweni	Amajuba	School - Combined	1	17 Mar 2008	31 Mar 2014	ES	Programme 2	-	1 071	824	-	-	-					
7.	Amajuba - Qophumlando	Amajuba	School - Combined	1	02 Feb 2009	31 Mar 2014	ES	Programme 2	-	654	654	-	-	-					
8.	Amajuba - Rooival	Amajuba	School - Combined	1	17 Mar 2008	31 Mar 2014	ES	Programme 2	-	168	153	-	-	-					
9.	Amajuba - Sekusile	Amajuba	School - Combined	1	17 Mar 2008	31 Mar 2014	ES	Programme 2	-	1 195	932	-	-	-					
10.	Amajuba District Offices	Amajuba	Office accommodation	1	01 Apr 2012	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	4 000	-	900	2 200	900					
Other	Various	All	Various	3047	01 Apr 2010	31 Mar 2014	ES/Edu. Infrs. grant	All	-	4 106 574	882 434	503 684	425 797	440 764					
Total Rehabilitation, renovations and refurbishments									-	4 130 057	887 127	509 375	431 897	445 764					
Maintenance and repairs														-	-	-	-	-	-
Other	Maintenance - Public School	Various	Maintenance of schools	Several	01 Apr 2010	31 Mar 2014	ES	Programme 2	-	576 142	297 633	211 300	217 422	222 169					
Total Maintenance and repairs									-	576 142	297 633	211 300	217 422	222 169					
Infrastructure transfers - current									-	-	-	-	-	-					
Infrastructure transfers - capital									-	-	-	-	-	-					
Total Infrastructure									-	12 887 324	3 078 903	2 404 154	2 506 238	2 649 479					

VOTE 6

Provincial Treasury

Operational budget	R 602 707 911
MEC remuneration	R 1 566 089
Total amount to be appropriated	R 604 274 000
Responsible MEC	Ms. C.M. Cronjé, MEC for Finance
Administering department	Provincial Treasury
Accounting officer	Senior General Manager: Financial Management

1. Overview

Vision

The vision of the department is: *Be the centre of excellence in financial and fiscal management in the country.*

Mission statement

The department's mission is: *To ensure equitable resource allocation for the province of KwaZulu-Natal, analyse and monitor government (provincial and local, including their public entities) revenue and expenditure, and instil prudent financial management and good governance.*

Through robust public policy research, the Provincial Treasury will contribute to the realisation of government policy priorities by ensuring that government interventions in the economy are targeted, efficient, sustainable and empower the people.

Strategic objectives

Strategic policy direction: The Provincial Treasury will ensure a credible distribution of available funds between departments, taking cognisance of the demands for social services and the need to stimulate economic development and growth, and will commit to provide ongoing, effective and efficient support services to internal and external clients. The department will analyse and monitor government revenue and expenditure in the provincial and local spheres, including public entities, undertake robust public policy research and instil prudent financial management and good governance.

The department has set the following goals and strategic objectives in order to achieve this:

- To promote sound financial and fiscal management and good governance.
- To place strong emphasis on fighting poverty and creating jobs in partnership with communities through the mobilisation and funding of co-operatives and effective procurement targeting.
- To focus on the enhancement of Broad-Based Black Economic Empowerment (BBBEE) through effective Supply Chain Management (SCM) policies.
- To implement a policy of zero tolerance on fraud and corruption.
- To ensure good financial management with the elimination of over-expenditure and the reduction of roll-overs.
- To target government investment in service delivery.
- To promote sound cash management practices and to improve liquidity in the province.

Core functions

The core functions of the department include the following:

- The mobilisation of funds for the provincial government.
- The allocation of fiscal resources to provincial departments.
- The preparation of annual and MTEF budgets.
- Province-wide cash management.
- Provincial financial management through:
 - Budget monitoring and reporting.
 - Internal audit.
 - Financial accounting.
 - Financial systems maintenance.
- Provision of advice on procurement policies and procedures in provincial government.

Legislative mandate

The department is governed by the following pieces of legislation and policy directives:

- Access to Information Act (Act No. 2 of 2000)
- Annual Division of Revenue Act
- Government Immovable Asset Management Act (Act No. 19 of 2007)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)
- Municipal Finance Management Act (Act No. 56 of 2003)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000) (PPPFA)
- Provincial Borrowing Powers Act (Act No. 48 of 1996)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Provincial Internal Audit Act (Act No. 2 of 2001)
- Provincial Tax Regulation Process Act (Act No. 53 of 2001)
- Public Audit Act (Act No. 25 of 2004)
- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)

2. Review of the 2011/12 financial year

Section 2 provides a review of 2011/12, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

Fiscal Resource Management

Public Finance: The unit continued to monitor both the spending and service delivery achievements of all 16 provincial departments. These inputs were used to prepare quarterly budget performance reports, with the close-out and mid-year performance reports being tabled with the Finance Portfolio Committee and forming the basis of active engagement of this Committee with the various departments. In addition, Cabinet was constantly kept up to date on the province's spending through the submission of monthly Cabinet memoranda. The unit also prepared the 2011/12 Adjustments Estimate of Provincial Revenue and Expenditure for the province, which is a legislative requirement of the PFMA. The 2012/13 Main Budget was prepared for tabling on 9 March 2012, as well as the Unauthorised Expenditure Authorisation Act

(Act No. 6 of 2011) in 2011/12. Possible new sources of revenue were explored to enhance the current provincial revenue base. Since the introduction of the Provincial Recovery Plan and its associated cost-cutting measures in 2009/10, there have been a number of positive and encouraging indicators for KZN. The positive indicators include a vast reduction in the level of spending by provincial departments on 'frills', with the added focus now being to redirect these savings to service delivery spending areas. The province is reflecting a healthy bank balance, having fully repaid the provincial overdraft in 18 months, rather than in three years, as originally anticipated. This now allows the province to earn interest on positive cash balances, as opposed to paying interest on an overdrawn bank account.

The Division of Revenue Bill for 2012/13 was reviewed and recommendations were made to address specific problem areas in conditional grant frameworks. Provincial role-players were also consulted in respect of the Financial and Fiscal Commission's (FFC) recommendations on the division of revenue and the Provincial Equitable Share (PES), provided input and identified areas for further exploration by the FFC. Reforms in public entities continued to be implemented, and focussed in particular on the listing of provincial public entities, analysis of Annual Performance Plans (APPs) and reviewing of quarterly reports. The identification, collection, recording, reconciliation and safeguarding of revenue for all provincial departments was also monitored.

Municipal Finance: Support was provided to municipalities during the preparation of their 2011/12 budgets. Since the introduction of the Municipal Budget and Reporting Regulations, some municipalities struggled to complete the newly introduced schedules, however, technical support was provided to the municipalities and, as a result, 54 out of 58 municipal draft budgets for 2011/12 were received timeously and assessed accordingly. The remaining four draft budgets could not be assessed due to late submission, as well as failure by the municipalities to provide the majority of the required information. To this end, the unit prepared monthly reports on the financial performance of the 58 delegated municipalities and submitted them to National Treasury. In addition, four quarterly reports, including the Municipal 2010/11 Close-out Report on the financial performance of all municipalities in KZN, were tabled in the Legislature. Delays in the appointment of service providers limited the Municipal Support Programme (MSP) initiatives during 2011/12. As a result, few municipalities were supported by this programme. However, the appointment process has since been concluded and 15 service providers have been appointed to the panel. There are 22 municipalities identified for MSP support, 15 of which will be assisted in areas including cashflow management processes, while seven municipalities will be assisted in improving internal controls. Overall, the emphasis is on improving cash management practices and addressing the issues raised by the Auditor-General (A-G) pertaining to internal controls.

Infrastructure: The unit's focus is on infrastructure expenditure in the province and ensuring that output performance, effectiveness and efficiency are maximised. The unit continued to play a central role in monitoring and supporting infrastructure delivery through the implementation of the Infrastructure Delivery Improvement Programme (IDIP). This programme contributes toward the successful delivery of infrastructure by sector departments within the province.

Financial Management

Financial Assets and Liabilities: Significant progress was made in the cashflow position of the province. Departments were monitored on a daily basis to ensure that funds are available as per their respective cashflow forecast in line with the funds received from National Treasury.

Public Private Partnerships (PPP): With the increased interest in two large potential PPP projects (Health and Education), the unit rendered assistance and offered innovative solutions to challenges faced by both initiatives. These two projects, among others, made significant progress in 2011/12.

Supply Chain Management: Support was provided to departments and municipalities with regard to SCM policies and procedures. This entails conducting compliance assessments to determine the required support interventions and the provision of training, where required. The unit completed the review of the KZN SCM Policy Framework which should be adopted by Cabinet early in 2012/13. Resulting from 2010/11 audit outcomes and general problems of fraud and corruption, as well as costs associated with lack of contract management in government contracts, a Contract Management Pilot Project has been

implemented. This will result in contract registers being developed for six departments and three municipalities, as part of the initial phase. This system will further ensure suppliers' performance measurement and monitoring for the purpose of getting value for money from all contracts entered into by departments as an ultimate objective.

In addition, the unit also started a process of establishing Municipal Complaints Tribunals for all municipalities in the province. These tribunals will enable aggrieved suppliers and other interested parties in concerned communities to lodge complaints relating to bids awarded by municipalities. Two special interventions at one public entity and one provincial department were undertaken. Finally, the unit is finalising a study on the establishment of the Price Index Catalogue for the purpose of introducing price benchmarking in the provincial bidding processes.

Financial Reporting: Significant progress was made in financial management practices in the province. Five departments received unqualified audit opinions and only three departments were qualified. A major asset management intervention initiated by Provincial Treasury in Social Development resulted in an unqualified audit opinion for the first time in three years. Provincial Treasury also obtained a clean audit report for the Revenue Fund for 2010/11.

Norms and Standards: Support was provided to departments by, *inter alia*, implementing the second phase of National Treasury's Financial Capability Maturity Model, issuing individual compliance feedback reports to departments on a quarterly basis and instituting remedial and preventative measures where applicable. Support to municipalities included the development of a financial management related system of delegation framework and its subsequent roll-out to all municipalities in the province and financial policy development and review assistance to various municipalities.

Support and Interlinked Financial Systems: In order to improve the security controls on financial systems to reduce system related fraud, Provincial Treasury enhanced the Biometric Access Control System for the province by implementing a Non-Repudiation System (NRS) on BAS. This enhancement provides a second layer of security access to BAS by forcing the users to authenticate a second time with their finger print when financial transactions are committed. This provides conclusive legal evidence that a particular transaction was committed by a specific user.

Internal Audit

Assurances Services: Internal audit services were provided to client departments and certain public entities with specific focus on governance and good audit outcomes. The unit identified critical service delivery projects in the province and undertook performance audits to determine value for money for the resources expended. The unit assisted clients in achieving and sustaining clean audit outcomes, and embarked on a process to identify, review and recommend corrective actions on certain financial controls as part of their review of financial statements, follow-ups on A-G's findings, as well as part of their routine audit assignments. The unit also continued to review non-financial data as part of their audits on performance information, thereby assisting departments in preparing for the A-G's review. The unit also performed reviews of IT controls at departments and some public entities in order to assist these institutions in identifying and mitigating significant IT risks. The unit supported the activities of the Provincial Audit and Risk Committee and the Cluster Audit and Risk Committees in executing their oversight responsibilities, as well as in promoting accountability and good governance in the province.

Risk and Advisory Services: The Provincial Risk Management Framework approved by Cabinet was adopted by all departments and is now in the process of implementation. The framework was also customised for municipalities, and to date has been rolled out to 16 municipalities. During the period under review, the unit also embarked on a risk streamlining project, which involved assisting departments to consolidate and clean-up various pockets of risk assessments/profiles to create one risk register.

Forensic Audit Services: The unit successfully completed 39 investigations, despite the challenges currently faced in terms of resources and high demand for its services, which now include requests from municipalities. Incidents of fraud and corruption were identified and reported to law enforcement agencies. The unit introduced some pro-active strategies for combating fraud and corruption in the

province. These include fraud risk assessments and the review of fraud prevention strategies implemented by provincial departments, public entities and municipalities. The unit also continued to assist the Office of the Premier (OTP) to strengthen its capacity to deal with fraud and corruption in the province.

3. Outlook for the 2012/13 financial year

Section 3 looks at the key focus areas of 2012/13, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments.

Fiscal Resource Management

Public Finance: The functions of the unit are largely process driven and governed by various legislative (PFMA, Treasury Regulations) requirements. As such, the work of the unit often remains largely unchanged from the previous year in terms of the processes that need to be followed and undertaken. Accordingly, the unit plans to continue monitoring the spending of provincial departments through the various reporting mechanisms, including the monthly IYM, QPR and quarterly budget performance reports and will strive to ensure that provincial spending remains within budget. Cabinet will continue to be kept informed of the province's budget performance. The unit plans to prepare the Adjustments Estimate of Provincial Revenue and Expenditure for 2012/13 and the Estimates of Provincial Revenue and Expenditure for 2013/14. This will be done after consulting with, and receiving approval from, the Medium Term Expenditure Committee (MTEC), Ministers' Committee on the Budget (MincomBud) and Cabinet. The unit will also prepare the Unauthorised Expenditure Authorisation Bill for 2011/12 and plans to continue exploring possible new sources of revenue to enhance the current revenue base.

The unit will provide information to National Treasury to inform discussions on the division of revenue and PES, where both the structure of, and/or the components of the formula, as well as the data informing PES updates, are being debated. The unit will also play a more active oversight role and monitor the performance of public entities to ensure that, among others, entities are capable of delivering on expectations, they operate within their mandate in an effective, efficient and economical manner, and that there is governance and regulatory compliance.

Municipal Finance: The 2012/13 financial year will be the third year that all municipalities are required to prepare their annual budgets in accordance with the new Municipal Budget and Reporting Regulations. The unit will adopt a pro-active approach in supporting municipalities in the preparation of their budgets with the aim of achieving significant improvement in the completeness and quality of the budget submissions. Furthermore, enhancing the sustainability of municipalities is of paramount importance to ensure that service delivery to the community is at acceptable levels. The requirements vary with each municipality and it is crucial to address those needs urgently and comprehensively. In this regard, Provincial Treasury will continue to support and assist municipalities in KZN in improving their level of financial management, augmenting the skills available to them through capacity building and, in the process, enabling the sustainability of their operations. In addition, the MSP will focus on assisting municipalities reach the goal of clean audit reports, supporting performance information reporting, improving governance structures, enhancing internal controls, instituting cashflow management practices and improving the credibility of budgets.

Infrastructure: The unit plans to continue monitoring and supporting provincial departments in infrastructure delivery and spending by building internal capacity, as well as the deployment of the Infrastructure Crack Team to various sector departments. This in turn will assist in increasing the delivery capacity within sector departments in respect of project management and implementation, identification and unblocking of blockages that hamper projects delivery, as well as strengthening capacity in departments through skills transfer.

Financial Management

Financial Assets and Liabilities: The unit will continue to monitor all departmental bank balances on a daily basis to ensure that proper cash management is being maintained. Excess funds will be invested with the Corporate for Public Deposit (CPD) to obtain maximum interest.

Public Private Partnerships: The unit will continue to address the lack of capacity in provincial departments and municipalities in identifying and managing PPP projects. The unit also aims to create and improve relationships between various stakeholders in the PPP process in order to promote better PPP deal flow in the province and to prevent deals that are not value for money and/or affordable.

Supply Chain Management: The unit will continue to provide hands-on support to both departments and municipalities. The unit will continue with the Contract Management Project which will culminate with all departments and municipalities having fully completed contract registers supported by legitimate contract documents. The Municipal Bid Complaints Tribunal will become fully functional. The KZN SCM Policy Framework will be adopted. The unit, in partnership with National Treasury, will begin a roll-out of strategic sourcing training to all departments. The unit will further investigate the feasibility of an e-procurement tool and a benchmark pricing list for use in the province.

Financial Reporting: Focus will be placed on regular hands-on engagement and support to departments, public entities and municipalities to enhance their financial accounting and reporting performance, as well as continued staff development and training programmes to develop and retain the requisite financial management skills and expertise. The unit will play a major role in the clean audit campaign, by ensuring enhanced financial management in all spheres of government. A key intervention will be the implementation of an electronic monthly reconciliation and tracking tool to be utilised for municipalities.

Norms and Standards: The unit will align the execution of its monitoring and regulatory function *vis a vis* the Provincial Treasury's practice notes and other prescripts to the implementation of National Treasury's Financial Capability Maturity Model in the province. This will primarily entail the adoption of the model's assessment methodology to ensure a consistent and uniform framework for departments, as well as guiding the unit's activities in identifying and addressing functional areas that require its intervention.

Support and Interlinked Financial Systems: The unit will continue to offer technical maintenance and support on transversal systems for the province. The unit will also strengthen the Information and Financial Systems' security across the province.

Internal Audit

Assurance Services: The unit will continue to provide internal audit services to client departments and public entities by performing risk-based audits, with specific focus on overall good governance. The unit will identify additional critical service delivery projects in the province to determine value for money for the resources expended as part of its focus on performance auditing. Clients will be assisted to achieve and sustain clean audit outcomes with specific direction on common, transversal weaknesses such as SCM. Audit efforts on IT controls will be expanded, as this has been identified as a critical risk.

Risk and Advisory Services: The unit's main focus will be to ensure that risk management responsibility is devolved to the respective government institutions in line with the PFMA and as prescribed in the Provincial Risk Management Framework. The risk management tool, CURA, is to be rolled out to all provincial departments and selected public entities and municipalities to strengthen awareness and ownership of risk management.

Forensic Audit Services: The continuation of fraud risk reviews and assessments, together with access to investigative IT tools, and the development of a consolidated, provincial fraud investigation database that incorporates all fraud investigation conducted in the province, will assist in achieving efficiencies in the fight against fraud and corruption in the province.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 6.1 below shows the sources of funding for Vote 6 over the seven-year period 2008/09 to 2014/15. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 6.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Provincial allocation	522 072	626 623	640 637	536 486	491 486	491 486	568 247	595 349	625 123
Conditional grants	-	-	1 634	-	-	-	-	-	-
Education and Health Infrastructure grants	-	-	1 634	-	-	-	-	-	-
Total receipts	522 072	626 623	642 271	536 486	491 486	491 486	568 247	595 349	625 123
Total payments	693 565	613 902	388 936	536 486	510 024	462 831	604 274	595 349	625 123
Surplus/(Deficit) before financing	(171 493)	12 721	253 335	-	(18 538)	28 655	(36 027)	-	-
Financing									
of which									
Provincial roll-overs	11 252	-	-	-	18 538	18 538	16 027	-	-
Provincial cash resources	36 815	(103 174)	50 229	-	-	-	20 000	-	-
Surplus/(deficit) after financing	(123 426)	(90 453)	303 564	-	-	47 193	-	-	-

The department only receives a provincial allocation. The conditional grant allocation in 2010/11 is a once-off adjustment relating to the Education and Health Infrastructure grants. An amount of R1.634 million was suspended from Vote 5: Education and Vote 7: Health, being a portion of the Education and Health Infrastructure grants, to Provincial Treasury for the IDIP, which provides for Technical Assistants (TAs) to assist departments in the roll-out of their infrastructure projects. This is due to Provincial Treasury co-ordinating the IDIP, with Education and Health on the client side, and Public Works as an agent. National Treasury agreed to fund the implementation of the IDIP, but provinces were requested to fund at least the first four months of 2010/11 until National Treasury finalised the procurement model. As the province had not budgeted for the costs, it invoked the provision of DORA 2010, which allows for up to four per cent of the grants to be used for acquiring capacity to assist with the management, planning and implementation of infrastructure construction.

An amount of R11.252 million was rolled over to 2008/09 toward the feasibility study for the Provincial Government Precinct which has subsequently been put on hold. The R36.815 million against provincial cash resources was allocated in respect of project *Unembeza* (R22.100 million), the prescribed local government levy (R8.963 million), and the higher than anticipated 2008 wage agreement (R5.752 million).

The over-expenditure reflected in 2008/09 relates to the overdraft interest charges on the Inter-Governmental Cash Co-ordination (IGCC) account, which resulted from the collective over-expenditure of provincial departments.

The provincial allocation also includes R150 million per year in 2008/09 and 2009/10 in respect of the province's contribution toward the construction of the Moses Mabhida Stadium.

The negative amount of R103.174 million against provincial cash resources in 2009/10 included R108.109 million moved to the Department of Health in 2009/10 in respect of the OSD for doctors and specialists. As per National Treasury instruction, the funding for the doctors' and specialists' OSD was kept against Provincial Treasury's vote, until the details of the OSD implementation were finalised. This was finalised in the 2009/10 Adjustments Estimate, and the funding was transferred to Vote 7: Health. An amount of R4.711 million was moved to Vote: 4 Economic Development and Tourism, following the 2009 election reconfiguration of provincial departments, which led to the former combined ministries of Votes 4 and 6 splitting into two stand-alone ministries. The over-expenditure of R90.453 million in 2009/10 largely relates to the overdraft interest charges on the IGCC account, which resulted from the collective over-expenditure of provincial departments.

In 2010/11, R40 million of the R50.229 million reflected against provincial cash resources was additional funding allocated toward the development of the Pietermaritzburg airport through the Msunduzi Municipality. The balance of R10.449 million was allocated in respect of the prescribed local government levy. The surplus of R303.564 million reflected in 2010/11 mainly relates to savings realised in respect of overdraft interest charges.

The provincial allocation was decreased in the 2011/12 Adjusted Appropriation due to the suspension of R45 million from the interest on the overdraft provision to Vote 5: Education to assist Section 21 schools in paying municipal arrears. An amount of R18.538 million was rolled over from 2010/11 in respect of the development of the Pietermaritzburg airport.

The department is projecting to end 2011/12 with an under-expenditure of R47.193 million. This relates to savings realised in respect of overdraft interest charges, as well as cost-cutting. This projected saving resulted from the improvement in the funds available in the IGCC account due to the effective implementation of cost-cutting measures. The province is now earning interest as opposed to paying it.

The department's 2012/13 MTEF allocation includes provision for the overdraft interest charges capped at R50 million, the carry-through adjustment of the 2011 wage agreement, a provision for the BEE verification of service providers, an allocation toward the Infrastructure Crack Team, funding for Strategic Cabinet Initiatives, as well as a provision for Special Infrastructure Projects which include the development of identified airports in the province. Furthermore, the 2012/13 allocation includes the second part of the roll-over relating to Pietermaritzburg airport amounting to R16.027 million and a once-off amount of R20 million allocated through provincial cash resources for the development of Ulundi airport (Prince Mangosuthu Buthelezi Airport).

4.2 Departmental receipts collection

Table 6.2 below gives a summary of the departmental receipts for Vote 6. The details are presented in the *Annexure – Vote 6: Provincial Treasury*.

Table 6.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	205	161	168	177	177	136	140	154	169
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	14 505	7 584	29 584	6 750	6 750	269 917	185 003	200 004	215 004
Sale of capital assets	-	-	634	-	-	-	-	-	-
Transactions in financial assets and liabilities	843	2 136	440	1 921	1 921	332	362	398	438
Total	15 553	9 881	30 826	8 848	8 848	270 385	185 505	200 556	215 611

The department collects the bulk of its own revenue from interest earned on the IGCC account and the Pay Master-General (PMG) account, which is reflected against the category *Interest, dividends and rent on land*. The fluctuations over the seven-year period under review are directly linked to the amount of cash on hand and changes in interest rates. The low revenue collected in 2008/09 and 2009/10 can be attributed to the over-expenditure incurred by the province. The funds available for investment in the IGCC account decreased significantly, and hence the low revenue collected. The slight improvement in 2010/11 and the substantial increase in the 2011/12 Revised Estimate is due to the improvement in the level of funds available in the PMG and IGCC accounts, largely due to the collective implementation of cost-cutting measures by provincial departments.

The department has significantly increased its projections over the 2012/13 MTEF based on the current positive balances. This increase is, however, lower than the 2011/12 Revised Estimate because the substantial positive average bank balance is expected to be lower than that of 2011/12 over the MTEF, thus reducing the interest revenue.

The revenue collected under *Sale of goods and services other than capital assets* is mainly in respect of game licences. This revenue source is collected by game lodges and paid over to Provincial Treasury and is conservatively budgeted, as it depends on the number of people visiting, the location of the game lodge, and the season of the year. In addition, revenue items such as staff parking fees and commission received from insurance companies for the collection of monthly contributions are collected under this category. The projections for the 2012/13 MTEF period were based on the projected end-of-year collection for 2011/12, coupled with an incremental estimation of 10 per cent each year in line with the Treasury Guideline document.

The revenue against *Transactions in financial assets and liabilities* is made up of recoveries of staff debts (payment of telephone accounts) from previous financial years. The fluctuating trend can be attributed to the difficulty in forecasting accurately for this category, due to its uncertain nature. The projections over the 2012/13 MTEF are based on previous years' actual revenue collected, and an incremental estimation of 10 per cent, as per the Treasury Guideline document.

The collection against *Sale of capital assets* relates to the sale of redundant items, such as vehicles, computers, etc. The collection reflected in 2010/11 resulted from the sale of departmental vehicles. This category is not budgeted for due to its uncertain nature.

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification.

Further details are given in Section 6 below, as well as in the *Annexure – Vote 6: Provincial Treasury*.

5.1 Key assumptions

The budget for the 2012/13 MTEF period is based on the department's approved Strategic and Annual Performance Plans, in line with the service delivery requirements and improvements of the department. Some of the main assumptions underpinning the MTEF budget are as follows:

- All inflation related increases are based on CPI projections.
- The cost-cutting measures, as reissued by Provincial Treasury in 2012/13, will be adhered to over the 2012/13 MTEF.
- Provision was made for the carry-through costs of the 2011 wage agreement and an inflationary wage adjustment of 5 per cent for the three years of the 2012/13 MTEF, and an annual 1.5 per cent pay progression.
- Provision has been made for the filling of vacant posts.
- Costs associated with the filling of additional posts to support the service delivery requirements of the department, was taken into account in calculating personnel costs.

5.2 Additional allocations for the 2010/11 to 2012/13 MTEF

Table 6.3 shows additional funding received by the department over the three MTEF periods: 2010/11, 2011/12 and 2012/13.

The purpose of 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 carry-through allocations for the 2010/11 and 2011/12 MTEF periods (i.e. for the financial year 2014/15) are based on the incremental percentage used in the 2012/13 MTEF.

Table 6.3: Summary of additional provincial allocations for 2010/11 to 2012/13 MTEF

R thousand	2010/11	2011/12	2012/13	2013/14	2014/15
2010/11 MTEF period	53 978	(68 900)	(84 869)	(89 537)	(94 909)
Carry-through of 2009/10 Adjustments Estimate:	(217 062)	(323 942)	(339 913)	(358 608)	(380 125)
2009 wage agreement	3 597	4 020	4 447	4 692	4 973
Portion of Ministry funding to Vote 4	(4 993)	(5 293)	(5 558)	(5 864)	(6 216)
OSD for doctors (to Department of Health)	(215 666)	(322 669)	(338 802)	(357 436)	(378 882)
Municipal Support Programme	21 000	5 000	5 000	5 275	5 592
Overdraft interest charges (as allocated in 2009/10) reallocated to MSP	-	(18 519)	(19 445)	(20 514)	(21 745)
Municipal Support Programme (funded through reprioritisation)	-	18 519	19 445	20 514	21 745
Overdraft interest charges	235 000	235 000	235 000	247 925	262 801
Support Service Enhancement Plan (incl. Audit fees & SITA)	15 000	15 000	15 000	15 825	16 775
Policy on Incapacity Leave and Ill Health Retirement (PILIR)	40	42	44	46	49
2011/12 MTEF period		(129 591)	(133 699)	(133 870)	(141 902)
Carry-through of 2010/11 Adjustments Estimate: 2010 wage agreement		1 744	1 723	1 662	1 762
Capping overdraft interest charges at R100 million per year		(135 000)	(135 000)	(135 000)	(143 100)
National Cabinet decision to cut provinces by 0.3 per cent		(335)	(422)	(532)	(564)
Performance audits		4 000	-	-	-
2012/13 MTEF period			51 116	4 585	(1 087)
Carry-through of 2011 Adjustments Estimate - Ulundi airport			20 000	-	-
Carry-through of 2011 wage agreement			1 089	1 144	1 201
Capping overdraft interest charges at R50 million per year (R10 million remains within Vote 6)			(40 000)	(40 000)	(46 000)
BEE verification			6 000	6 000	6 000
Pietermaritzburg airport (roll-over)			16 027	-	-
Improving infrastructure support			8 000	8 400	8 820
Strategic Cabinet initiatives			40 000	29 041	28 892
Total	53 978	(198 491)	(167 452)	(218 822)	(237 898)

Over the 2010/11 MTEF, the department shifted funds to Vote 4: Economic Development and Tourism, following the 2009 elections, as previously mentioned. The department also received additional funding for the Support Service Enhancement Plan, and the carry-through costs of the 2009 wage agreement. The overdraft interest charges (as allocated in 2009/10) were re-allocated to the MSP to correct the baseline of this programme, and a new 2010/11 MTEF allocation of R235 million per year was allocated in respect of the overdraft interest charges. The department also received funding for PILIR. As mentioned, the funding for the doctors' and specialists' OSD was kept against Provincial Treasury's vote, until the details of the OSD implementation were finalised. This was finalised in the 2009/10 Adjustments Estimate, and the funding was transferred to Vote 7: Health, hence decrease over the 2010/11 MTEF.

The allocation over the 2011/12 MTEF includes the carry-through costs of the higher than anticipated 2010 wage agreement, as well as a once-off allocation toward performance audits in 2011/12 only. Also, the overdraft interest charges funding was capped at R100 million over the MTEF. In the 2011/12 MTEF, National Cabinet took a decision to cut all national votes and the provincial equitable share by 0.3 per cent. The bulk of this equitable share reduction in KZN was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus of the province. The balance was sourced proportionately from all 16 provincial votes.

Over the 2012/13 MTEF, the department received an allocation for the carry-through costs for the 2011 wage agreement, the BEE verification, the Infrastructure Crack Team, funding toward Strategic Cabinet Initiatives, as well as a provision for Special Infrastructure Projects which include the development of identified airports in the province. The overdraft interest charges funding is now capped at R50 million over the MTEF, whereas it was previously capped at R100 million. Of the R100 million, R40 million was removed from Vote 6: Provincial Treasury and allocated to various provincial priorities while R10 million remains within Vote 6, but allocated to SCM for the continuation of the Contract Management Project, as well as the Municipal Appeals Tribunal.

5.3 Summary by programme and economic classification

The services rendered by the department are categorised under five programmes, namely Administration, Fiscal Resource Management, Financial Management, Internal Audit and Growth and Development. These programmes are linked to the core functions of the department. The department does not fully

conform to the generic programme structure for the sector, and negotiations with National Treasury in this regard are continuing.

Tables 6.4 and 6.5 below provide a summary of the vote's payments and budgeted estimates over the seven-year period, by programme and by economic classification, respectively. The budget of the department fluctuates over the period under review.

Table 6.4: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	75 946	74 988	68 755	99 861	93 861	90 238	100 094	106 192	112 721
2. Fiscal Resource Management	60 965	52 394	53 161	72 236	60 236	51 939	83 807	88 341	93 680
3. Financial Management	285 003	238 920	161 359	262 595	213 595	183 242	238 345	248 107	259 232
4. Internal Audit	70 384	68 687	81 025	89 270	96 270	91 350	93 619	99 227	105 259
5. Growth and Development	201 267	178 913	24 636	12 524	46 062	46 062	88 409	53 482	54 231
Total	693 565	613 902	388 936	536 486	510 024	462 831	604 274	595 349	625 123

Note: Programme 1 includes MEC remuneration: Salary: R1 556 089

Table 6.5: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	518 780	448 037	368 945	531 943	461 957	414 939	559 679	586 114	615 293
Compensation of employees	94 485	102 117	109 901	166 702	143 633	131 916	186 893	199 085	210 128
Goods and services	285 912	243 662	243 536	265 241	289 324	282 017	322 786	337 029	355 165
Interest and rent on land	138 383	102 258	15 508	100 000	29 000	1 006	50 000	50 000	50 000
Transfers and subsidies to:	160 865	162 574	17 033	1 510	40 688	40 688	41 321	5 705	6 099
Provinces and municipalities	158 967	159 654	15 676	-	39 053	39 053	39 329	4 015	4 316
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	3	-	-	-	-	-	-	-	-
Households	1 895	2 920	1 357	1 510	1 635	1 635	1 992	1 690	1 783
Payments for capital assets	9 644	3 291	2 295	3 033	7 158	6 983	3 274	3 530	3 731
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	9 094	3 155	2 275	3 033	6 633	6 458	3 274	3 530	3 731
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	550	136	20	-	525	525	-	-	-
Payments for financial assets	4 276	-	663	-	221	221	-	-	-
Total	693 565	613 902	388 936	536 486	510 024	462 831	604 274	595 349	625 123

The high expenditure in 2008/09 against Programme 1: Administration is due to an additional allocation for the Biometrics Access Control Solution (BAS and PERSAL). The decreases in 2009/10 and 2010/11 can be attributed to cost-cutting. The decrease in the 2011/12 Adjusted Appropriation is mainly due to slow progress in the filling of vacant posts as a result of the difficulty in attracting the required skills. The slight increase over the 2012/13 MTEF relates to the carry-through costs of the 2011 wage agreement, and inflationary increments.

Programme 2: Fiscal Resource Management reflects high expenditure in 2008/09 which can be attributed to the implementation of the Performance Budgeting System (PBS). This contract was cancelled in 2009/10 following a Cabinet decision. The additional funding allocated toward the strengthening of research capacity for policy development and the MSP also accounts for the high expenditure in 2008/09. The decreases in 2009/10 and 2010/11 are partly due to the cancellation of PBS, the moratorium on the filling of non-critical vacant posts, as well as cost-cutting. Included in 2010/11 is the funding for the IDIP, hence the slight increase from 2009/10. The decrease in the 2011/12 Adjusted Appropriation in comparison to the 2011/12 Main Appropriation relates to the amounts shifted to other programmes mainly due to the slow implementation of the MSP resulting from delays in the appointment of service providers. The difficulty in attracting required skills to fill funded vacant posts also contributed to the savings. The increase over the 2012/13 MTEF mostly relates to the MSP, as well as an allocation toward the Infrastructure Crack Team.

The substantial over-expenditure in 2007/08 and 2008/09 by the provincial departments collectively led to the province utilising its approved overdraft facilities, resulting in the payment of interest as reflected in the high expenditure against Programme 3: Financial Management in 2008/09 and 2009/10. The decrease in 2010/11 resulted from the improvement in the level of funds available in the PMG and IGCC accounts, largely due to the collective implementation of cost-cutting measures by provincial departments, therefore reducing the amounts of interest paid on the overdraft significantly. The 2011/12 Main Appropriation includes funds relating to the overdraft interest charges provided at R100 million. The considerable reduction in the 2011/12 Adjusted Appropriation is due to R45 million being suspended from this programme to Vote 5: Education for the payment of municipal service charges relating to Section 21 schools, as well as an amount of R26 million moved to Programme 5 to cater for the development of the Ulundi and Richards Bay airports. The 2012/13 MTEF includes a provision toward the overdraft interest charges capped at R50 million per year, as well as an allocation toward the Municipal Bid Appeals Tribunal, Contract Management Project, and BEE verification exercise required to be undertaken on all service providers who do business with government.

Programme 4: Internal Audit shows a slightly fluctuating trend from 2008/09 to 2010/11. The high spending in 2008/09 compared to 2009/10 can be attributed to the roll-out of project *Unembeza*. The reduction in 2009/10 relates to the moratorium on the filling of non-critical vacant posts, as well as cost-cutting. The increase in 2010/11 can be attributed to project *Unembeza*, specialised audit assignments such as performance audits, as well as unplanned forensic investigations. Included in the 2011/12 Adjusted Appropriation are funds for the appointment of service providers to assist with specialised audit assignments such as performance audits, as well as unplanned forensic investigations at various departments. The increase over the 2012/13 MTEF can be ascribed to the funding allocated for the implementation of project *Unembeza*.

The fluctuations against Programme 5 over the seven-year period can largely be ascribed to R150 million allocated in both 2008/09 and 2009/10 toward the construction of the Moses Mabhida Stadium, which explains the substantial reduction in 2010/11. Additional funding was allocated for the prescribed local government levy up until 2010/11, but the levy has since been discontinued due to a change in legislation. Furthermore, R11.252 million was rolled over from 2007/08 to 2008/09 for the feasibility study of the Provincial Government Precinct. The significant increase in the 2011/12 Adjusted Appropriation and the 2012/13 allocation relates to the development of the Pietermaritzburg, Ulundi, as well as the Richards Bay airports. The 2013/14 and 2014/15 allocations cater for budget communication events, Strategic Cabinet Initiatives as identified and approved by Cabinet, as well as a provision for Special Infrastructure Projects which include the development of identified airports in the province.

The increase in *Compensation of employees* from 2008/09 onward is due to the higher than anticipated wage agreements, as well as the gradual increase in the filling of budgeted vacant posts. The reduction in the 2011/12 Adjusted Appropriation can be attributed to funds moved resulting from the delays in the filling of funded vacant posts to cater for other critical projects identified in the department, as well as to *Transfers and subsidies to: Households* for the payment of staff exit costs. The increase over the 2012/13 MTEF caters for the annual wage agreements.

The high expenditure against *Goods and services* in 2008/09 includes additional funding toward project *Unembeza* and funds rolled over from 2007/08 for the feasibility study of the Provincial Government Precinct. The decrease in 2009/10 and 2010/11 is due to funds shifted from the department's budget following the 2009 election reconfiguration of provincial departments, as well as cost-cutting. The increase in the 2011/12 Main Appropriation includes funding for the MSP, Support Service Enhancement plan which includes audit fees, rental costs and SITA costs, as well as a once-off allocation toward performance audits in 2011/12. The increase in the 2011/12 Adjusted Appropriation relates to unplanned forensic investigations in various departments, costs associated with the Municipal Bid Appeals Tribunal, Municipal Debt project relating to the reconciliation of all provincial and municipal government accounts, Contract Management Project, Operation Pay On Time project, as well as the costs relating to the appointment of service providers that will assist with specialised audit assignments such as performance audits at municipalities. The Operation Pay On Time project aims to improve payment of invoices by provincial departments and to assist with the payment of arrear accounts to municipalities and service

providers. The 2012/13 MTEF includes additional provision for the BEE verification, Municipal Bid Appeals Tribunal, as well as contract management required to be undertaken by the SCM unit, Infrastructure Crack Team and Strategic Cabinet Initiatives, as identified and approved by Cabinet.

Spending against *Interest and rent on land* in 2008/09 and 2009/10 relates to the interest paid by the province, as previously explained. The 2011/12 Main Appropriation includes an allocation of R100 million toward the overdraft interest charges. The low amounts in 2010/11 and the 2011/12 Revised Estimate are due to the lower than budgeted interest paid on the IGCC account due to the improvement of the cash balances of the province, as mentioned previously. The decrease over the 2012/13 MTEF is attributed to capping the overdraft interest charges at R50 million, as mentioned previously.

Transfers and subsidies to: Provinces and municipalities caters in part for the prescribed local government levy from 2008/09 to 2010/11. This levy has since been discontinued following a change in legislation. Included in 2010/11 are payments toward the development of the Pietermaritzburg airport. The increase in the 2011/12 Adjusted Appropriation is due to a roll-over from 2010/11 for the development of the Pietermaritzburg airport, as well as funds shifted from the interest on overdraft provision toward the development of the Ulundi and Richards Bay airports. The high expenditure reflected in 2008/09 and 2009/10 can largely be ascribed to R150 million allocated in each year toward the construction of the Moses Mabhida Stadium, which explains the substantial reduction from 2010/11 onward. The allocation over the MTEF is ascribed to motor vehicle licences in line with a change in SCOA classifications, as well as a provision for Special Infrastructure Projects, which include the development of identified airports in the province.

The 2008/09 amount against *Transfers and subsidies to: Non-profit institutions* relates to a donation made to the Imbali Psycho-Social Community Youth Resource Centre toward its launch and open day event.

Transfers and subsidies to: Households relates to staff exit costs. The major fluctuations can be ascribed to the difficulty in budgeting for this category due to the uncertainty of its nature.

The high spending in 2008/09 against *Machinery and equipment* relates mainly to funds rolled over from 2007/08 in respect of departmental vehicles and the purchase of computer equipment required in the implementation of the Biometric Access Control Solution which was completed in 2008/09, hence the reduction from 2009/10 onward. The increase in the 2011/12 Adjusted Appropriation is mostly related to the upgrading of the department's computer servers, as well as the purchase of office furniture and computer equipment in respect of the appointment of new staff, which explains the decrease over the MTEF.

The high expenditure against *Software and other intangible assets* in 2008/09 relates to the software purchases for the implementation of the Biometric Access Control Solution in all departments, which was completed in 2008/09. The increase in the 2011/12 Adjusted Appropriation is a once-off purchase of the network management software, as well as open text licences for the electronic content management system, as per the Master Systems Plan.

The amounts against *Payments for financial assets* relate to write-off of irrecoverable staff debts. The high amount in 2008/09 relates to the KORA Music Awards, as well as Soccerex (soccer exhibition), which were deemed irrecoverable.

5.4 Summary of payments and estimates by district municipal area

Table 6.6 below shows departmental spending, including operational costs (full budget), by district municipal area.

The department's spending occurs mainly within the uMgungundlovu District Municipality, where the department is based. Although the department provides support services to all provincial departments and municipalities, it is impractical to allocate its budget at this level.

Table 6.6: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14	2014/15
eThekweni	7 937	-	-	-	-
Ugu	98	-	-	-	-
uMgungundlovu	379 754	442 331	584 274	595 349	625 123
Uthukela	22	-	-	-	-
Umzinyathi	31	-	-	-	-
Amajuba	427	-	-	-	-
Zululand	33	10 000	20 000	-	-
Umkhanyakude	3	-	-	-	-
uThungulu	584	10 500	-	-	-
Ilembe	45	-	-	-	-
Sisonke	2	-	-	-	-
Total	388 936	462 831	604 274	595 349	625 123

The amounts in 2010/11 are in respect of the prescribed local government levy, which has since been discontinued due to a change in legislation. Included against uMgungundlovu in the 2010/11 Audited Outcome is an amount of R5.435 million which was for the development of the Pietermaritzburg airport.

Once again, included in the uMgungundlovu 2011/12 Revised Estimate is a roll-over of R18.538 million for the development of the Pietermaritzburg airport. The 2011/12 Revised Estimate for Zululand and uThungulu relates to the development of Ulundi and Richards Bay airports, respectively. In 2013/14 and 2014/15, the entire budget of the vote is reflected against the uMgungundlovu region, where the head office is based, as the department only provides support services to provincial departments and municipalities.

The amounts in 2012/13 consist of the final roll-over of R16.027 million for the Pietermaritzburg airport and a once-off allocation of R20 million in respect of the development of the Ulundi airport.

5.5 Summary of conditional grant payments and estimates

The department does not have conditional grant funding. However, the department received a once-off allocation in respect of the Education and Health Infrastructure grants during 2010/11. As explained in Section 4.1 above, R1.634 million was suspended from Vote 5: Education and Vote 7: Health to Provincial Treasury for IDIP, which provides for TAs to assist departments in the roll-out of their infrastructure projects. The details are presented in the *Annexure – Vote 6: Provincial Treasury*.

5.6 Summary of infrastructure payments and estimates

Table 6.7 below summarises the infrastructure payments and estimates relating to the department.

Table 6.7: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
New and replacement assets									
Existing infrastructure assets	-	-	-	-	-	-	-	-	-
Upgrades and additions									
Rehabilitation, renovations and refurbishments									
Maintenance and repairs									
Infrastructure transfers	150 000	150 000	5 435	-	39 038	39 038	39 315	4 000	4 300
Current									
Capital	150 000	150 000	5 435	-	39 038	39 038	39 315	4 000	4 300
<i>Capital infrastructure</i>	150 000	150 000	5 435	-	39 038	39 038	39 315	4 000	4 300
<i>Current infrastructure</i>									
Total	150 000	150 000	5 435	-	39 038	39 038	39 315	4 000	4 300

As mentioned previously, R150 million was allocated in both 2008/09 and 2009/10 as an infrastructure transfer to the eThekweni Metro toward the construction of the Moses Mabhida Stadium.

The R5.435 million in 2010/11, R18.538 million in 2011/12 and R16.027 million in 2012/13 pertain to the development of the Pietermaritzburg airport. Cabinet approved the proposed future development of the Pietermaritzburg airport and the related capital injection of R40 million by the province.

Amounts of R10 million in 2011/12 and R20 million in 2012/13 are toward the development of the Ulundi airport.

Similarly, an amount of R10.500 million was allocated toward the development of the Richards Bay airport in the 2011/12 Adjusted Appropriation.

In the 2012/13 MTEF, the department received an allocation of R20 million for the development of the Ulundi airport and a final roll-over of R16.027 million for the Pietermaritzburg airport in 2012/13. A further provision of R3.288 million, R4 million and R4.300 million has been allocated toward Special Infrastructure Projects, which include the development of other identified airports in the province.

The proposed developments include the upgrading of the current run-ways and the building of parallel taxi ways to increase aircraft parking space. The allocations will be disbursed to the relevant municipalities on satisfactory proof of progress.

5.7 Summary of Public Private Partnerships – Nil

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.9 Transfers to other entities

Table 6.8 below reflects departmental transfers to other entities. The amount against Donations to schools in 2008/09 relates to a donation made to the Imbali Psycho-Social Community Youth Resource Centre toward its launch and open day event.

Table 6.8: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
	Donation to schools	1.1. Human Resource Management	3	-	-	-	-	-	-	-
Total			3	-	-	-	-	-	-	-

5.10 Transfers to local government

Tables 6.9 and 6.10 provide a summary of transfers to local government. The details are presented in the *Annexure – Vote 6: Provincial Treasury*.

It is also noted that, although the payment of motor vehicle licences now falls under *Transfers and subsidies to: Provinces and municipalities*, in line with changes in the SCOA classification, these funds are not transferred to any municipality, and hence are excluded from the tables.

Table 6.9: Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Category A	156 877	157 484	7 937	-	-	-	-	-	-
Category B	-	-	5 435	-	29 038	29 038	19 315	4 000	4 300
Category C	2 086	2 162	2 292	-	10 000	10 000	20 000	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
Total	158 963	159 646	15 664	-	39 038	39 038	39 315	4 000	4 300

Table 6.10: Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2007/08	2009/10	2010/11				2012/13	2013/14	2014/15
Casino Levies Pay-Over	5.2: Special Infrastructure Projects	8 963	9 646	10 229	-	-	-	-	-	-
Moses Mabhid Stadium	5.2: Special Infrastructure Projects	150 000	150 000	-	-	-	-	-	-	-
Pietermaritzburg Airport	5.2: Special Infrastructure Projects	-	-	5 435	-	18 538	18 538	16 027	-	-
Ulundi Airport	5.2: Special Infrastructure Projects	-	-	-	-	10 000	10 000	20 000	-	-
Richards Bay Airport	5.2: Special Infrastructure Projects	-	-	-	-	10 500	10 500	-	-	-
Development of Other Airports	5.2: Special Infrastructure Projects	-	-	-	-	-	-	3 288	4 000	4 300
Total		158 963	159 646	15 664	-	39 038	39 038	39 315	4 000	4 300

Category A transfers include R150 million in both 2008/09 and 2009/10 for the construction of the Moses Mabhid Stadium, as well as the prescribed local government levy. This prescribed levy has since been discontinued due to a change in legislation.

Category B transfers includes funds for the development of the Pietermaritzburg, Ulundi and Richards Bay airports, as well as other airports identified in the province.

Category C transfers relate mainly to the prescribed local government levy which has since been discontinued, as mentioned previously.

5.11 Transfers and subsidies

Table 6.11 below is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a fluctuating trend from 2008/09 to 2014/15 for the category as a whole, details of which are provided below Table 6.11.

Table 6.11: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
1. Administration	1 773	1 796	227	210	350	350	636	255	269
Provinces and municipalities	4	8	12	-	15	15	14	15	16
Motor vehicle licences	4	8	12	-	15	15	14	15	16
Non-profit institutions	3	-	-	-	-	-	-	-	-
Donation to schools	3	-	-	-	-	-	-	-	-
Households	1 766	1 788	215	210	335	335	622	240	253
Employee Social Benefits	1 766	1 707	-	-	-	-	-	-	-
Other Transfers	-	81	215	210	335	335	622	240	253
3. Financial Management	129	1 122	917	1 300	1 300	1 300	1 370	1 450	1 530
Households	129	1 122	917	1 300	1 300	1 300	1 370	1 450	1 530
Employee Social Benefits	129	1 122	917	1 300	1 300	1 300	1 370	1 450	1 530
4. Internal Audit	-	10	225	-	-	-	-	-	-
Households	-	10	225	-	-	-	-	-	-
Employee Social Benefits	-	10	225	-	-	-	-	-	-
5. Growth and Development	158 963	159 646	15 664	-	39 038	39 038	39 315	4 000	4 300
Provinces and municipalities	158 963	159 646	15 664	-	39 038	39 038	39 315	4 000	4 300
Municipal Bank Accounts	158 963	159 646	15 664	-	39 038	39 038	39 315	4 000	4 300
Total	160 865	162 574	17 033	1 510	40 688	40 688	41 321	5 705	6 099

The category *Transfers and subsidies* fluctuates over the seven-year period, and includes the following:

- The amount against *Non-profit institutions* in 2008/09 in Programme 1 relates to a donation made to the Imbali Psycho-Social Community Youth Resource Centre.

Provinces and municipalities against Programme 1 are in respect of motor vehicle licence fees which are now budgeted and paid for against this category due to a change in the SCOA classifications. The prior year figures were restated for comparison purposes.

- Provinces and municipalities* against Programme 5 includes the following:
 - 2008/09 to 2010/11 includes the prescribed local government levy.

- 2008/09 and 2009/10 include R150 million in each year, allocated to the eThekweni Metro for the construction of the Moses Mabhida Stadium.
- Amounts from 2010/11 to 2014/15 include allocations toward the development of the Pietermaritzburg, Ulundi, Richards Bay and other airports identified in the province.
- *Households* against all programmes cater for staff exits, which are difficult to predict, accounting for the fluctuating trend.

6. Programme description

The services rendered by the department are categorised under five programmes, which are discussed below. The expenditure and budgeted estimates for each programme are summarised in terms of sub-programmes and economic classification. Details are given in *Annexure – Vote 6: Provincial Treasury*.

6.1 Programme 1: Administration

The purpose of this programme is to render support services to the department, provide human resource management, and provide financial management support to the department.

This programme consists of five sub-programmes, namely Office of the MEC, Head of the Department, Chief Financial Office, Human Resource Management and Corporate Services.

The main services under this programme are as follows:

- To support the Executive Authority in providing strategic and political direction to provincial departments, public entities, as well as municipalities.
- To provide the MEC with technical support on the appropriation of revenue, to ensure equitable distribution among provincial departments.
- To render financial and supply chain management functions to the department.
- To render human resource management functions to the department.
- To render corporate management services to the department, such as the telecom system, transport fleet management and control of registry.

Tables 6.12 and 6.13 below provide a summary of payments and budgeted estimates pertaining to the programme over the seven-year period from 2008/09 to 2014/15.

As reflected in the table, some sub-programmes show a steady increase over the seven-year period, while others reflect fluctuating trends.

Table 6.12: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Office of the MEC	31 375	26 697	14 403	27 585	22 185	20 655	29 318	30 871	32 723
Head of the Department	6 350	5 716	5 110	7 916	7 016	6 036	8 317	8 771	9 292
Chief Financial Office	11 192	10 313	16 859	24 176	22 976	22 751	19 306	21 165	22 319
Human Resource Management	8 383	8 977	9 357	12 786	12 786	11 898	13 635	14 384	15 220
Corporate Services	18 646	23 285	23 026	27 398	28 898	28 898	29 518	31 001	33 167
Total	75 946	74 988	68 755	99 861	93 861	90 238	100 094	106 192	112 721

Table 6.13: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	72 300	72 726	67 582	98 076	91 836	88 213	97 688	104 048	110 439
Compensation of employees	28 849	29 965	32 044	42 471	39 946	37 777	45 142	48 130	50 838
Goods and services	43 451	42 761	35 538	55 605	51 890	50 436	52 546	55 918	59 601
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 773	1 796	227	210	350	350	636	255	269
Provinces and municipalities	4	8	12	-	15	15	14	15	16
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	3	-	-	-	-	-	-	-	-
Households	1 766	1 788	215	210	335	335	622	240	253
Payments for capital assets	1 873	466	934	1 575	1 675	1 675	1 770	1 889	2 013
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 860	466	934	1 575	1 675	1 675	1 770	1 889	2 013
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	13	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	12	-	-	-	-	-	-
Total	75 946	74 988	68 755	99 861	93 861	90 238	100 094	106 192	112 721

The decrease in 2009/10 against the sub-programme: Office of the MEC is due to a portion of the funding shifted to Vote 4: Economic Development and Tourism, following the reconfiguration of provincial departments after the 2009 elections. The decrease in 2010/11 and the 2011/12 Adjusted Appropriation can be attributed to cost-cutting.

The sub-programme: Head of the Department shows a fluctuating trend. The slight decrease in 2009/10 and 2010/11 can be ascribed to the moratorium on the filling of non-critical posts, as well as cost-cutting. The decrease in the 2011/12 Adjusted Appropriation is due to cost-cutting. The increase over the MTEF is due to provision made for the filling of vacant posts, as well as inflationary increments.

The slight decrease in 2009/10 against the sub-programme: Chief Financial Office can be attributed to cost-cutting. The significant increase in 2010/11 relates to the expansion of the CFO structure to cater for the departmental SCM system, the Strategic Management Services component and audit fees. The decrease in the 2011/12 Adjusted Appropriation and Revised Estimate relates mainly to the slow progress in filling funded vacant posts as a result of the difficulty in attracting the required skills. The slight decrease in the 2012/13 MTEF is also due to a restructuring of Programme 1, resulting in a decrease in this sub-programme's organisational structure.

The sub-programme: Human Resource Management shows a steady increase over the period under review, which relates to the reprioritisation of funds for the implementation of the Employee Wellness Programme, added recruitment costs due to high labour turnover and the addition of new posts.

The high spending against the sub-programme: Corporate Services from 2009/10 onward is largely due to renovation costs for the newly acquired Nomalanga building, which is being leased to house the Internal Audit unit. The increase in the 2011/12 Adjusted Appropriation relates to provision for the reconfiguration of the department's office space. The 2012/13 MTEF includes funds moved from Chief Financial Office to this sub-programme for additional posts resulting from the restructuring process.

Compensation of employees shows a steady increase from 2008/09 to 2010/11 due to additional funding allocated for the higher than anticipated wage agreements, as well as the funding for the expansion of the CFO structure. The decrease in the 2011/12 Adjusted Appropriation relates mainly to the slow progress in filling budgeted vacant posts. The increase over the MTEF is due to inflationary wage increments and the plan to fill funded vacant posts.

The decrease in 2009/10 and 2010/11 against *Goods and services* is due to the department's pledge of R10 million toward the Provincial Recovery Plan, as well as cost-cutting. The decrease in the 2011/12 Revised Estimate can be ascribed to cost-cutting. Included in the 2011/12 Main Appropriation was a once-off allocation of R4 million for performance audits, which explains the decrease over the MTEF.

The amounts reflected against *Transfers and subsidies to: Provinces and municipalities* from the 2011/12 Adjusted Appropriation onward are as a result of a SCOA classification amendment for motor vehicle licences, which were originally provided for against *Goods and services*. The prior year figures were restated for comparison purposes.

The amounts reflected against *Transfers and subsidies to: Households* cater for staff exit costs, which are difficult to predict.

Expenditure against *Machinery and equipment* includes payments for the purchase of departmental motor vehicles which is centralised under the Corporate Services unit. The fluctuating trend over the period under review can be attributed to office and computer equipment that was purchased as and when necessary. The increase in the 2011/12 Adjusted Appropriation is to cater for the higher than anticipated expenditure relating to the purchase of office furniture and computer equipment, resulting from the appointment of new staff following the lifting of the moratorium.

The expenditure in 2008/09 against *Software and other intangible assets* relates to the purchase of software, which is used to manage the department's organisational structure.

The amount in 2010/11 against *Payments for financial assets* was in respect of staff debts written off, as they were deemed irrecoverable.

6.2 Programme 2: Fiscal Resource Management

This programme consists of four sub-programmes, namely Programme Support, Economic Analysis, Public Finance and Municipal Finance.

The main purpose of the programme is to effectively manage and monitor the provincial and local government fiscal resources.

The objectives and services of this programme are as follows:

- To provide strategic leadership in promoting optimal and effective resource allocation (including providing inputs into the provincial equitable share formula and annual Division of Revenue Bill), revenue generation and financial reporting for provincial departments (including public entities).
- To provide a platform to enhance regional economic growth and development through quality research.
- To ensure efficient planning and management of infrastructure.
- To ensure efficient budget management and accurate financial reporting for provincial and local government.
- To assist and provide technical support to delegated municipalities.

Tables 6.14 and 6.15 below provide a summary of payments and budgeted estimates pertaining to this programme for the period 2008/09 to 2014/15.

Table 6.14: Summary of payments and estimates - Programme 2: Fiscal Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Programme Support	3 202	3 176	928	4 267	3 467	587	4 554	4 804	5 129
Economic Analysis	2 701	3 486	5 345	5 335	8 235	7 944	13 615	14 305	15 098
Public Finance	33 579	15 434	7 794	11 376	10 276	10 276	12 071	12 733	13 564
Municipal Finance	21 483	30 298	39 094	51 258	38 258	33 132	53 567	56 499	59 889
Total	60 965	52 394	53 161	72 236	60 236	51 939	83 807	88 341	93 680

Table 6.15: Summary of payments and estimates by economic classification - Programme 2: Fiscal Resource Management

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	59 993	52 247	52 947	71 802	59 573	51 276	83 492	88 010	93 400
Compensation of employees	14 678	18 193	17 371	29 975	25 546	22 014	38 085	40 632	42 984
Goods and services	45 315	34 054	35 576	41 827	34 027	29 262	45 407	47 378	50 416
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	972	147	208	434	534	534	315	331	280
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	443	114	188	434	534	534	315	331	280
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	529	33	20	-	-	-	-	-	-
Payments for financial assets	-	-	6	-	129	129	-	-	-
Total	60 965	52 394	53 161	72 236	60 236	51 939	83 807	88 341	93 680

The sub-programme: Programme Support reflects a fluctuating trend over the period under review. The decrease in 2009/10, 2010/11, and 2011/12 Adjusted Appropriation relates to the moratorium on the filling of non-critical vacant posts and cost-cutting.

The low spending against the sub-programme: Economic Analysis (which houses both the Economic Analysis and Infrastructure units) in 2008/09 is due to non-filling of budgeted vacant posts. The Economic Analysis unit has experienced high staff turnover in the last three financial years and commenced filling critical vacant posts from 2010/11 onward. Included in 2010/11 is once-off spending of R1.634 million in respect of the IDIP, as mentioned previously. The high 2011/12 Adjusted Appropriation relates to the Infrastructure Crack Team that will assist departments and municipalities in the delivery of infrastructure projects in the province, and explains the increase over the MTEF.

The high expenditure against the sub-programme: Public Finance in 2008/09 relates to the implementation of PBS in the province. The decrease in 2009/10 is partly due to the cancellation of PBS following a Cabinet decision, and the significant decrease in 2010/11 can be attributed to cost-cutting. The decrease in the 2011/12 Adjusted Appropriation and Revised Estimate can be ascribed to the slow progress in the filling of funded vacant posts, as well as cost-cutting.

Additional funding was allocated to the sub-programme: Municipal Finance from 2008/09 onward in respect of the MSP. The decrease in the 2011/12 Adjusted Appropriation can be attributed to the slow implementation of the MSP as a result of delays in the appointment of service providers to assist municipalities with their financial management activities.

The MTEF allocations for all four sub-programmes include a provision for the filling of vacant posts, as well as inflationary increments.

The increase in *Compensation of employees* from 2009/10 onward is mainly due to the expansion of the Municipal Finance component. This expansion was necessitated by several new functions and initiatives. The decrease in the 2011/12 Adjusted Appropriation is due to the shifting of funds relating to vacant posts to *Goods and services* to cater for the under-provision of consultants relating to the Infrastructure Crack Team, as explained previously. The increase over the 2012/13 MTEF relates to inflationary increments, as well as the plan to fill funded vacant posts.

The high expenditure in 2008/09 against *Goods and services* was due to the reprioritisation of funds from *Compensation of employees* in respect of PBS and the MSP. Included in 2010/11 is once-off spending of R1.634 million in respect of the IDIP. As explained above, the decrease in the 2011/12 Adjusted Appropriation is due to the slow implementation of the MSP. The MTEF allocation includes additional funding toward the Infrastructure Crack Team.

The high expenditure against *Machinery and equipment* in 2008/09 relates to the purchase of equipment in line with the appointment of new staff. The low amounts in 2009/10 and 2010/11 relate to the fact that computer equipment and other office equipment were not purchased as a result of the non-filling of budgeted vacant posts. The high allocation in the 2011/12 Adjusted Appropriation is to cater for the replacement and upgrading of computer equipment.

The high amount against *Software and other intangible assets* in 2008/09 relates to the Econometrics and Stata software.

The expenditure against *Payments for financial assets* was in respect of write-offs that were deemed irrecoverable.

Service delivery measures – Programme 2: Fiscal Resource Management

Table 6.16 below illustrates the service delivery measures pertaining to Programme 2.

Table 6.16: Service delivery measures – Programme 2: Fiscal Resource Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2011/12	2012/13	2013/14	2014/15
1. Programme Support					
1.1. Provide strategic leadership to Fiscal Resource Management Division	<ul style="list-style-type: none"> Approved and implementable policy interventions 	One research paper on Macro Prudential Regulatory supervision in KZN	Develop research input for Policy Development. -Multiple research projects (2 papers in 2012/13)	Adapt and develop policy environment to incorporate policy responses of research findings (5 papers in 2013/14)	Develop institutional framework for policy; planning and budgeting alignment. (8 papers in 2014/15)
2. Economic Analysis					
2.1. To determine and evaluate economic parameters & socio-economic imperatives to inform provincial & local resource allocation	<ul style="list-style-type: none"> To provide an economic analysis for the province To provide input to the Overview of Provincial Revenue & Exp (OPRE) 	Compilation of 10 district socio economic profiles Input to the OPRE on time for tabling	Compilation of 10 district socio economic profiles Input to the OPRE on time for tabling	Compilation of 10 district socio economic profiles Input to the OPRE on time for tabling	Compilation of 10 district socio economic profiles Input to the OPRE on time for tabling
2.2. Provide a platform to enhancing regional economic growth & development	<ul style="list-style-type: none"> To provide quality research for regional policy analysis To update & maintain the KZN statistic database 	Writing of a research paper Maintain existing sources of data obtained	Writing of a research paper Maintain existing sources of data obtained	Writing of a research paper Maintain existing sources of data obtained	Writing of a research paper Maintain existing sources of data obtained
3. Infrastructure					
3.1. Ensure efficient infrastructure planning & management in the province	<ul style="list-style-type: none"> Timely completion of Provincial Infrastructure Plan (PIP) No. of Provincial Infrastructure Statement of Needs (PISN) Report No. of depts. implementing IDIP in province Compliance with infrastructure budget and delivery plans Conduct quarterly assessments on infrastructure delivery in KZN Input into Estimates of Provincial Revenue & Exp (EPRE) 	Submit PIP to NT by 28th February 2012 Preparation of PISN continues to other depts. IDIP to continue in Education, Public Works and Health. IDIP introduced at Human Settlements, Sport & Recreation, Arts & Culture Quarterly reports Conduct 144 site visits Quarterly reports	Submit PIP to NT by 28th February 2013 Preparation of PISN continues to other depts. IDIP to continue in Education, Public Works and Health. IDIP introduced at Human Settlements, Sport & Recreation, Arts & Culture Quarterly reports Conduct 144 site visits Quarterly reports	Submit PIP to NT by 28th February 2014 Preparation of PISN continues to other depts. IDIP to continue in Education, Public Works and Health. IDIP introduced at Human Settlements, Sport & Recreation, Arts & Culture Quarterly reports Conduct 144 site visits Quarterly reports	Submit PIP to NT by 28th February 2015 Preparation of PISN continues to other depts. IDIP to continue in Education, Public Works and Health. IDIP introduced at Human Settlements, Sport & Recreation, Arts & Culture Quarterly reports Conduct 144 site visits Quarterly reports

Table 6.16: Service delivery measures – Programme 2: Fiscal Resource Management

Outputs		Performance indicators	Estimated performance		Medium-term targets	
			2011/12	2012/13	2013/14	2014/15
4. Public Finance						
4.1. Provincial Budget Management						
4.1.1.	Promote effective and optimal financial resource allocation for provincial govt.	<ul style="list-style-type: none">No. of chapters in MTEC reportEPRE (including OPRE)Adjusted Estimates of Prov. Revenue & Exp (AEPRE)	16 inputs completed 1 day before MTEC EPRE on time for tabling AEPRE on time for tabling	16 inputs completed 1 day before MTEC EPRE on time for tabling AEPRE on time for tabling	16 inputs completed 1 day before MTEC EPRE on time for tabling AEPRE on time for tabling	16 inputs completed 1 day before MTEC EPRE on time for tabling AEPRE on time for tabling
4.1.2.	Ensure efficient budget and expenditure management and accurate financial reporting for provincial govt. (including public entities)	<ul style="list-style-type: none">Section 32 report (Monthly provincial IYM report)Quarterly budget performance report for provincial depts.	12 reports submitted to NT by 22nd of each month 3 reports per annum (completed 1 month after end of quarter)	12 reports to be submitted to NT by 22nd of each month 3 reports per annum (completed 1 month after end of quarter)	12 reports to be submitted to NT by 22nd of each month 3 reports per annum (completed 1 month after end of quarter)	12 reports to be submitted to NT by 22nd of each month 3 reports per annum (completed 1 month after end of quarter)
4.2. Provincial Own Revenue						
4.2.1.	Promote optimal & sustainable revenue generation and collection by provincial departments & public entities	<ul style="list-style-type: none">Conduct quarterly Provincial Revenue ForumsMonitoring of departmental revenue collectionRevenue input into OPRE and EPRE	4 forums per year Conduct quarterly Revenue input into OPRE and EPRE on time for tabling	4 forums per year Conduct quarterly Revenue input into OPRE and EPRE on time for tabling	4 forums per year Conduct quarterly Revenue input into OPRE and EPRE on time for tabling	4 forums per year Conduct quarterly Revenue input into OPRE and EPRE on time for tabling
4.3. Special Advisory Support Services						
4.3.1.	Provide input into DOR Bill	<ul style="list-style-type: none">Input into revision & maintenance of DORA	Input submitted by due date	Input to be submitted by due date	Input to be submitted by due date	Input to be submitted by due date
4.3.2.	Develop and implement framework for monitoring of budget, exp & performance of provincial public entities	<ul style="list-style-type: none">Institutionalise framework for monitoring of provincial public entities	Implement monitoring tool and report quarterly for 9 public entities	Implement monitoring tool and report quarterly for 9 public entities	Implement monitoring tool and report quarterly for 9 public entities	Implement monitoring tool and report quarterly for all listed public entities
5. Municipal Finance						
5.1.	To ensure efficient budget & exp management & accurate financial reporting for local govt	<ul style="list-style-type: none">Section 71(6) report (Monthly municipal IYM report) within prescribed time frameSection 71(7) quarterly budget performance reports for Legislature	12 Section 71(6) reports by 22nd of each month 4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter	12 Section 71(6) reports by 22nd of each month 4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter	12 Section 71(6) report by 22nd of each month 4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter	12 Section 71(6) report by 22nd of each month 4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter
5.2.	To assist and provide technical support to delegated municipalities in financial distress	<ul style="list-style-type: none">No. of municipalities supported by MSP	7 municipalities supported through MSP and 4 for GRAP conversion	10 municipalities to be supported through MSP	10 municipalities to be supported through MSP	15 municipalities to be supported through MSP

6.3 Programme 3: Financial Management

This programme consists of six sub-programmes, namely Financial Asset and Liability Management, Public Private Partnerships (PPPs), Supply Chain Management, Financial Reporting, Norms and Standards and Support and Interlinked Financial Systems.

The purpose of this programme is to ensure effective and efficient management of physical and financial assets for provincial and local government. The main services undertaken by this programme are:

- To ensure the effective and efficient management of assets and implementation of PPP projects.
- To realise the effective and efficient acquisition of goods and services for provincial government and to secure sound SCM for local government.
- To optimise liquidity requirements and maximise returns within acceptable levels of risk for provincial government and to secure sound cash management for local government.

- To ensure that financial reporting provides a full and true reflection of the financial position of the province and municipalities as prescribed, inclusive of the accounting responsibilities related to the Provincial Revenue Fund and PMG account.
- To develop and implement financial and associated governance norms and standards, in order to enhance performance orientated financial results and accountability in provincial departments and municipalities as prescribed.
- To implement and support transversal financial systems across the province and provide IT services to the department.

Tables 6.17 and 6.18 provide a summary of payments and budgeted estimates pertaining to Programme 3.

Table 6.17: Summary of payments and estimates - Programme 3: Financial Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Financial Asset and Liability Management	151 257	116 597	28 956	116 583	45 583	16 494	67 750	68 659	69 790
Public Private Partnerships (PPPs)	4 023	2 737	2 594	6 092	4 092	3 175	6 677	7 176	7 710
Supply Chain Management	8 692	9 732	13 560	17 357	29 157	29 157	35 206	36 483	37 752
Financial Reporting	12 365	6 804	12 400	10 810	23 010	23 010	11 426	12 053	12 800
Norms and Standards	1 737	2 424	2 765	4 499	4 499	4 152	4 754	5 016	5 327
Support & Interlinked Financial Systems	106 929	100 626	101 084	107 254	107 254	107 254	112 532	118 720	125 853
Total	285 003	238 920	161 359	262 595	213 595	183 242	238 345	248 107	259 232

Table 6.18: Summary of payments and estimates by economic classification - Programme 3: Financial Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	278 181	235 606	159 520	260 962	207 945	177 592	236 544	246 202	257 219
Compensation of employees	24 437	24 319	27 132	42 917	38 802	36 615	47 082	50 063	52 766
Goods and services	115 361	109 029	116 880	118 045	140 143	139 971	139 462	146 139	154 453
Interest and rent on land	138 383	102 258	15 508	100 000	29 000	1 006	50 000	50 000	50 000
Transfers and subsidies to:	129	1 122	917	1 300	1 300	1 300	1 370	1 450	1 530
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	129	1 122	917	1 300	1 300	1 300	1 370	1 450	1 530
Payments for capital assets	6 602	2 192	830	333	4 258	4 258	431	455	483
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 594	2 089	830	333	3 733	3 733	431	455	483
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	8	103	-	-	525	525	-	-	-
Payments for financial assets	91	-	92	-	92	92	-	-	-
Total	285 003	238 920	161 359	262 595	213 595	183 242	238 345	248 107	259 232

The substantial over-expenditure by some provincial departments in 2007/08 and 2008/09 resulted in the payment of interest as reflected in the high expenditure against the sub-programme: Financial Asset and Liability Management in 2008/09 and 2009/10. The decrease in 2010/11 resulted from the improvement in the level of funds available in the PMG and IGCC accounts, largely due to the collective implementation of cost-cutting measures by provincial departments, therefore reducing the amounts of interest paid on overdraft significantly. The 2011/12 Main Appropriation includes funds relating to the overdraft interest charges provided at R100 million. The considerable reduction in the 2011/12 Adjusted Appropriation is due to R45 million being suspended to Vote 5: Education for the payment of municipal service charges relating to Section 21 schools, as well as an amount of R26 million moved to Programme 5 to cater for the development of the Ulundi and Richards Bay airports. The 2012/13 MTEF includes a provision toward the overdraft interest charges capped at R50 million per year.

The low amounts in 2009/10, 2010/11 and the 2011/12 Adjusted Appropriation against the sub-programme: Public Private Partnerships relates to the non-filling of vacant posts, as well as cost-cutting. The MTEF allocation includes a provision for the filling of posts, as well as inflationary increments.

With regard to the sub-programme: Supply Chain Management, the increase in 2010/11 was due to board members' fees, as well as expenditure relating to the Tribunal Appeal Committee dealing with court appeals, and legal fees within the SCM unit. The significant increase in the 2011/12 Adjusted Appropriation can be attributed to costs associated with the Municipal Bid Appeals Tribunal, and Contract Management Project which deals with the management of all contracts entered into by provincial departments. The 2012/13 MTEF includes additional provision for the BEE verification required to be undertaken by this unit, Municipal Bid Appeals Tribunal and Contract Management Project, as previously mentioned.

The 2008/09 amount for the sub-programme: Financial Reporting includes expenditure for consultants fees associated with the Financial Management Improvement Plan (FINMIP). The decrease in 2009/10 relates to cost-cutting and the increase in 2010/11 is in respect of the Municipal Debt project. The high increase in the 2011/12 Adjusted Appropriation includes additional funding toward the Municipal Debt project relating to the reconciliation of all provincial and municipal government accounts, and the Operation Pay On Time project.

The increase in the sub-programme: Norms and Standards in the 2011/12 Main Appropriation and over the MTEF relates to reprioritisation of funds aimed at correcting the baseline of this sub-programme, in respect of the salary budget. The low amounts in 2008/09, 2009/10 and 2010/11 relate to the moratorium on the filling of non-critical vacant posts, as well as cost-cutting.

The sub-programme: Support and Interlinked Financial Systems includes costs relating to all transversal systems (such as BAS, PERSAL, HARDCAT, etc.) for the entire province. The expenditure in 2008/09 included payments relating to the Biometric Access Control Solution, which started in 2007/08 and was completed in 2008/09. The increase over the MTEF relates to inflationary increments.

The reduction in the 2011/12 Adjusted Appropriation against *Compensation of employees* relates to funds moved as a result of the slow progress in the filling of funded posts. The funds were moved to *Goods and services* toward consultants' fees for all the projects mentioned above that were under-provided for, and *Payments for financial assets* relating to the write-off of irrecoverable debts and losses. The substantial increase over the 2012/13 MTEF caters for the intention to fill vacant posts, which also explains the steady increase against *Machinery and equipment*.

The expenditure against *Goods and services* from 2008/09 onward relates mainly to the movement of the sub-programme: Supporting and Interlinked Financial Systems from Programme 1. The 2008/09 amount also caters for the Asset Management Improvement Plan (AMIP) project, SCM implementation in the province, as well as once-off payments for the Immovable Assets tender for the survey and condition assessment of all assets in the uMgungundlovu, eThekweni and Zululand areas in 2008/09. The decrease in 2009/10 can be ascribed to the completion of all once-off projects in 2008/09. The increase in 2010/11 is due to the Municipal Debt project, the increase in the allocation for board members' fees, expenditure relating to the Tribunal Appeal Committee dealing with court appeals, as well as legal fees within the SCM unit. The increase in the 2011/12 Adjusted Appropriation relates to funds provided for the Contract Management Project, Municipal Bid Appeals Tribunal, as well as the Municipal Debt project, as previously explained. The 2012/13 MTEF includes additional provision for the BEE verification required to be undertaken, Municipal Bid Appeals Tribunal and Contract Management Project.

Transfers and subsidies to: Households provides for the payment of pension packages for erstwhile employees of the department, as well as staff exit costs, which are difficult to forecast accurately due to their unplanned nature, and hence the fluctuating trend.

The high spending in 2008/09 against *Machinery and equipment* relates mainly to funds rolled over from 2007/08 in respect of departmental vehicles, and the purchase of computer equipment required in the implementation of the Biometric Access Control Solution which was completed in 2008/09, hence the reduction from 2009/10 onward. The increase in the 2011/12 Adjusted Appropriation is mostly related to the upgrading of the department's computer servers, which explains the decrease in 2012/13.

The high allocation against *Software and other intangible assets* in the 2011/12 Adjusted Appropriation relates to a once-off purchase of network management software, as well as open text licences for the electronic content management system, as per the Master Systems Plan.

Payments for financial assets caters for the write-off of irrecoverable debts and losses.

Service delivery measures – Programme 3: Financial Management

Table 6.19 below illustrates the main service delivery measures for Programme 3.

Table 6.19: Service delivery measures – Programme 3: Financial Management

Outputs		Performance indicators	Estimated performance		Medium-term targets	
			2011/12	2012/13	2013/14	2014/15
1. Assets and Liability Management						
1.1.	To promote sound cash management practices & improve liquidity in the province & assist depts. & municipalities in attainment of a clean audit outcome for the province	<ul style="list-style-type: none">Provide guidance & support iro payroll functions to KZN depts.Conduct tax information seminar annuallyRisk analysis per dept to ensure compliance to tax legislationProvide quarterly assessment reports to depts. on status of bank related suspense accountsProduce monthly reconciled bank reconciliations per deptProduce quarterly report on withdrawals from municipal bank accountsEnhanced Asset Management Policy Framework and functional asset management system	16 depts.	16 depts.	16 depts.	16 depts.
			4 sessions	4 sessions	4 sessions	2 sessions
			64 reports	64 reports	64 reports	64 reports
			64 assessment reports	64 assessment reports	64 assessment reports	64 assessment reports
			192 reconciled bank reconciliations	192 reconciled bank reconciliations	192 reconciled bank reconciliations	192 reconciled bank reconciliations
			4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts
			16 depts.	16 depts.	16 depts.	16 depts.
1.2.	No. of training & workshops conducted	<ul style="list-style-type: none">No. of quality training and workshops conducted	9	9	9	9
1.3	Management Status reports on effective utilisation of asset management practices, processes and Asset Man. System	<ul style="list-style-type: none">Management Status reports on effective utilisation of asset management practices, processes and Asset Man. System	4	4	4	4
2. Public Private Partnerships (PPPs)						
2.1.	To provide substantial technical, financial & legal advice in support of all provincial PPP projects in line with PPP project cycle as regulated by National Treasury guidelines	<ul style="list-style-type: none">No. of seminars/workshops conducted for provincial departments and public entitiesNo. of seminars/workshops conducted for municipalities and municipal entitiesNo. of reports for PT management & NT PPP unitNo. of reports on closed deal	2	2	2	2
			2	2	2	2
			10	10	10	10
			4	4	4	4
3. Supply Chain Management						
3.1.	Support and monitor adherence of state institutions to SCM prescripts	<ul style="list-style-type: none">No. of SCM training sessions & information sessions conductedNo. of assessmentsNo. of policies & practice notes developed/reviewed & issued	4 training sessions/workshops 4 SCM forums for departments & municipalities	4 training sessions/workshops 4 SCM forums for departments & municipalities	4 training sessions/workshops 4 SCM forums for departments & municipalities	4 training sessions/workshops 4 SCM forums for departments & municipalities
			60 compliance assessment reports issued for all municipalities and depts.	60 compliance assessment reports issued for all municipalities and depts.	60 compliance assessment reports issued for all municipalities and depts.	60 compliance assessment reports issued for all municipalities and depts.
			Review 4 practice notes	Review 4 practice notes	Review 4 practice notes	Review 4 practice notes

Table 6.19: Service delivery measures – Programme 3: Financial Management

Outputs		Performance indicators	Estimated performance		Medium-term targets	
			2011/12	2012/13	2013/14	2014/15
4. Financial Reporting						
		Departments and Public entities				
4.1.	To present fairly the consolidated financial position of the province	<ul style="list-style-type: none">Consolidation of Annual Financial Statements (AFS):<ul style="list-style-type: none">DepartmentsRevenue fundPublic entities	Consolidated AFS for: FY10/11	Consolidated AFS for: FY11/12	Consolidated AFS for: FY12/13	Consolidated AFS for: FY13/14
4.2.	To provide financial management support to departments, public entities & municipalities	Departmental support <ul style="list-style-type: none">AFS support & training to depts.Provincial audit outcomes analysis Municipal support <ul style="list-style-type: none">Implementation of monthly reconciliation monitoring and tracking toolGeneral financial management support to municipalities	1 AFS training workshop Pre-audit review in 16 depts. Summary of audit outcomes analysis 1 month after AG's Audit report Monitoring 16 depts. Audit Implementation Plans	1 AFS training workshop Pre-audit review in 16 depts. Summary of audit outcomes analysis 1 month after AG's Audit report Monitoring 16 depts. Audit Implementation Plans	1 AFS training workshop Pre-audit review in 16 depts. Summary of audit outcomes analysis 1 month after AG's Audit report Monitoring 16 depts. Audit Implementation Plans	1 AFS training workshop Pre-audit review in 16 depts. Summary of audit outcomes analysis 1 month after -G's Audit report Monitoring 16 depts. Audit Implementation Plans
5. Norms and Standards						
5.1.	To develop, review & monitor compliance with financial management norms & standards in provincial depts.	<ul style="list-style-type: none">No. of policies & practice notes developed/reviewed & issued	Policies & practice notes developed & reviewed based on need analysis	Policies & practice notes developed & reviewed based on need analysis	Policies & practice notes developed & reviewed based on need analysis	Policies & practice notes developed & reviewed based on need analysis
5.2.	To provide support in the development & to review financial management norms & standards in provincial municipalities	<ul style="list-style-type: none">No. of municipalities supported & assistance provided in review & addressing of needs relating to their financial management policies	4	4	4	4
6. Support and Interlinked Financial Systems						
6.3.	Develop & review, implement & monitor departmental supporting information technology enabler policies & procedures	<ul style="list-style-type: none">No. of policy reviews completedNo. of compliance reports completedNo. of information sessions conducted	8 2 8	4 12 8	4 12 8	4 12 8
6.4.	To ensure business continuity through the management of IT network infrastructure, desktop & LAN support & network security	<ul style="list-style-type: none">Mean-time to resolve (MTTR)- Treasury% network uptime% compliance with software licensing requirementsMTTR (transversal systems)	8 hours 99% 100% 8-24hr MTTR	8 hours 99% 100% 8-24hr MTTR	8 hours 99% 100% 8-24hr MTTR	8 hours 99% 100% 8-24hr MTTR

6.4 Programme 4: Internal Audit

This programme consists of two sub-programmes, namely Assurance Services and Risk Management. The main purpose of the programme is to develop effective risk management strategies and governance, to build and maintain successful client relationships, to develop knowledge by creating a learning culture, and to build foundations for excellence to support the provincial government in achieving its objectives. The following services are rendered by the unit:

- To conduct risk assessments on behalf of the Accounting Officers and Chief Executive Officers of provincial departments and public entities, develop comprehensive risk profiles and recommend improvements on significant risk exposures for each client.
- To review accounting and management processes and systems of internal control for efficiency and effectiveness in terms of their design and operation and provide recommendations for improvement.
- To develop, facilitate implementation and monitor integrated risk management strategies and fraud prevention strategies.
- To conduct forensic investigations and facilitate prosecution, perform misconduct enquiries and recovery in liaison with other state law enforcement agencies.
- To provide training and development programmes in areas such as risk management, strategy development and management, project management, design and improvement of systems of internal control, financial management and reporting, leadership, forensic investigations, governance, etc.
- To provide a consulting function as per requests by relevant MECs and Heads of Departments.
- To prepare special reviews on computerised systems and performance.

Tables 6.20 and 6.21 provide a summary of payments and budgeted estimates pertaining to Programme 4.

Table 6.20: Summary of payments and estimates - Programme 4: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Assurance Services	29 628	33 177	38 917	47 916	48 916	45 843	50 229	53 467	56 753
Risk Management	40 756	35 510	42 108	41 354	47 354	45 507	43 390	45 760	48 506
Total	70 384	68 687	81 025	89 270	96 270	91 350	93 619	99 227	105 259

Table 6.21: Summary of payments and estimates by economic classification - Programme 4: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	70 180	68 191	80 474	88 579	95 579	90 834	92 861	98 372	104 304
Compensation of employees	26 521	29 640	33 354	51 339	39 339	35 510	56 584	60 260	63 540
Goods and services	43 659	38 551	47 120	37 240	56 240	55 324	36 277	38 112	40 764
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	10	225	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	10	225	-	-	-	-	-	-
Payments for capital assets	197	486	323	691	691	516	758	855	955
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	197	486	323	691	691	516	758	855	955
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	7	-	3	-	-	-	-	-	-
Total	70 384	68 687	81 025	89 270	96 270	91 350	93 619	99 227	105 259

The sub-programme: Assurance Services reflects a steady increase between 2008/09 to 2010/11. The increase in the 2011/12 Adjusted Appropriation was due to funds shifted to this sub-programme to cater for the appointment of service providers that will assist with specialised audit assignments, such as performance audits at municipalities, as well as training and development programmes including learnerships. The increase over the 2012/13 MTEF can be attributed to a provision made for inflationary increments and the filling of vacant posts.

The sub-programme: Risk Management includes funding allocated in respect of project *Unembeza*, a pro-active strategy aimed at curbing the scourge of fraud and corruption in the provincial administration, unplanned forensic investigations across various departments and initiatives such as fraud risk assessments, municipal financial capability assessments, workshops and training on risk management and

internal control. The high expenditure in 2008/09 can be attributed to additional funding allocated due to the number of forensic investigations and new initiatives such as fraud risk assessments, municipal financial capability assessments, etc. This also explains the high expenditure against *Goods and services*. The increase in the 2011/12 Adjusted Appropriation relates to unplanned forensic investigations in various departments. The increase over the 2012/13 MTEF can be attributed to a provision made for inflationary increments and the filling of vacant posts.

The decrease in the 2011/12 Adjusted Appropriation against *Compensation of employees* is as a result of the slow progress in the filling of funded vacant posts. The increase in *Compensation of employees* over the 2012/13 MTEF can be attributed to a provision made for inflationary increments and to cater for the filling of vacant posts.

The expenditure against *Goods and services* from 2008/09 onward can be attributed to performance audits, fraud risk assessments, municipal financial capability assessments, workshops, and training on risk management and internal control, training and development programmes including learnerships, project *Unembeza* and unplanned forensic investigations. This also explains the high 2011/12 Adjusted Appropriation and Revised Estimate. The 2012/13 MTEF includes funding for project *Unembeza*.

Transfers and subsidies to: Households caters for staff exit costs.

Machinery and equipment caters for the purchase of equipment in respect of new staff appointments, and the replacement and upgrading of equipment. The low 2010/11 amount is due to cost-cutting. The increase over the 2012/13 MTEF can be ascribed to the lifting of the moratorium on the filling of vacant posts.

Service delivery measures – Programme 4: Internal Audit

Table 6.22 reflects the main service delivery measures pertaining to Programme 4.

Table 6.22: Service delivery measures – Programme 4: Internal Audit

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
1. Assurance Service					
1.1 An efficient, effective and economical assurance service	• No. of audit assignments completed on predetermined objectives as per operational plans	22	20	20	20
	• No. of projects completed on the design, implementation, and/or effectiveness of business ethics, related objectives, programs and activities	22	20	20	20
	• Annual Audit Committee reports on clients' areas of risk management, governance and internal control submitted to MEC: Finance	1	1	1	1
	• No. of risk based audit assignments completed per operational plan	106	123	123	123
	• No. of half-yearly Accounting Officers reports issued to management	44	40	40	40
	• No. of IA annual operational plan and a rolling three year strategic plan developed and approved	22	20	20	20
	• No. of follow up audits conducted	88	80	80	80
1.2 Build and maintain client relationships	• No. of meetings held between clients and Audit Committee	64	60	60	60
1.3 Enhance capacity within and outside the unit	• No. of training and development programmes attended	10	12	12	12
	• No. of internal and/ independent external quality assurance reviews conducted	2	2	2	2
2. Risk Management					
2.1 To promote good governance through effective risk management	• No. of enterprise wide risk reports issued for municipalities and public entities	40	40	40	40
	• No. of streamlined enterprise wide risk reports issued for each dept.	16	16	16	16
	• Quarterly Risk follow-up reports issued for each dept. and public entities	New	74	74	74
	• No. of consolidated risk profiles developed	1	1	1	1

Table 6.22: Service delivery measures – Programme 4: Internal Audit

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
	<ul style="list-style-type: none"> No. of risk management maturity gap analysis reports issued Audit Committee quarterly reports on the clients' areas of risk management and risk governance Training /raising awareness on governance and risk management No. of risk management forum meetings held 	New 4 10 4	40 4 15 4	90 4 15 4	90 4 15 4	
3. Risk Management (Forensic Services)						
3.1 Promote a culture of zero tolerance for fraud and corruption	<ul style="list-style-type: none"> No. of reviews on the status of fraud management in depts. No. of forensic audits performed and investigations as per clients' requests and referrals from the Assurance team Updated forensic investigations register No. of follow-ups conducted per completed investigation 	16 Per client request 2 16	16 Per client request 2 16	16 Per client request 2 16	16 Per client request 2 16	

6.5 Programme 5: Growth and Development

Programme 5 consists of four sub-programmes, namely Budget Communication, Special Infrastructure Projects, Strategic Cabinet Initiatives and Air Shows. It makes provision for the budget road shows, the feasibility study for the Provincial Government Precinct, the 2010 World Cup, special projects approved by Cabinet and the development of airports in Pietermaritzburg and Ulundi, among others. The programme previously consisted of one sub-programme: Other Developmental Initiatives and it has now been changed to four sub-programmes to give a broader summary of initiatives that are being funded.

Tables 6.23 and 6.24 illustrate the payments and budgeted estimates pertaining to Programme 5.

Table 6.23: Summary of payments and estimates - Programme 5: Growth and Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Budget Communication	15 660	5 205	3 190	6 754	7 024	7 024	7 094	7 482	7 931
Special Infrastructure Projects	150 000	150 000	5 436	-	39 038	39 038	39 315	4 000	4 300
Strategic Cabinet Initiatives	35 607	23 708	16 010	5 770	-	-	40 000	40 000	40 000
Air Shows	-	-	-	-	-	-	2 000	2 000	2 000
Total	201 267	178 913	24 636	12 524	46 062	46 062	88 409	53 482	54 231

Table 6.24: Summary of payments and estimates by economic classification - Programme 5: Growth and Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	38 126	19 267	8 422	12 524	7 024	7 024	49 094	49 482	49 931
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	38 126	19 267	8 422	12 524	7 024	7 024	49 094	49 482	49 931
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	158 963	159 646	15 664	-	39 038	39 038	39 315	4 000	4 300
Provinces and municipalities	158 963	159 646	15 664	-	39 038	39 038	39 315	4 000	4 300
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	4 178	-	550	-	-	-	-	-	-
Total	201 267	178 913	24 636	12 524	46 062	46 062	88 409	53 482	54 231

The decrease in 2009/10 against the sub-programme: Budget Communication is due to the reduction in the number of special projects (such as budget road shows) as a result of cost-cutting. The allocation increases gradually over the MTEF period. The minimal increase in the 2011/12 Adjusted Appropriation and over the MTEF relates to Provincial Treasury's contribution to the Financial Literacy programme.

The high amounts in 2008/09 and 2009/10 against the sub-programme: Special Infrastructure Projects relate to R150 million allocated in each year for the construction of the Moses Mabhida Stadium. Included in 2010/11 are the prescribed local government levy and the expenditure for the development of the Pietermaritzburg airport. The amount in the 2011/12 Adjusted Appropriation relates to a roll-over of R18.538 million from 2010/11 in respect of the development of the Pietermaritzburg airport, as well as R10 million and R10.500 million for the development of the Ulundi and Richards Bay airports, respectively. In 2012/13, there is a once-off provision of R20 million toward the development of the Ulundi airport, as well as R16.027 million being the second part of the roll-over relating to the development of the Pietermaritzburg airport. The 2012/13 MTEF includes provision for the development of other airports as identified by the province.

The sub-programme: Strategic Cabinet Initiatives incorporates projects identified and approved by Cabinet. The decrease in 2009/10 relates to a roll-over of R11.252 million from 2007/08 to 2008/09 for the feasibility study of the Provincial Government Precinct which has now been put on hold. The reduction in the 2011/12 Adjusted Appropriation is due to cost-cutting. An amount of R40 million is allocated in each year of the MTEF to cater for other special projects as approved by Cabinet.

An amount of R2 million is allocated in each year of the 2012/13 MTEF against the sub-programme: Air Shows to cater for air shows to be held in various airports in the province, to support the provincial aviation industry, the provincial tourism market, the economic impact and financial viability of these municipal airports and the economic growth of the province as a whole.

The amounts reflected in 2008/09 against *Goods and services* includes R11.252 million rolled over from 2007/08 to 2008/09 for the feasibility study of the Provincial Government Precinct which has now been put on hold. The decrease in 2009/10, 2010/11 and the 2011/12 Adjusted Appropriation is due to cost-cutting and the decrease in the number of budget road shows. The MTEF will continue to cater for other special projects as approved by Cabinet, as well as budget road shows.

The expenditure against *Transfers and subsidies to: Provinces and municipalities* in 2008/09 and 2009/10 relates to R150 million in each year for the construction of the Moses Mabhida Stadium. Included in 2008/09, 2009/10 and 2010/11 is the prescribed local government levy that has since been discontinued following a change in legislation. The 2011/12 Adjusted Appropriation relates to a roll-over of R18.538 million from 2010/11 for the development of the Pietermaritzburg airport, as well as R10 million and R10.500 million toward the development of the Ulundi and Richards Bay airports. In 2012/13, a second part of the roll-over relating to the development of the Pietermaritzburg airport of R16.027 million has been allocated, as well as a provision of R20 million for the development of the Ulundi airport. The 2012/13 MTEF includes provisions toward the Special Infrastructure Projects which include the development of other airports, as identified by the province.

Payments for financial assets in 2008/09 and 2010/consists of write-offs relating to the KORA Music Awards, as well as Soccerex.

Service delivery measures – Programme 5: Growth and Development

Table 6.25 reflects the main service delivery measures pertaining to Programme 5.

Table 6.25: Service delivery measures – Programme 5: Growth and Development

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
100% response to determinations of Technical Working Committee	• No. of events co-ordinated successfully	5	5	5	5	

7. Other programme information

7.1 Personnel numbers and costs

Table 6.26 below reflects personnel information per programme for the Provincial Treasury, for the period March 2009 to March 2015. Table 6.27 provides details of personnel in terms of the human resources and finance components. The employees reflected against part-time workers are interns that are employed by the department and are provided for under Programme 1.

The general decrease across all programmes in March 2011 can be attributed to unplanned staff exits, and non-filling of posts due to the moratorium on the filling of non-critical vacant posts in that year.

As reflected in the table, there is a general increase in the total personnel cost in 2011/12, as well as over the 2012/13 MTEF, which is consistent with the increase in personnel numbers. This reflects the department's plan to fill additional posts in line with service delivery requirements.

Table 6.26: Personnel numbers and costs per programme

	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
Personnel numbers							
1. Administration	118	141	133	149	149	149	149
2. Fiscal Resource Management	37	41	35	42	63	63	63
3. Financial Management	69	77	71	112	117	117	117
4. Internal Audit	82	106	71	125	140	140	140
5. Growth and Development							
Total	306	365	310	428	469	469	469
Total personnel cost (R thousand)	94 485	102 117	109 901	131 916	186 893	199 085	210 128
Unit cost (R thousand)	309	280	355	308	398	424	448

Table 6.27: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Total for department									
Personnel numbers (head count)	306	365	310	469	426	428	469	469	469
Personnel cost (R thousand)	94 485	102 117	109 901	166 702	143 633	131 916	186 893	199 085	210 128
Human resources component									
Personnel numbers (head count)	25	25	25	27	27	27	30	30	30
Personnel cost (R thousand)	4 378	5 133	7 384	9 582	8 157	8 157	9 517	10 097	10 604
Head count as % of total for department	8.17	6.85	8.06	5.76	6.34	6.31	6.40	6.40	6.40
Personnel cost as % of total for department	4.63	5.03	6.72	5.75	5.68	6.18	5.09	5.07	5.05
Finance component									
Personnel numbers (head count)	17	16	23	31	28	28	29	29	29
Personnel cost (R thousand)	4 857	5 884	6 131	9 586	8 986	8 986	9 525	10 138	10 651
Head count as % of total for department	5.56	4.38	7.42	6.61	6.57	6.54	6.18	6.18	6.18
Personnel cost as % of total for department	5.14	5.76	5.58	5.75	6.26	6.81	5.10	5.09	5.07
Full time workers									
Personnel numbers (head count)	278	330	269	439	390	392	429	429	429
Personnel cost (R thousand)	93 099	100 647	108 081	165 102	142 035	130 318	185 093	197 285	208 328
Head count as % of total for department	90.85	90.41	86.77	93.60	91.55	91.59	91.47	91.47	91.47
Personnel cost as % of total for department	98.53	98.56	98.34	99.04	98.89	98.79	99.04	99.10	99.14
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	28	35	41	30	36	36	40	40	40
Personnel cost (R thousand)	1 386	1 470	1 820	1 600	1 598	1 598	1 800	1 800	1 800
Head count as % of total for department	9.15	9.59	13.23	6.40	8.45	8.41	8.53	8.53	8.53
Personnel cost as % of total for department	1.47	1.44	1.66	0.96	1.11	1.21	0.96	0.90	0.86

7.2 Training

Tables 6.28 and 6.29 show the department's actual spending and estimates on training per programme. As reflected in Table 6.28, there is a rising trend in the training expenditure over the seven-year period. The projected increases are based on the fact that the Human Resource Development component will ensure that greater emphasis is placed on training, particularly with the implementation of the Workplace Skills Plan aimed at developing the skills of the workforce of the department.

Table 6.28: Payments and estimates on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	801	356	139	848	888	809	521	571	612
2. Fiscal Resource Management	142	84	69	90	130	110	94	99	110
3. Financial Management	424	380	149	315	375	333	246	289	408
4. Internal Audit	199	376	128	440	545	537	460	471	495
5. Growth and Development	-	342	-	-	-	-	-	-	-
Total	1 566	1 538	485	1 693	1 938	1 789	1 321	1 430	1 625

The significant increase against Programme 4 in 2009/10 can be attributed to the learnership programme aimed at skills development and also the creation of an available resource pool resulting in the creation of employment opportunities and contributing to the growth of the economy and sustainable development. The significant decrease in all programmes in 2010/11 is due to cost-cutting and the non-filling of non-critical posts, the department undertook to conduct in-house training, where possible.

The expenditure against Programme 5 in 2009/10 is for training provided for non-employees on stock market (trade in shares), money management and psychology of trading.

The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. The training budget over the 2012/13 MTEF is however slightly below the required 1 per cent.

The increase in the 2011/12 Main Appropriation caters for the training of the full organisational structure. However, the appointment of additional permanent staff, as well as staff for the learnership programme during 2011/12 as a result of the lifting of the moratorium, account for the increase in the 2011/12 Adjusted Appropriation and Revised Estimate.

Table 6.29 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

Table 6.29: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Number of staff	306	365	310	469	426	428	469	469	469
Number of personnel trained	290	365	310	469	309	309	325	341	358
of which									
Male	151	146	152	188	157	157	165	173	182
Female	139	219	158	281	152	152	160	168	176
Number of training opportunities	350	28	51	25	49	49	59	65	77
of which									
Tertiary	-	-	3	-	2	2	4	8	16
Workshops	-	-	39	5	28	28	29	30	32
Seminars	-	-	4	-	10	10	11	12	13
Other	350	28	5	20	9	9	15	15	16
Number of bursaries offered	33	20	27	20	21	21	25	25	25
External	-	-	4	-	10	10	10	10	10
Internal	33	20	23	20	11	11	15	15	15
Number of interns appointed	32	35	41	30	36	36	40	40	40
Number of learnerships appointed	10	30	15	52	20	20	20	20	20
Number of days spent on training	276	87	149	80	136	136	140	145	150

ANNEXURE – VOTE 6: PROVINCIAL TREASURY

Table 6.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	205	161	168	177	177	136	140	154	169
Sale of goods and services produced by dept. (excl. capital assets)	205	161	168	177	177	136	140	154	169
Sales by market establishments									
Administrative fees									
Other sales	205	161	168	177	177	136	140	154	169
Of which									
Other	205	161	168	177	177	136	140	154	169
Sale of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land	14 505	7 584	29 584	6 750	6 750	269 917	185 003	200 004	215 004
Interest	14 501	7 580	29 582	6 747	6 747	269 914	185 000	200 000	215 000
Dividends	4	4	2	3	3	3	3	4	4
Rent on land									
Sale of capital assets	-	-	634	-	-	-	-	-	-
Land and subsoil assets									
Other capital assets	-	-	634	-	-	-	-	-	-
Transactions in financial assets and liabilities	843	2 136	440	1 921	1 921	332	362	398	438
Total	15 553	9 881	30 826	8 848	8 848	270 385	185 505	200 556	215 611

Table 6.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	518 780	448 037	368 945	531 943	461 957	414 939	559 679	586 114	615 293
Compensation of employees	94 485	102 117	109 901	166 702	143 633	131 916	186 893	199 085	210 128
Salaries and wages	82 470	90 387	94 479	144 518	124 292	115 819	161 151	172 204	182 226
Social contributions	12 015	11 730	15 422	22 184	19 341	16 097	25 742	26 881	27 902
Goods and services	285 912	243 662	243 536	265 241	289 324	282 017	322 786	337 029	355 165
of which									
Administrative fees	8 202	9 190	8 088	9 845	10 874	10 819	10 422	10 936	11 686
Advertising	4 466	2 373	1 439	3 746	2 663	2 541	3 629	3 919	4 227
Assets <R5000	8 989	5 037	133	933	1 401	1 305	1 004	967	1 005
Audit cost: External	3 467	4 051	3 479	12 920	10 682	10 305	7 751	8 956	9 474
Bursaries (employees)	363	259	236	155	155	155	300	350	435
Catering: Departmental activities	1 604	2 203	536	2 338	1 716	2 146	2 344	2 404	2 537
Communication	4 568	2 714	2 055	2 670	2 467	2 284	3 006	3 202	3 475
Computer services	80 948	90 417	102 332	102 803	100 253	99 955	107 116	112 929	119 726
Cons/prof: Business & advisory services	122 047	85 017	88 090	76 090	98 160	93 780	129 999	132 545	137 932
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	1 755	429	1 088	579	649	1 636	211	256	261
Contractors	10 462	4 119	2 844	4 037	3 558	2 635	4 438	4 900	5 228
Agency & support/outsourced services	4 462	1 043	553	847	1 688	1 165	1 043	1 120	1 184
Entertainment	234	7	33	134	134	55	58	65	70
Fleet services (incl. GMT)	-	822	785	1 222	982	1 059	1 317	1 568	1 465
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	73	133	87	245	210	155	208	228	237
Inventory: Fuel, oil and gas	-	-	-	60	60	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	45	34	-	-	-
Inventory: Materials and supplies	94	338	86	614	341	368	271	288	304
Inventory: Medical supplies	-	11	1	102	23	14	67	72	75
Inventory: Medicine	-	-	-	-	17	10	5	6	6
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	273	296	110	348	219	193	371	401	428
Inventory: Stationery and printing	3 903	2 631	2 066	2 932	2 426	2 142	2 408	2 708	2 861
Lease payments	6 588	10 850	12 951	13 160	13 575	13 030	13 407	13 788	15 235
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	689	2 504	2 211	4 127	6 262	7 290	4 474	3 928	4 133
Transport provided: Departmental activity	1 391	518	374	794	794	895	850	904	970
Travel and subsistence	11 426	8 405	7 993	15 307	11 697	10 627	16 456	18 483	19 411
Training and development	1 566	1 538	485	1 693	1 938	1 789	1 321	1 430	1 625
Operating expenditure	2 605	1 791	4 859	5 540	14 835	13 931	8 466	8 718	9 114
Venues and facilities	5 737	6 966	622	2 000	1 500	1 699	1 844	1 958	2 061
Interest and rent on land	138 383	102 258	15 508	100 000	29 000	1 006	50 000	50 000	50 000
Interest	138 383	102 258	15 508	100 000	29 000	1 006	50 000	50 000	50 000
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	160 865	162 574	17 033	1 510	40 688	40 688	41 321	5 705	6 099
Provinces and municipalities	158 967	159 654	15 676	-	39 053	39 053	39 329	4 015	4 316
Provinces	4	8	12	-	15	15	14	15	16
Provincial Revenue Funds	4	8	12	-	15	15	14	15	16
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	158 963	159 646	15 664	-	39 038	39 038	39 315	4 000	4 300
Municipalities	158 963	159 646	15 664	-	39 038	39 038	39 315	4 000	4 300
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	3	-	-	-	-	-	-	-	-
Households	1 895	2 920	1 357	1 510	1 635	1 635	1 992	1 690	1 783
Social benefits	1 895	2 839	1 142	1 300	1 300	1 300	1 762	1 450	1 530
Other transfers to households	-	81	215	210	335	335	230	240	253
Payments for capital assets	9 644	3 291	2 295	3 033	7 158	6 983	3 274	3 530	3 731
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	9 094	3 155	2 275	3 033	6 633	6 458	3 274	3 530	3 731
Transport equipment	1 330	-	-	970	970	970	1 027	1 057	1 130
Other machinery and equipment	7 764	3 155	2 275	2 063	5 663	5 488	2 247	2 473	2 601
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	550	136	20	-	525	525	-	-	-
Payments for financial assets	4 276	-	663	-	221	221	-	-	-
Total	693 565	613 902	388 936	536 486	510 024	462 831	604 274	595 349	625 123

Table 6.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	72 300	72 726	67 582	98 076	91 836	88 213	97 688	104 048	110 439
Compensation of employees	28 849	29 965	32 044	42 471	39 946	37 777	45 142	48 130	50 838
Salaries and wages	25 490	26 437	27 951	36 638	34 354	33 253	37 966	40 691	43 162
Social contributions	3 359	3 528	4 093	5 833	5 592	4 524	7 176	7 439	7 676
Goods and services	43 451	42 761	35 538	55 605	51 890	50 436	52 546	55 918	59 601
of which									
Administrative fees	361	178	114	544	1 548	1 516	382	471	539
Advertising	3 376	2 138	805	3 198	2 115	2 076	3 064	3 323	3 594
Assets <R5000	126	385	31	245	489	435	459	467	507
Audit cost: External	3 467	4 051	3 479	12 920	10 682	10 305	7 751	8 956	9 474
Bursaries (employees)	363	259	238	155	155	155	300	350	435
Catering: Departmental activities	438	679	89	336	180	166	353	371	396
Communication	1 581	1 905	1 226	1 395	1 164	1 109	1 563	1 660	1 763
Computer services	-	-	5 301	3	3	3	4	5	5
Cons/prof: Business & advisory services	5 525	2 412	87	737	508	617	240	285	311
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	1 520	118	76	239	309	281	211	256	261
Contractors	2 911	2 761	2 240	2 686	1 786	1 230	2 972	3 309	3 517
Agency & support/outsourced services	3 373	1 043	97	397	242	167	304	341	362
Entertainment	220	3	33	128	128	52	51	55	59
Fleet services (incl. GMT)	-	822	784	1 222	982	1 059	1 317	1 568	1 465
Housing									
Inventory: Food and food supplies	6	36	49	130	130	83	124	134	146
Inventory: Fuel, oil and gas	-	-	-	60	60	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	45	34	-	-	-
Inventory: Materials and supplies	94	118	79	610	330	359	267	283	299
Inventory: Medical supplies	-	11	1	102	23	14	67	72	75
Inventory: Medicine	-	-	-	-	17	10	5	6	6
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	273	291	109	344	215	190	368	395	419
Inventory: Stationery and printing	2 770	1 757	1 186	1 640	1 470	1 288	1 050	1 261	1 322
Lease payments	6 472	10 708	12 917	13 000	13 210	12 641	13 236	13 607	15 041
Rental and hiring									
Property payments	689	2 339	2 211	3 777	6 077	7 277	4 474	3 928	4 133
Transport provided: Departmental activity	53	-	-	10	10	7	50	60	70
Travel and subsistence	6 452	3 745	2 730	6 813	3 873	3 291	7 235	7 863	8 302
Training and development	801	356	139	848	888	809	521	571	612
Operating expenditure	1 430	759	1 348	3 422	5 107	5 041	5 742	5 863	6 017
Venues and facilities	1 150	5 887	169	644	144	221	436	458	471
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	1 773	1 796	227	210	350	350	636	255	269
Provinces and municipalities	4	8	12	-	15	15	14	15	16
Provinces	4	8	12	-	15	15	14	15	16
Provincial Revenue Funds									
Provincial agencies and funds	4	8	12	-	15	15	14	15	16
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions	3	-	-	-	-	-	-	-	-
Households	1 766	1 788	215	210	335	335	622	240	253
Social benefits	1 766	1 707	-	-	-	-	392	-	-
Other transfers to households	-	81	215	210	335	335	230	240	253
Payments for capital assets	1 873	466	934	1 575	1 675	1 675	1 770	1 889	2 013
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	1 860	466	934	1 575	1 675	1 675	1 770	1 889	2 013
Transport equipment	1 330	-	-	970	970	970	1 027	1 057	1 130
Other machinery and equipment	530	466	934	605	705	705	743	832	883
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	13	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	12	-	-	-	-	-	-
Total	75 946	74 988	68 755	99 861	93 861	90 238	100 094	106 192	112 721

Table 6.D: Details of payments and estimates by economic classification - Programme 2: Fiscal Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	59 993	52 247	52 947	71 802	59 573	51 276	83 492	88 010	93 400
Compensation of employees	14 678	18 193	17 371	29 975	25 546	22 014	38 085	40 632	42 984
Salaries and wages	13 084	16 276	14 823	26 870	22 736	19 686	34 037	36 352	38 492
Social contributions	1 594	1 917	2 548	3 105	2 810	2 328	4 048	4 280	4 492
Goods and services	45 315	34 054	35 576	41 827	34 027	29 262	45 407	47 378	50 416
<i>of which</i>									
Administrative fees	58	51	44	66	66	50	70	73	78
Advertising	-	4	4	-	-	-	-	-	-
Assets <R5000	30	170	43	28	102	104	28	29	30
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	35	55	11	51	51	62	54	58	61
Communication	169	163	130	224	219	157	291	315	332
Computer services	-	-	-	45	45	45	-	-	-
Cons/prof: Business & advisory services	41 999	31 449	33 172	38 314	30 058	25 269	41 345	42 928	45 761
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	67	9	5	11	16	21	12	12	6
Agency & support/outsourced services	20	-	-	-	-	-	-	-	-
Entertainment	5	2	-	-	-	-	-	-	-
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	35	44	11	19	19	17	30	34	27
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	-	3	-	4	4	2	4	5	5
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	1	-	1	1	1	1	1	1
Inventory: Stationery and printing	462	310	212	422	304	242	403	429	495
Lease payments	34	-	-	-	70	76	1	1	-
Rental and hiring									
Property payments									
Transport provided: Departmental activity	-	3	-	-	-	-	-	-	-
Travel and subsistence	1 326	1 049	948	1 720	1 050	947	1 798	2 079	2 090
Training and development	142	84	69	90	130	110	94	99	110
Operating expenditure	768	626	927	821	1 881	2 154	1 264	1 302	1 407
Venues and facilities	165	31	-	11	11	5	12	13	13
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	-	-	-	-	-	-	-	-	-
Social benefits									
Other transfers to households									
Payments for capital assets	972	147	208	434	534	534	315	331	280
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	443	114	188	434	534	534	315	331	280
Transport equipment									
Other machinery and equipment	443	114	188	434	534	534	315	331	280
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	529	33	20	-	-	-	-	-	-
Payments for financial assets	-	-	6	-	129	129	-	-	-
Total	60 965	52 394	53 161	72 236	60 236	51 939	83 807	88 341	93 680

Table 6.E: Details of payments and estimates by economic classification - Programme 3: Financial Management

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	278 181	235 606	159 520	260 962	207 945	177 592	236 544	246 202	257 219
Compensation of employees	24 437	24 319	27 132	42 917	38 802	36 615	47 082	50 063	52 766
Salaries and wages	20 570	21 324	22 933	36 842	33 370	32 081	40 065	42 759	45 206
Social contributions	3 867	2 995	4 199	6 075	5 432	4 534	7 017	7 304	7 560
Goods and services	115 361	109 029	116 880	118 045	140 143	139 971	139 462	146 139	154 453
of which									
Administrative fees	7 740	8 912	7 830	9 182	9 182	9 160	9 877	10 287	10 952
Advertising	-	13	419	28	28	33	16	17	18
Assets <R5000	8 817	4 210	59	364	514	483	210	245	230
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	94	41	18	112	112	34	90	98	105
Communication	565	381	373	470	470	424	507	532	566
Computer services	80 948	89 715	96 996	102 014	99 514	99 130	106 993	112 801	119 591
Cons/prof: Business & advisory services	12 269	2 302	7 279	2 140	23 626	23 621	18 086	18 170	18 531
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	235	195	1 012	210	210	1 225	-	-	-
Contractors	1 677	532	68	167	167	37	66	72	81
Agency & support/outsourced services	10	-	-	-	-	-	-	-	-
Entertainment	1	1	-	4	4	-	4	6	7
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	29	17	14	16	31	24	21	24	26
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	-	217	7	-	5	5	-	-	-
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	3	-	2	2	1	2	2	5
Inventory: Stationery and printing	286	310	373	549	331	320	607	650	695
Lease payments	42	33	34	44	129	121	47	50	57
Rental and hiring									
Property payments	-	-	-	-	15	13	-	-	-
Transport provided: Departmental activity									
Travel and subsistence	1 646	1 553	1 342	2 250	2 250	2 039	2 556	2 749	2 996
Training and development	424	380	149	315	375	333	246	289	408
Operating expenditure	122	31	859	43	3 043	2 887	24	26	53
Venues and facilities	456	183	48	135	135	81	110	121	132
Interest and rent on land	138 383	102 258	15 508	100 000	29 000	1 006	50 000	50 000	50 000
Interest	138 383	102 258	15 508	100 000	29 000	1 006	50 000	50 000	50 000
Rent on land									
Transfers and subsidies to	129	1 122	917	1 300	1 300	1 300	1 370	1 450	1 530
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	129	1 122	917	1 300	1 300	1 300	1 370	1 450	1 530
Social benefits	129	1 122	917	1 300	1 300	1 300	1 370	1 450	1 530
Other transfers to households									
Payments for capital assets	6 602	2 192	830	333	4 258	4 258	431	455	483
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	6 594	2 089	830	333	3 733	3 733	431	455	483
Transport equipment									
Other machinery and equipment	6 594	2 089	830	333	3 733	3 733	431	455	483
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	8	103	-	-	525	525	-	-	-
Payments for financial assets	91	-	92	-	92	92	-	-	-
Total	285 003	238 920	161 359	262 595	213 595	183 242	238 345	248 107	259 232

Table 6.F: Details of payments and estimates by economic classification - Programme 4: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	70 180	68 191	80 474	88 579	95 579	90 834	92 861	98 372	104 304
Compensation of employees	26 521	29 640	33 354	51 339	39 339	35 510	56 584	60 260	63 540
Salaries and wages	23 326	26 350	28 772	44 168	33 832	30 799	49 083	52 402	55 366
Social contributions	3 195	3 290	4 582	7 171	5 507	4 711	7 501	7 858	8 174
Goods and services	43 659	38 551	47 120	37 240	56 240	55 324	36 277	38 112	40 764
of which									
Administrative fees	40	49	77	53	78	93	93	105	117
Advertising	-	-	7	-	-	7	-	-	-
Assets <R5000	16	272	-	296	296	283	307	226	238
Audit cost: External	-	-	(2)	-	-	-	-	-	-
Bursaries (employees)	-	-	(2)	-	-	-	-	-	-
Catering: Departmental activities	92	43	2	39	39	44	41	43	45
Communication	2 253	265	326	581	614	594	645	695	814
Computer services	-	702	35	741	691	777	119	123	130
Cons/prof: Business & advisory services	36 137	33 977	41 771	29 129	43 959	44 263	28 328	29 162	31 329
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	116	-	130	130	130	-	-	-
Contractors	2 533	12	9	23	28	23	34	45	48
Agency & support/outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	1	-	2	2	3	3	4	4
Fleet services (incl. GMT)	-	-	1	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	3	27	13	30	30	31	33	36	38
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	2	2	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	1	1	1	1	1	-	3	3
Inventory: Stationery and printing	157	253	285	321	321	278	348	368	349
Lease payments	40	109	-	116	166	192	123	130	137
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 904	2 058	2 973	4 524	4 524	4 350	4 867	5 792	6 023
Training and development	199	376	128	440	545	537	460	471	495
Operating expenditure	237	289	1 494	804	4 804	3 709	856	879	959
Venues and facilities	48	1	-	10	10	7	20	30	35
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	10	225	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	10	225	-	-	-	-	-	-
Social benefits	-	10	225	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	197	486	323	691	691	516	758	855	955
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	197	486	323	691	691	516	758	855	955
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	197	486	323	691	691	516	758	855	955
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	7	-	3	-	-	-	-	-	-
Total	70 384	68 687	81 025	89 270	96 270	91 350	93 619	99 227	105 259

Table 6.G: Details of payments and estimates by economic classification - Programme 5: Growth and Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	38 126	19 267	8 422	12 524	7 024	7 024	49 094	49 482	49 931
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	38 126	19 267	8 422	12 524	7 024	7 024	49 094	49 482	49 931
of which									
Administrative fees	3	-	23	-	-	-	-	-	-
Advertising	1 090	218	204	520	520	425	549	579	615
Assets <R5000	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	945	1 385	416	1 800	1 334	1 840	1 806	1 834	1 930
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	26 117	14 877	5 781	5 770	9	10	42 000	42 000	42 000
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	3 274	805	522	1 150	1 561	1 324	1 354	1 462	1 576
Agency & support/outsourced services	1 059	-	456	450	1 446	998	739	779	822
Entertainment	8	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	9	-	50	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	228	1	10	-	-	14	-	-	-
Lease payments	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	165	-	350	170	-	-	-	-
Transport provided: Departmental activity	1 338	515	374	784	784	888	800	844	900
Travel and subsistence	98	-	-	-	-	-	-	-	-
Training and development	-	342	-	-	-	-	-	-	-
Operating expenditure	48	86	231	450	-	140	580	648	678
Venues and facilities	3 918	864	405	1 200	1 200	1 385	1 266	1 336	1 410
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	158 963	159 646	15 664	-	39 038	39 038	39 315	4 000	4 300
Provinces and municipalities	158 963	159 646	15 664	-	39 038	39 038	39 315	4 000	4 300
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	158 963	159 646	15 664	-	39 038	39 038	39 315	4 000	4 300
Municipalities	158 963	159 646	15 664	-	39 038	39 038	39 315	4 000	4 300
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	4 178	-	550	-	-	-	-	-	-
Total	201 267	178 913	24 636	12 524	46 062	46 062	88 409	53 482	54 231

Table 6.H: Payments and estimates by economic classification: Conditional grant: Education and Health Infrastructure grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2011/12	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	-	-	1 634	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	-	1 634	-	-	-	-	-	-
of which									
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets <R5000	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	-	-	1 634	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency & support/outourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	-	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating expenditure	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	1 634	-	-	-	-	-	-

Table 6.I: Summary of transfers to local government (Casino taxes pay-over, Moses Mabhid Stadium and Airports)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
A KZN2000 eThekweni	156 877	157 484	7 937	-	-	-	-	-	-
Total: Ugu Municipalities	264	84	98	-	-	-	-	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	-	-	-	-	-	-	-	-	-
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	264	84	98	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	948	1 017	6 482	-	18 538	18 538	19 315	4 000	4 300
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	-	5 435	-	18 538	18 538	19 315	4 000	4 300
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	948	1 017	1 047	-	-	-	-	-	-
Total: Uthukela Municipalities	3	15	22	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	-	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	3	15	22	-	-	-	-	-	-
Total: Umzinyathi Municipalities	2	19	31	-	-	-	-	-	-
B KZN241 Endumeni	-	-	-	-	-	-	-	-	-
B KZN242 Nqutu	-	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	-	-	-	-	-	-	-
B KZN245 Umvoti	-	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	2	19	31	-	-	-	-	-	-
Total: Amajuba Municipalities	346	394	427	-	-	-	-	-	-
B KZN252 Newcastle	-	-	-	-	-	-	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	346	394	427	-	-	-	-	-	-
Total: Zululand Municipalities	-	23	33	-	10 000	10 000	20 000	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	23	33	-	10 000	10 000	20 000	-	-
Total: Umkhanyakude Municipalities	-	2	3	-	-	-	-	-	-
B KZN271 Umhlabyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	-	-	-	-	-	-	-	-	-
B KZN274 Hlabisa	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	2	3	-	-	-	-	-	-
Total: uThungulu Municipalities	515	577	584	-	10 500	10 500	-	-	-
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	-	-	-	-	10 500	10 500	-	-	-
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	515	577	584	-	-	-	-	-	-
Total: Ilembe Municipalities	8	31	45	-	-	-	-	-	-
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	8	31	45	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	2	-	-	-	-	-	-
B KZN431 Ingwe	-	-	-	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 Umzimkulu	-	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	-	2	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	158 963	159 646	15 664	-	39 038	39 038	39 315	4 000	4 300

VOTE 7

Health

Operational budget	R 26 553 783 911
MEC remuneration	R 1 566 089
Total amount to be appropriated	R 26 555 350 000
Responsible MEC	Dr. S. M. Dhlomo, MEC for Health
Administering department	Health
Accounting officer	Head: Health

1. Overview

Vision

The vision of the Department of Health is: *To achieve the optimal health status for all persons in the Province of KwaZulu-Natal.*

Mission statement

The department's mission statement is: *To develop a sustainable, co-ordinated, integrated and comprehensive health system at all levels of care, based on the primary health care approach through the district health system.*

Strategic objectives

Strategic policy direction: By focusing on its role in achieving optimal health status for the people of KZN, the department seeks to align its operations and strategic position with the overall aim of government to ensure a long and healthy life for all.

The department's three main strategic goals, each of which comprises a number of strategic objectives for the 2012/13 MTEF period and which are aligned to national and provincial priorities, are as follows:

- *Overhauling the provincial health care system* through implementing and sustaining an evidence- and results-based provincial health system aligned with the National Health System (NHS) 10-point plan, national and provincial legislative requirements and disease profiles, that are appropriately costed and funded (within the funding envelope), capacitated and capable of overseeing and managing health services in the province.
- *Improving the quality of comprehensive and integrated primary health care and hospital services* through implementation of improved clinical governance systems and implementation of the National Core Standards for Quality toward accreditation of health facilities.
- *Reducing morbidity and mortality due to communicable diseases and non-communicable illnesses and conditions* by implementing high impact strategies to improve prevention, detection, management and support and follow-up from household to facility level.

Core functions

The main purpose of the department is to develop and implement a sustainable, co-ordinated, integrated and comprehensive health system based on the primary health care approach, which encompasses promotive, curative, rehabilitative, supportive and palliative care. This is guided by the principles of accessibility, equity, community participation, appropriate technology, inter-governmental and inter-sectoral co-operation.

The department provides health services primarily to the uninsured population of KZN, who comprise about 88 per cent of the province's total population of approximately 10.449 million people (2009). In addition, the department is required to provide tertiary health services to people beyond the provincial boundaries.

The following four main categories of health services are provided by the department:

Primary health care services

Primary health care services are rendered at community/household level and in fixed clinics and include the promotion of health and prevention of illness, and curative and rehabilitative services.

Hospital services

District hospitals render hospital services at a general practitioner level, while provincial hospitals render hospital services at a specialist level. Specialised hospitals render specialised hospital services for patients with tuberculosis (TB), psychiatric illnesses and those patients requiring long-term or chronic step-down/rehabilitative care. Tertiary and central hospitals render tertiary, central and quaternary hospital services at specialist level. Central and tertiary hospitals provide facilities and expertise needed for sophisticated medical procedures.

Forensic pathology services

The aim is to ensure integrity of forensic evidence and to provide an Inspector of Anatomy Services.

Emergency medical services

The aim of this category is to provide emergency care and transport for victims of trauma, road traffic accidents, and emergency medical and obstetric conditions. Planned patient transport is provided for inter-hospital transfer, while indigent patients are transported between clinics and hospitals.

Legislative mandate

In carrying out its functions, the department is governed mainly by the following Acts and regulations:

- The Constitution of the Republic of South Africa (Act No. 108 of 1996)
- KwaZulu-Natal Health Act (Act No. 1 of 2009)
- National Health Act (Act No. 61 of 2003)
- Mental Health Care Act (Act No. 17 of 2002)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and the Treasury Regulations
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Annual Division of Revenue Act
- Public Service Act (Act No. 103 of 1994) and the Public Service Regulations
- Medicines and Related Substances Act (Act No. 101 of 1965, as amended)
- Pharmacy Act (Act No. 53 of 1974, as amended)
- Nursing Act (Act No. 33 of 2005)
- Choice of Termination of Pregnancy Act (Act No. 92 of 1996, as amended)
- Labour Relations Act (Act No. 66 of 1995)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Skills Development Act (Act No. 97 of 1998)
- National Health Laboratories Services Act (Act No. 37 of 2000)
- Occupational Health and Safety Act (Act No. 85 of 1993)
- Traditional Health Practitioners Act (Act No. 35 of 2004)
- Health Professions Act (Act No. 56 of 1974)
- Human Tissue Act (Act No. 65 of 1983)

2. Review of the 2011/12 financial year

Section 2 provides a review of 2011/12, outlining the main achievements and progress made by the department, as well as providing a brief discussion on the challenges and new developments.

Following a Cabinet approved multi-year intervention plan to address the deteriorating state of fiscal management in the department, a KZN Treasury team was tasked in terms of Section 18 of the PFMA to assist the department with financial management. Thus, in August 2009, a joint Treasury/Health task team was formed to address the challenges experienced by the department. The activities of the task team ended in April 2011, with the department acting independently for most of 2011/12. In line with the findings of this task team, the department continued to implement and monitor the following:

- **Financial Management:** The department continued to improve its budget planning and the alignment thereof to national and provincial government priorities. Control measures were improved to ensure that the department remained within budget and that expenditure was aligned to business plans. A budget steering committee was formed which provides guidelines and approves business plans in accordance with departmental priorities and availability of funds.

In order to strengthen financial management at institutional level, posts for financial managers were advertised at a number of institutions and a training programme was packaged to ensure continued service delivery.

SCM reforms were implemented in order to align procurement plans to the budget and to improve contract management and turnaround times. The department's management committee also adopted the delegations of authority.

- **Fraud and corruption:** The department continued to address fraud and corruption resulting in a number of suspensions, dismissals and criminal investigations. This improved financial discipline and resulted in savings from unauthorised and fruitless and wasteful expenditure. Direct recoveries from the proceeds of crime are also expected to increase, if legal processes rule in favour of the department.
- **Turnaround strategy on infrastructure and maintenance:** The department commenced 2011/12 with a significant under-spending, primarily on conditional grants related to the infrastructure programme. In order to address the under-expenditure, the department filled critical posts including those of architects, engineers, quantity surveyors, project managers and health technology managers. Close supervision of the infrastructure related conditional grants is being undertaken to avoid under-expenditure. SCM was improved and the working relationship with the implementing agents (IA) was improved and projects are being closely monitored.
- **Re-engineering Primary Health Care (PHC):** The department continued to restructure PHC through the strengthening of service delivery at Community Health Clinics and Community Health Centres, which is aimed at prevention of illness and promotion of health. This approach also proved to be the most cost effective manner to provide health services. It will also alleviate the bottlenecks currently being experienced with patient access at the district hospitals.

In order to achieve this, and in line with the national priorities, the department employed more professional, staff and assistant nurses at PHC level, and increased the number of school health teams to ensure illness prevention and promotion of health at school level. It also deployed family health teams, attended to the provincialisation of municipal health services, implemented the use of district health specialist teams, implemented ward-based primary health care and absorbed community care-givers into the system.

In line with national and provincial priorities, the department continued with the following in 2011/12:

- **Enhancing the quality of education and skills development:** The department continued to recruit students from disadvantaged communities for training as emergency medical services recruits, community health workers, nurses, and other health professionals. Bursaries were provided to assist with the recruitment of administrative staff and health professional staff, such as doctors, pharmacists, etc.

- **Improving the provision of health care:** In line with the national vision of ensuring a long and healthy life for all South Africans through implementation of the NHS 10-point plan, the Medium Term Strategic Framework (MTSF), the Negotiated Service Delivery Agreement and the Millennium Development Goals (MDGs), the department achieved the following:
 - *Maternal, Neo-natal Child and Women's Health (MNC&WH):* The department continued to scale up programmes and services targeting women and children resulting in positive trends/improved outcomes between 2010/11 and 2011/12 (mid-year estimates):
 - Immunisation coverage for children under one year increased from 86 to 91.3 per cent.
 - Measles coverage for children under one year increased from 88 to 93.4 per cent.
 - Pneumococcal (PCV) first dosage coverage increased from 80 to 92.4 per cent.
 - Rota Virus (RV) first dosage increased from 81 to 110.8 per cent (above 100 per cent due to cross-border patients from outside KZN, including Mozambique).
 - Babies tested Polymerase Chain Reaction (PCR) positive six weeks after birth as proportion of all babies tested at six weeks decreased from 6.8 to 4.7 per cent.
 - *Comprehensive management of HIV and AIDS:* The department scaled up prevention strategies including voluntary HIV and AIDS testing and counselling and medical male circumcision:
 - A total of 2 929 433 clients were tested for HIV and AIDS.
 - A total of 33 837 males were circumcised as part of the male medical circumcision campaign launched by His Majesty, the King in 2010.
 - The total number of patients on Anti-retroviral Therapy (ART) increased from 408 238 to 464 702.
 - *Comprehensive management of TB:* The department continued to focus on the expansion of TB programmes in all districts:
 - The TB defaulter rate decreased from 7 to 6.6 per cent.
 - The Pulmonary Tuberculosis (PTB) two-month smear conversion rate increased from 69 to 69.4 per cent.
 - The TB cure rate increased from 68.2 to 69.7 per cent.

3. Outlook for the 2012/13 financial year

Section 3 looks at the key focus areas of 2012/13, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments.

Transformation of health services

Transformation of health services is paramount to meeting the increasing demands of health care users and prepare for the implementation of the National Health Insurance (NHI). Moving from a predominantly curative and hospital-based system to a preventative and promotive community-based PHC approach will form the foundation of transformation in addressing issues of equity, access, quality and efficiency, and sustainability. The World Health Organisation Health Systems Framework remains an important anchor and reference point for transformation.

Fiscal and economic management of the department

The management of the infrastructure unit will be strengthened through improving human capacity, management processes and systems. Special attention will be given to improving the working relationship with the IAs, the Department of Public Works and the Independent Development Trust (IDT).

Subscription to National Treasury contracts and implementation of periodic contracts over the last two years brought price stability, and the department will continue to pursue the strategic sourcing agenda in

2012/13, with a view to extracting maximum value for money using public procurement expenditure. This will also improve the compliance with the PFMA and SCM prescripts.

The department continues and commits to achieve an operational clean audit by 2014, despite receiving an audit qualification in 2010/11. Strategies are in place to ensure that the audit opinion improves in 2011/12. The areas that will receive special attention include the maintenance of a proper fixed asset register, as well as the storage and disposal of medical waste.

Continued focus on national and provincial priorities

In line with the national outcome of *a long and healthy life for all South Africans*, the budget will continue to be focussed on key national and provincial priorities that support government's goal of improving the public health care system.

Such priorities include attainment of the following outputs over the MTEF:

- *Output 1: Increasing life expectancy at birth* which includes improving:
 - Clinical governance.
 - Comprehensive and integrated management of non-communicable diseases and illnesses with a strong focus on community interventions including promotion and prevention.
 - Prevention of intentional and unintentional injuries.
- *Output 2: Decreasing Maternal and Child mortality* which includes:
 - Strengthening the Expanded Programme on Immunisation (EPI), community and facility-based Integrated Management of Childhood Illnesses (IMCI) and growth monitoring, as well as improved access and utilisation of pre- and postnatal care services for mothers and babies.
 - Strengthening the Prevention of Mother to Child Transmission (PMTCT) of HIV and AIDS programme to reduce mother to child transmission of HIV and AIDS.
- *Output 3: Combating HIV and AIDS and decreasing the burden of diseases from TB*, including:
 - Scaling up prevention programmes including the male medical circumcision campaign, HIV and AIDS counseling and testing campaign, condom distribution, as well as the ART programme.
 - Scaling up education, early detection and surveillance for TB.
 - The roll-out of the Gene Xpert rapid test system and scaling up implementation of the community based management of Multi Drug Resistant (MDR) TB.
- *Output 4: Strengthening health system effectiveness*, which includes:
 - Finalising and implementing the 2010-2020 Service Transformation Plan (STP).
 - Implementing national core standards toward the accreditation of health facilities in preparation for implementation of NHI.
 - The re-engineering of PHC including the appointment of PHC outreach teams, integrated school health teams and district specialist teams.
 - Improve access through improved infrastructure facilities including the upgrading and expanding of clinics and new clinics, as per the STP implementation plan.

Other new specific priorities and concrete interventions funded in 2012/13 will include the following:

- Training and development for managers and other categories of staff with a focus on, among others, financial, administration and IT skills.
- Investment in medical equipment and related facilities for MNC&WH, including the purchase of obstetric ambulances with a minimum of two per district.
- Establishment of maintenance teams to carry out routine scheduled preventative maintenance in all health facilities.
- Emergency Medical Services (EMS), including the purchasing of ambulances.

Creating and increasing economic participation and creating jobs

In 2012/13, job creation will be continued with small KZN companies and rural women being given an increasing share in market opportunities presented by the department's procurement spend, in a drive to create jobs. The department's tender documentation and contract conditions will be reviewed to include safeguards for job creation and payment of sector determined salaries.

Drive to improve clinical outcomes will be increased in 2012/13

Key issues and areas that may be characterised as key challenges for Health include:

- Focus on curative care instead of preventative primary health care.
- Inadequate community participation and inter-sectoral collaboration.
- Funding allocation has been misaligned with service delivery needs for many years.
- Inappropriate production and deployment of Human Resources (HR), especially nursing staff.
- Huge infrastructure backlogs and lack of maintenance contribute to unfavourable working conditions for clinical and other health care staff.
- Shortage of ambulances, staff and poor roads contribute to poor emergency care response times.
- Insufficient investment in information, communication and technology.
- Fraud and corruption.
- Systemic bottlenecks (inflexible and rule based) instead of "business unusual".

The key strategies for improving health outcomes funded in the 2012/13 budget include:

- Overhaul and improve the efficiency and quality of provincial health services.
- Reduce morbidity and mortality due to communicable diseases and non-communicable conditions and illnesses.
- Strengthen inter-sector collaboration, particularly with national and local government, as well as the private sector.

4. Receipts and financing

4.1 Summary of receipts

Table 7.1 below gives the source of funding for Vote 7 over the seven-year period 2008/09 to 2014/15. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 7.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Provincial allocation	13 043 724	15 125 877	18 192 039	19 986 233	20 152 053	20 152 053	21 734 501	23 071 575	24 453 676
Conditional grants	2 634 190	3 114 646	3 924 609	4 434 669	4 435 205	4 435 205	4 820 849	5 437 034	6 091 231
Health Professions Training & Development grant	212 092	222 425	235 771	249 917	249 917	249 917	261 860	276 262	292 837
Hospital Revitalisation grant	330 404	288 862	500 815	547 698	547 698	547 698	566 605	575 104	661 132
National Tertiary Services grant	911 892	983 948	1 102 585	1 201 831	1 201 831	1 201 831	1 323 114	1 415 731	1 496 427
Comprehensive HIV and AIDS grant	757 213	1 121 575	1 518 811	1 889 427	1 889 427	1 889 427	2 225 423	2 652 072	3 073 536
Health Infrastructure grant (was IGP)	294 832	359 717	400 238	358 471	358 471	358 471	393 367	416 969	427 845
Forensic Pathology Services grant	127 757	134 538	152 406	161 550	161 550	161 550	-	-	-
2010 World Cup Health Preparation Strategy grant	-	3 581	-	-	-	-	-	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	2 676	25 775	25 775	25 775	-	-	-
EPWP Integrated Grant for Provinces	-	-	11 307	-	536	536	1 000	-	-
National Health Insurance grant	-	-	-	-	-	-	33 000	77 000	110 000
Nursing Colleges and Schools grant	-	-	-	-	-	-	16 480	23 896	29 454
Total receipts	15 677 914	18 240 523	22 116 648	24 420 902	24 587 258	24 587 258	26 555 350	28 508 609	30 544 907
Total payments	17 103 101	20 349 276	20 734 986	24 484 855	24 669 096	24 463 061	26 555 350	28 508 609	30 544 907
Surplus/(Deficit) before financing	(1 425 187)	(2 108 753)	1 381 662	(63 953)	(81 838)	124 197	-	-	-
Financing									
of which									
Provincial roll-overs	-	-	3 538	63 953	81 838	81 838	-	-	-
Provincial cash resources	105 071	-	-	-	-	-	-	-	-
Surplus/(deficit) after financing	(1 320 116)	(2 108 753)	1 385 200	-	-	206 035	-	-	-

The department ended 2008/09 with a deficit of R1.320 billion, mainly from the carry-through costs of the OSD for nurses, the filling of unbudgeted posts, the carry-through costs for the 2007 wage agreement and the transfer of the department's laboratory services to the National Health Laboratory Service (NHLS), as well as inflationary pressures on medically related *Goods and services*. An additional R105.071 million was allocated from provincial cash resources to partly fund the higher than anticipated 2008 wage agreement.

The significant deficit of R2.109 billion in 2009/10 resulted from pressures in *Compensation of employees* and *Goods and services*, particularly the filling of unbudgeted posts, the carry-through costs of various under-funded mandates, such as the OSD for nurses, as well as the first charge of R758 million against the department, being the first repayment (in terms of Section 34(2) of the PFMA) of the accumulated over-spending incurred in 2007/08 and 2008/09.

In 2010/11, there was a significant increase in the baseline allocation of some R1.600 billion. This, together with the establishment of the joint Treasury/Health task team to address the persistent over-spending, as well as under-spending on the infrastructure conditional grants, resulted in under-spending of R1.385 billion. The main areas addressed by the task team were the curbing of fraud, cost-cutting and the introduction of a savings plan. A roll-over of unspent funds of R3.538 million from 2009/10 was received for the World Cup Health Preparation Strategy grant.

In 2011/12, the department is projecting to under-spend by R206.035 million mainly due to the slow delivery of vehicles and medical equipment, as well as improved contract prices for various medical *Goods and services* mainly in Programme 2: District Health services. An amount of R81.838 million is included against provincial roll-overs in the 2011/12 Adjusted Appropriation, being an approved roll-over of R63.953 million from 2009/10 of commitments relating to the Hospital Revitalisation grant, which was under-spent in 2009/10, and a roll-over of R17.885 million in respect of the Comprehensive HIV and AIDS conditional grant.

Total receipts are expected to increase from R24.587 billion in the 2011/12 Adjusted Appropriation, to R30.545 billion in 2014/15. The equitable share allocation shows strong growth from 2008/09 to 2010/11. The increase from 2010/11 onward relates mainly to additional funding allocated in the 2008/09 budget process, but with the funding only commencing in 2010/11, for various health priorities, such as emergency medical services (R60 million), modernisation of tertiary services (R150 million), infrastructure development (R282 million) and the implementation of primary health care structures (R410 million). Further detail is provided in Section 5.2 below. Additional funding has been provided in the 2012/13 MTEF for the introduction of a NHI related pilot programme through the NHI conditional grant, the refurbishment of nurses training colleges (Nursing Colleges and Schools grant), funding for capacity building to ensure support for infrastructure in the management of health facilities, as well as the carry-through costs of the 2011 wage agreement.

The department has been allocated eleven national conditional grants over the seven-year period, and these are described in more detail in Section 5.5.

4.2 Departmental receipts collection

A summary of revenue collected by the Department of Health over the seven-year period under review is reflected in Table 7.2. Details of these departmental receipts are given in *Annexure – Vote 7: Health*.

It should be noted that the bulk of revenue collected by this department is that received from patient fees and board for accommodation paid by staff at the department's institutions, collected under the category *Sale of goods and services other than capital assets*.

Table 7.2: Details of departmental receipts

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	158 432	198 762	164 198	213 359	213 359	194 628	200 013	210 013	220 512
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	11	2 449	-	-	12	1	1	1
Interest, dividends and rent on land	3	74	816	25	25	426	1	1	1
Sale of capital assets	-	14 678	7 231	20	20	7	-	-	-
Transactions in financial assets and liabilities	9 614	19 352	16 527	14 394	14 394	12 026	13 977	14 676	15 411
Total	168 049	232 877	191 221	227 798	227 798	207 099	213 992	224 691	235 925

Most of the remaining revenue categories do not follow a predictable trend, and are not received on a regular basis. For this reason, projections for future years were formulated based on past trends. Other factors which have an influence on the collection of revenue are as follows:

- Approximately 88 per cent of patients attending the department's health facilities are unable to make a meaningful contribution for the services provided.
- The provision of free services at clinics to women and children under 16 years of age, pensioners, the disabled, the unemployed and patients on the ART programme.
- The ongoing review of the Uniform Patient Fee Structure (UPFS), resulting in more groups being included under the categories exempt from the payment of fees and the reduction in fees payable by certain categories of patients.

The department will, however, continue to strive to maximise revenue collection, and in this regard, training at the various institutions is ongoing.

The increase in *Sale of goods and services other than capital assets* from 2008/09 to 2009/10 is due to a concerted campaign to ensure that claims for patients with private medical aid cover, prisoner patients related to the SAPS and the Department of Justice and Constitutional Development were made, as well as to the more stringent follow-up of claims to the Road Accident Fund. The 2010/11 decrease is mainly due to the above-mentioned campaign in 2009/10 being largely once-off. Also affecting the 2010/11 spending is the expiry of the agreement with the Road Accident Fund. The agreement allowed the department to raise older claims for a limited period (1 February to 31 August 2010). The increase in 2011/12 relates mainly to a decision to raise the boarding and lodging fees from R500 per person per month to R800 per month, based on the housing allowance paid to employees. The decrease in the 2011/12 Revised Estimate and over the 2012/13 MTEF results from an inflated allocation in 2011/12 for the collection of patient fees, which was incorrectly based on the once-off peak in revenue collected in 2009/10.

The category *Sale of capital assets*, comprising income generated from the sale of redundant equipment including motor vehicles, is also expected to remain minimal over the MTEF, as most of the redundant assets are donated in line with departmental policy. The significant amount recovered in 2009/10 was mainly due to the unanticipated sale of vehicles.

Transactions in financial assets and liabilities, made up of income generated from the repayment of contract debt (such as bursaries), salary over-payments and refunds of previous years' expenditure, is expected to decrease gradually from 2010/11 until 2012/13 and then to increase again slightly. The peak in 2009/10 is as a result of a concerted effort to clear debts.

4.3 Donor funding

Donor funding received by the department, which falls outside its voted fund allocation, is summarised in Tables 7.3 and 7.4 below.

Donor funds are used to address infrastructure requirements, service delivery needs and technical support to enhance service delivery. Spending on donor funds occurs as per the agreements concluded with the

various donors. Where funds are available, the department makes arrangements for the incorporation of donor funded activities into its activities on termination of the agreements, to ensure sustainability of funded activities.

Table 7.3: Details of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Donor funding	91 985	36 072	1 294	-	-	3 707	-	-	-
Atlantic Philanthropies	6 000	6 000	-	-	-	-	-	-	-
Bayer Health Care: Greys	10	-	-	-	-	-	-	-	-
Ben Booysen	-	-	1	-	-	-	-	-	-
Canadian HIV Trials Network (Edendale)	71	-	-	-	-	-	-	-	-
CMC DI Ravenna	-	-	150	-	-	-	-	-	-
COGTA	-	-	-	-	-	3 500	-	-	-
Conforth Investments (IALCH)	-	-	-	-	-	70	-	-	-
European Union PHC	20 160	9 318	101	-	-	-	-	-	-
Global fund for HIV and AIDS patients	64 194	17 353	-	-	-	-	-	-	-
Grey's Canadian Trial	674	-	-	-	-	-	-	-	-
HWSETA Learnership - Head Office	280	-	-	-	-	-	-	-	-
HWSETA Learnership - HIV/AIDS Support	-	-	76	-	-	-	-	-	-
HWSETA Learnership - Mseleni and Mosvold	441	42	-	-	-	-	-	-	-
HWSETA Learnership - Pharmacy	-	-	75	-	-	-	-	-	-
HWSETA Learnership - PMMH	-	96	28	-	-	-	-	-	-
HWSETA Learnership - Social Auxiliary Worker	-	-	-	-	-	137	-	-	-
HWSETA Learnership - St Aiden's	115	263	63	-	-	-	-	-	-
HWSETA Learnership - Unemployed Graduates	-	-	700	-	-	-	-	-	-
Impumelelo Trust Innovation	40	-	-	-	-	-	-	-	-
S.A. Breweries	-	-	100	-	-	-	-	-	-
UNICEF ilembe District	-	3 000	-	-	-	-	-	-	-
Total	91 985	36 072	1 294	-	-	3 707	-	-	-

Table 7.4: Details of payments and estimates of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Donor funding	140 193	41 571	7 404	10 261	10 261	19 018	-	-	-
Agouron A Pfizer (Grey's)	1	-	-	-	-	-	-	-	-
Aspen	-	-	-	-	-	2 500	-	-	-
Astra Zeneca (Grey's)	36	7	6	-	-	210	-	-	-
Atlantic Philanthropies	-	1 537	890	8 543	8 543	9 573	-	-	-
Bayer Health Care: Greys	-	-	4	-	-	6	-	-	-
Ben Booysen	-	-	-	-	-	1	-	-	-
Bhayla - Neurosurgery (IALCH)	20	-	-	-	-	-	-	-	-
Bhayla - Orthopaedic (IALCH)	-	46	14	-	-	-	-	-	-
Braun (IALCH)	8	-	-	-	-	-	-	-	-
Bristol-Myers Squibb (Ladysmith)	43	-	-	-	-	-	-	-	-
Canadian HIV Trials Network (Edendale)	242	309	42	-	-	-	-	-	-
CMC DI Ravenna	-	-	150	-	-	-	-	-	-
CoGTA	-	1 856	-	-	-	1 079	-	-	-
Dept of Water Affairs & Forestry (Environ HO)	237	-	-	-	-	124	-	-	-
European Union PHC	16 966	15 500	4 759	-	-	3 064	-	-	-
Global fund for HIV and AIDS patients	121 943	15 890	-	-	-	1 463	-	-	-
Grey's Canadian Trial	119	519	36	-	-	-	-	-	-
HWSETA Learnership - Head Office	-	185	-	-	-	95	-	-	-
HWSETA Learnership - HIV/AIDS Support	-	-	16	-	-	60	-	-	-
HWSETA Learnership - Mseleni and Mosvold	456	62	42	-	-	12	-	-	-
HWSETA Learnership - Pharmacy	85	-	81	-	-	17	-	-	-
HWSETA Learnership - PMMH	-	1	37	-	-	86	-	-	-
HWSETA Learnership - Social Auxiliary Worker	-	-	-	-	-	137	-	-	-
HWSETA Learnership - St Aiden's	-	328	128	-	-	-	-	-	-
HWSETA Learnership - Unemployed Graduates	-	-	700	-	-	421	-	-	-
HWSETA: Mosvold	-	-	-	-	-	91	-	-	-
Impumelelo Trust Innovation	16	-	-	-	-	24	-	-	-
Orthomedics (IALCH)	1	-	-	-	-	-	-	-	-
Rashid Suliman & Associates	-	3	-	-	-	2	-	-	-
S.A. Breweries	-	-	50	-	-	50	-	-	-
Synthesis	13	-	-	-	-	-	-	-	-
TB Global Fund	-	2 580	155	1 718	1 718	-	-	-	-
UNICEF: ilembe District	-	2 721	279	-	-	-	-	-	-
Zinc Study (Nu Health & Pfizer Grey's)	7	27	15	-	-	3	-	-	-
Total	140 193	41 571	7 404	10 261	10 261	19 018	-	-	-

The majority of donations are small once-off allocations. The Global fund for HIV and AIDS patients was finalised in 2009/10 and the TB global fund in 2011/12. The European Union PHC project is due to be finalised in 2011/12. The latter supports primary health care programmes, including HIV and AIDS.

In 2008/09 and 2009/10, the department also received a donation from Atlantic Philanthropies to the value of R12 million, which is being used to strengthen the capacity of nursing education institutions in the province. Although these funds should be utilised by the end of 2012/13, this is not evident in Table 7.4, as the department is still awaiting permission from the donor for roll-over to 2012/13.

It is noted that spending on donor funds from 2008/09 to 2011/12 (Table 7.4) exceeds receipts (Table 7.3). This is due to the roll-over of unspent receipts from previous financial years offsetting expenditure incurred in future years. These roll-overs were mainly related to the Global fund for HIV and AIDS patients, the funding for the European Union PHC project and the funding provided by Atlantic Philanthropies.

No donations are expected over the 2012/13 MTEF at this stage.

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 7: Health*.

5.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- Provision was made for the carry-through costs of the 2011 wage agreement and an inflationary wage adjustment of 5 per cent for each of the three years of the 2012/13 MTEF. The department also provided for the 1.5 per cent pay progression.
- Where feasible, CPI projections were used to calculate inflation related items.
- Provision has been made for the filling of vacant posts to enable the department to meet its service delivery needs.
- Provision has been made to fund some of the municipal clinics, which are in the process of being provincialised, by means of transfer payments for the first quarter of 2012/13, as the negotiations for the provincialisation of these clinics are still not finalised. Funding for the eThekwin Metro and uMhlathuze Municipality will be provided *via* transfer payments over the 2012/13 MTEF, as they are not being provincialised.
- The cost-cutting measures, as reissued by Provincial Treasury in 2012/13, will be adhered to over the 2012/13 MTEF.

5.2 Additional allocations for the 2010/11 to 2012/13 MTEF

Table 7.5 shows additional funding received by the department over the three MTEF periods: 2010/11, 2011/12 and 2012/13. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of 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 carry-through allocations for the 2010/11 and 2011/12 MTEF periods (i.e. for the financial year 2014/15) are based on the incremental percentage used in the 2012/13 MTEF.

Table 7.5: Summary of additional provincial allocations for 2010/11 to 2012/13 MTEF

R thousand	2010/11	2011/12	2012/13	2013/14	2014/15
2010/11 MTEF period	891 247	1 046 000	1 110 734	1 160 637	1 230 275
Carry-through of 2009/10 Adjustments Estimate	590 498	740 465	799 242	843 200	893 792
2009 wage agreement	373 442	417 368	461 730	487 125	516 353
Variance: reallocation of OSD for Health	1 390	428	(1 290)	(1 361)	(1 443)
OSD for doctors and therapists (from Vote 6)	215 666	322 669	338 802	357 436	378 882
Provincial priorities - Policy on Incapacity Leave and Ill Health Retirement (PILIR)	8 647	9 080	9 534	10 058	10 662
National priorities	292 102	296 455	301 958	307 379	325 821
OSD for doctors (shares for actuarial work done)	109 356	109 356	109 356	109 356	115 917
OSD for therapists (shares for actuarial work done)	94 947	94 047	94 047	94 047	99 690
OSD for medical officers and specialists, pharmacists and EMS practitioners	87 799	93 052	98 555	103 976	110 214
2011/12 MTEF period		423 984	1 365 598	1 583 426	1 678 432
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement		434 471	419 915	399 439	423 405
National priorities			959 462	1 201 367	1 273 449
Health technology		3 496	5 018	5 626	5 964
Nursing colleges		5 593	5 352	4 501	4 771
OSD doctor		19 227	19 904	17 722	18 785
OSD therapeutic		63 449	71 254	63 151	66 941
Maternal and child health		39 852	83 798	98 454	104 362
Personnel and goods		91 241	179 472	203 097	215 283
ARV 350 threshold		-	83 631	70 325	74 544
Registrars esp paed, obs		17 479	33 452	42 195	44 726
Family health team pilots/ models		17 479	66 905	98 454	104 362
Public hospital norms and standards		41 950	81 289	74 825	79 315
Phasing in of Forensic Pathology Services grant into ES		-	135 594	143 481	152 090
Phasing in of Hospital Revitalisation grant into ES		-	-	109 695	116 277
General policy adjustment (including family health teams and PHC re-engineering, public hospital norms and standards)		74 221	193 792	269 840	286 030
National Cabinet decision to cut provinces by 0.3 per cent		(10 487)	(13 779)	(17 380)	(18 423)
2012/13 MTEF period			208 794	219 234	230 195
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement			189 939	199 436	209 408
Improving infrastructure support			18 855	19 798	20 787
Total	891 247	1 469 984	2 685 126	2 963 297	3 138 902

Additional funding (including various national and provincial priorities) was allocated to the department in the 2010/11 MTEF process, as detailed below:

- The carry-through costs of the higher than anticipated 2009 wage agreement.
- The reallocation of the funding for the OSD for doctors, pharmacists, dentists and emergency care workers from Vote 6: Provincial Treasury. Also in this regard was the carry-through costs of the variance in funding allocated in the 2009/10 Adjustments Estimate, as well as further funding for the OSD based on actuarial work done.
- Funding to provide for PILIR.
- New funding for the next phase of OSD, being that for therapists.
- Further funding for the OSD for medical officers and medical specialists, pharmacists and EMS practitioners.

New funding in the 2011/12 MTEF included carry-through costs of the higher than budgeted 2010 wage agreement. Also included were 13 national priorities (full list in Table 7.3), of which the main ones are:

- OSD for doctors and therapists.
- Maternal and child health.
- Personnel and goods.
- The Anti-retroviral (ARV) 350 CD4 count threshold.
- The phasing in of two conditional grants into the equitable share, with the Forensic Pathology Services grant beginning in 2012/13 and the Hospital Revitalisation grant commencing in 2013/14.
- A general policy adjustment (including family health teams and PHC re-engineering, public hospital norms and standards).
- Also in the 2011/12 MTEF, National Cabinet took a decision to cut all national votes and the provincial equitable share by 0.3 per cent. The bulk of this equitable share reduction in KZN was

sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus of the province. The balance was sourced proportionately from all 16 provincial votes.

In the 2012/13 MTEF, the following additional funds are provided:

- Carry-through costs for the 2011 wage agreement.
- Funding to build capacity to improve infrastructure support.

As can be noted from the above, the department has had additional funding for the OSDs for nurses, doctors, medical officers, specialists, pharmacists, dentists, emergency care workers and therapists. Hereafter, in this document, all the OSDs are referred to as the OSDs for medical personnel. Furthermore, there were a number of annual wage agreements which have exceeded anticipated budgets and placed pressure on the department's programmes. These are referred to as the various wage agreements.

5.3 Summary by programme and economic classification

The department has eight budget programmes in total, with four of them directly linked to the core functions of the department. Tables 7.6 and 7.7 below provide a summary of payments and estimates of these eight programmes, as well as per economic classification.

Note that, due to the over-spending in 2008/09 to 2009/10, trends are distorted in these years.

Table 7.6: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
1. Administration	284 066	1 048 878	356 025	344 171	378 202	377 526	397 670	418 060	440 577
2. District Health Services	8 132 272	9 188 678	9 830 109	11 739 824	10 900 160	10 843 458	11 953 719	12 881 283	14 045 437
3. Emergency Medical Services	672 360	782 332	842 050	926 747	1 035 427	1 036 997	1 045 888	1 077 843	1 140 298
4. Provincial Hospital Services	4 378 814	5 071 290	5 654 225	6 366 182	7 096 305	7 053 454	7 568 389	8 128 189	8 627 686
5. Central Hospital Services	1 821 221	2 059 135	2 103 423	2 473 982	2 458 428	2 398 840	2 659 359	2 793 324	2 953 759
6. Health Sciences and Training	676 601	793 186	851 143	933 442	944 587	896 799	998 051	1 079 590	1 149 358
7. Health Care Support Services	34 209	27 528	10 764	13 971	13 971	13 971	15 170	16 004	18 000
8. Health Facilities Management	1 103 558	1 378 249	1 087 247	1 686 536	1 842 016	1 842 016	1 917 104	2 114 316	2 169 792
Total	17 103 101	20 349 276	20 734 986	24 484 855	24 669 096	24 463 061	26 555 350	28 508 609	30 544 907
Unauth. exp. (1 st charge) not available for spending	-	(758 000)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	17 103 101	19 591 276	20 734 986	24 484 855	24 669 096	24 463 061	26 555 350	28 508 609	30 544 907

Note: Programme 1 includes MEC remuneration: Salary: R1 566 089

Table 7.7: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Current payments	15 466 848	17 547 283	18 985 291	21 844 207	21 847 905	21 844 703	24 121 856	25 934 771	28 031 284
Compensation of employees	10 077 044	11 367 849	12 935 381	14 837 633	15 074 380	15 092 047	16 516 085	17 731 710	19 261 214
Goods and services	5 389 804	6 179 434	6 049 910	7 006 574	6 773 525	6 752 636	7 605 771	8 203 061	8 770 070
Interest and rent on land	-	-	-	-	-	20	-	-	-
Transfers and subsidies to:	447 706	498 279	562 293	522 821	529 433	536 851	562 780	610 724	625 395
Provinces and municipalities	51 538	84 010	126 756	94 173	97 735	98 950	88 819	87 584	91 946
Departmental agencies and accounts	39 957	34 312	18 401	22 137	22 559	22 559	24 530	25 817	28 730
Universities and technikons	40	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	243 734	278 846	289 009	266 787	283 265	271 404	296 679	310 403	304 718
Households	112 437	101 111	128 127	139 724	125 874	143 938	152 752	186 920	200 001
Payments for capital assets	1 188 449	1 545 699	1 181 773	2 117 827	2 291 664	2 081 411	1 870 714	1 963 114	1 888 228
Buildings and other fixed structures	635 593	1 005 258	778 749	1 357 938	1 062 128	1 052 128	1 085 471	1 317 862	1 393 458
Machinery and equipment	552 856	540 441	402 226	759 889	1 229 536	1 029 272	785 243	645 252	494 770
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	798	-	-	11	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	98	758 015	5 629	-	94	96	-	-	-
Total	17 103 101	20 349 276	20 734 986	24 484 855	24 669 096	24 463 061	26 555 350	28 508 609	30 544 907
Unauth. exp. (1 st charge) not available for spending	-	(758 000)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	17 103 101	19 591 276	20 734 986	24 484 855	24 669 096	24 463 061	26 555 350	28 508 609	30 544 907

In terms of Section 34(2) of the PFMA, the department was liable for the repayment of previous years' over-expenditure, resulting in a first charge against the budget. In 2009/10, an instalment of R758 million was implemented against the budget. This is reflected as a footnote in Tables 7.6 and 7.7 above. The first charge amounts are included under Programme 1: Administration against *Payments for financial assets*. This was not paid back in 2009/10 though, as the department again over-spent in 2009/10 against the vote as a whole. A subsequent decision by SCOPA ruled that the first charge be dealt with using the funding available due to the department's substantial under-spending in 2010/11. This ruling occurred after the finalisation of the department's 2010/11 annual financial statements, and the repayment of the first charge is thus not reflected in the tables in the 2010/11 column.

All programmes show substantial growth from 2008/09 to 2014/15, with conditional grants accounting for a significant portion of this increase. The major growth from 2008/09 to 2009/10 is due to continued spending pressures in the service delivery programmes caused by medical inflation, the various OSDs for medical personnel, wage agreements and the filling of unbudgeted posts. Additional funding was also provided for MDR/XDR TB and the reduction of infant and child mortality. In addition, R241 million was allocated to the Comprehensive HIV and AIDS grant for an increased uptake of ARV patients.

Additional funding in 2010/11, with carry-through costs, provided for emergency medical services for the 2010 World Cup, infrastructure development, the modernisation of tertiary services, the implementation of primary health care structures and PILIR. Also provided is the previously mentioned funding for the OSDs for medical personnel. Funding was also allocated in 2010/11 for the Social Sector EPWP Incentive Grant for Provinces, to provide stipends for home/community based care-givers, as well as the EPWP Integrated Grant for Provinces and for the carry-through costs of the 2010 wage agreement.

Apart from the carry-through costs from previous financial years, additional amounts with carry-through costs provided in 2011/12 include funding for an increase in general health capacity and national priorities, personnel and goods and services, OSDs for medical personnel, maternal and child health, and public hospitals norms and standards. The increase in the 2011/12 Adjusted Appropriation includes funding for the 2011 wage agreement, the roll-over of R17.885 million for the Comprehensive HIV and AIDS grant and R536 000 for the EPWP Integrated Grant for Provinces. The increase over the 2012/13 MTEF incorporates the carry-through costs of previous wage agreements and the OSD for medical personnel, increases to existing conditional grants, as well as additional funding for two new grants, namely the NHI and the Nursing Colleges and Schools grants. Funding was also provided to build capacity for infrastructure support in Programme 8: Health Facilities Management.

The significant increase in 2009/10 in Programme 1: Administration is caused by the R758 million first charge, which the department was obliged to pay in terms of Section 34(2) of the PFMA. The 2010/11 expenditure includes funding for the 2010 wage agreement, as well as additional funding for computer equipment and for employing consultants, until such time as suitable permanent staff could be found. The increase in the 2011/12 Adjusted Appropriation includes funding to improve personnel capacity at head office to reduce dependence on consultants, to cover extensive fraud investigations at head office, as well as to replace redundant computer equipment to address the risk of losing essential data. The 2012/13 MTEF includes the carry-through costs of previous wage agreements and OSD for medical personnel, as well as additional funding provided in the form of a NHI grant to phase in the implementation of NHI.

The increase in Programme 2: District Health Services over the seven years relates mainly to the restructuring of the department to improve service delivery at the primary health care level. Provision was also made for cost of living adjustments and a substantial increase in the Comprehensive HIV and AIDS grant, as well as OSDs for medical personnel and funding for the reduction of infant and child mortality. The increase in the 2011/12 Main Appropriation relates primarily to funding for the implementation of primary health care structures and the OSDs for medical personnel. The reduction in the 2011/12 Adjusted Appropriation was caused by the filling of posts being slower than anticipated. Included in this amount is a roll-over from 2010/11 of R17.885 million for the Comprehensive HIV and AIDS conditional grant. The 2012/13 MTEF includes funding for the carry-through costs of previous wage agreements, general capacity building and for national priorities (as listed in Table 7.3), as well as funding provided from the NHI grant for implementation of a pilot study in two districts in the province.

In Programme 3: Emergency Medical Services, the continued drive to improve emergency medical services explains the upward trend. The increase in 2009/10 relates to funding for ambulances for the 2010 World Cup, as well as the OSDs for emergency personnel. The increase in 2010/11 includes additional funding for the 2010 World Cup and carry-through costs of previous wage agreements. In the 2011/12 Adjusted Appropriation, additional funding was allocated for personnel capacity, emergency vehicles and equipment. The 2012/13 MTEF allocations include carry-through costs for the various wage agreements and OSD payments, as well as funding to expand emergency medical services.

Overall, Programme 4: Provincial Hospital Services shows an increase in the share of total funding from 25 per cent in 2008/09 to 28 per cent in 2014/15. The increase from 2009/10 onward relates mainly to carry-through costs, including wage agreements and OSDs for medical personnel, inflationary pressures on medical supplies and the management of MDR/XDR TB. The significant increase in the 2011/12 Adjusted Appropriation can largely be ascribed to the 2011 wage agreement, as well as the reclassification of a number of district hospitals to general hospitals. The 2012/13 MTEF includes carry-through costs for previous wage agreements, an increase in general health capacity, as well as national priorities, namely health technology, registrars, improvement to public hospital norms and standards, etc.

The upward trend in Programme 5: Central Hospital Services from 2008/09 to 2014/15 relates mainly to funding for the development and improvement of tertiary services in uMgungundlovu and uThungulu districts. Reprioritised funding was also allocated for the enhancement of these services in line with the modernisation of the tertiary services programme. The impact of the introduction of the various OSDs for medical personnel, higher than average medical inflation and the rand/dollar exchange rate (especially in 2008/09), are also reflected in the trends. The decrease in the 2011/12 Adjusted Appropriation, compared to the Main Appropriation, results from the correction of a misallocation for registrars. The 2012/13 MTEF includes carry-through costs for previous wage agreements, as well as national priorities such as additional registrars, improvement to public hospital norms, etc. In addition, the NHI grant caters for a pilot study on two provincial tertiary hospitals, namely Inkosi Albert Luthuli Central and King Edward VIII Hospitals, which will be used to provide training in International Classification of Disease and diagnostic grouping 10 codes (ICD 10).

Programme 6: Health Sciences and Training shows consistent growth. The increase in 2009/10 relates to the carry-through costs of the OSDs for medical personnel, the various wage agreements, as well as the extension of the medical internship programme to two years. The increase in the 2011/12 Adjusted Appropriation includes an additional allocation for bursaries to address the shortfall of suitably trained health personnel. The reduction in the 2011/12 Revised Estimate relates primarily to over-budgeting for training, particularly *Goods and services*, as well as the department's change in policy with student nurses being paid by stipend and no longer on a permanent salary basis. In the 2011/12 MTEF, funding for national priorities was given to nursing colleges, a portion of which was for personnel and *Goods and services*, and is used for training personnel, that were previously employed as youth ambassadors, in nursing skills. Bursaries have also been prioritised with funding provided to train an additional 148 learners in basic life and support skills for emergency and medical rescue services. Additional funding has also been provided for the training of additional doctors under the Cuban doctor programme, commencing in 2012/13, hence the increase from the 2011/12 Revised Estimate to 2012/13.

Programme 7: Health Care Support Services funding is to enable the provincial Medical Supply Centre to carry sufficient medical stock to meet demand. Additional funds were provided in 2008/09 for an increased demand for ART, as well as medication for MDR/XDR TB. The 2009/10 amount was provided to maintain current stock levels and to provide for the vaccines required for the reduction of child morbidity and mortality. The reduction from 2010/11 relates to the lack of storage facilities to store additional stock. Funding for inflationary increases only was provided from 2010/11 onward.

Programme 8: Health Facilities Management shows a generally steady increase from 2008/09 to 2012/13, mainly as a result of the increase in funds for the Hospital Revitalisation and Health Infrastructure grants. The significant increase in 2009/10 includes approximately R143 million in respect of the Forensic Pathology Services grant, for which the department was under-funded, as well as expenditure for projects that were already on site, which could not be stopped without further costs to the department. Delays due to a lack of suitable building sites resulted in a roll-over of approximately R105 million not being

approved, as the PFMA does not allow roll-overs over two consecutive years. The 2009/10 amount also includes under-spending of R224.909 million for the Hospital Revitalisation grant, mainly due to challenges with tender processes. An amount of R63.953 million was approved for roll-over to 2011/12 and is included in the 2011/12 allocation. The reduction in 2010/11 results mainly from under-spending on the Hospital Revitalisation grant. The significant increase in the 2011/12 Main and Adjusted Appropriation can largely be ascribed to additional funding for essential equipment at the various institutions in line with the requirements of the NHI, as well as increases in the Health Infrastructure and Hospital Revitalisation grants. The 2012/13 MTEF includes increases in the relevant conditional grants, funding for the refurbishment of nursing colleges (Nursing Colleges and Schools grant) and additional funding to address management capacity in order to improve infrastructure support.

Compensation of employees shows a strong upward trend from 2008/09 to 2014/15, mainly due to the carry-through costs of the various OSDs for medical personnel and other staff categories and higher than anticipated wage agreements. In addition, from 2010/11, the department commenced restructuring its service delivery by strengthening services at primary health care level. This required the employment of additional personnel at clinics and community health centres. Funding was provided from 2011/12 for the OSDs for medical personnel, health team pilots and models and improving hospital norms and standards, among others, with substantial growth in 2012/13 and 2013/14 for the latter items. In addition, there were carry-through costs for previous wage agreements and OSDs, improving infrastructure support, as well as funding from the NHI conditional grant to provide capacity for the implementation of the NHI.

Goods and services shows an increase of almost 63 per cent from R5.390 billion in 2008/09 to R8.770 billion in 2014/15. This increase is primarily related to the increase in demand for health services, the high rate of inflation on medical supplies and services, especially in 2008/09 and 2009/10, increased catering and fuel costs and the take-over of provincial laboratories by the NHLS in 2007/08. Other contributing factors are the increasing demand for ART, treatment of MDR/XDR TB in the province, the introduction of specific projects such as the reduction of infant and child mortality through immunisation, as well as a substantial increase in the Comprehensive HIV and AIDS grant. The decrease in 2010/11 relates mainly to an over-allocation of funding for the 2010 World Cup which was not required, the delay in distributing the budget to institutions due to restructuring of the service delivery programmes, as well as the savings plan implemented by the department through the joint Health/Treasury task team. Apart from carry-through costs, the 2011/12 Main Appropriation includes funding for general capacity building and additional funding for national priorities, such as maternal and child health. The decrease in the 2011/12 Adjusted Appropriation is mainly due to the slower than anticipated filling of posts, resulting in reduced usage of inventory. The 2012/13 MTEF amounts include additional funding for ARV treatment to patients with a CD4 count of 350, the carry-through costs of the national priority initiatives, as well as previous wage agreements.

The low 2008/09 amount against *Transfers and subsidies to: Provinces and municipalities* is mainly due to the non-signing of SLAs by municipalities and the devolution of environmental services to municipalities. The increase in 2010/11 relates to funding provided for the signing of SLAs pertaining to 2008/09 and 2009/10. The reduction from 2011/12 is due to the provincialisation of some of the municipal clinics. It is anticipated that most of the municipal clinics will be taken over in 2012/13 and funding has only been provided for eThekweni Metro and uMhlathuze Municipality for the full period of the MTEF. Included in 2012/13 is funding for Umlalazi Municipality (uThungulu District), as well as municipalities in the uMgungundlovu and Ilembe districts for the first quarter, to allow for known delays in the provincialisation process.

The inflated amounts in 2008/09 and 2009/10 against *Transfers and subsidies to: Departmental agencies and accounts* relate primarily to an increase in the Medicine Trading Account, which was required to enable the provincial Medical Supply Centre to carry sufficient medical stock to meet demand. Inflation related increases only have been provided from 2010/11 to 2014/15.

The decrease in *Transfers and subsidies to: Non-profit institutions* in the 2011/12 Main Appropriation is due to the department taking a decision to no longer fund the NGOs for the National Integrated Plan (NIP) sites for orphaned and vulnerable children infected and affected by HIV and AIDS owing to fraud.

It was thus decided to manage this function centrally. The increase in the 2011/12 Adjusted Appropriation includes additional funding for the 2011 wage agreement for doctors in NGOs.

The trend from 2008/09 to 2014/15 for *Payments for capital assets* shows an increase of 59 per cent due to the ongoing focus on improving physical facilities, including the provision of essential equipment. Much of this increase is attributable to significant increases in the Hospital Revitalisation and Health Infrastructure grants, as well as the development of forensic pathology services in the province, affecting mainly *Buildings and other fixed structures*. The significant peak in 2009/10 relates mainly to additional expenditure incurred for forensic pathology services, as well as projects on site that could not be delayed or stopped without further cost to the department. The decrease in 2010/11 is mainly due to the under-expenditure against the Hospital Revitalisation grant. The increase in the 2011/12 Adjusted Appropriation relates mainly to the decision to provide for essential equipment at institutional level on a once-off basis in line with the requirements for the implementation of the NHI. From 2012/13, the trend is once more reduced in line with the availability of funds.

5.4 Summary of payments and estimates by district municipal area

Table 7.8 summarises the departmental spending by district municipal area, excluding head office costs. The distribution of funds within the municipal areas is aligned to the department's service delivery plan, which is in line with PSEDs and the NHS 10-point plan, which includes the national health priorities.

Currently, eThekweni has the highest anticipated spatial spending, totalling more than 37 per cent of the budget over the entire period. Owing to the influence of urbanisation, this district has a third of the population of KZN, many of whom are indigent and are living in informal settlements. It also provides high level health services, including central hospital services, to the rest of the province.

The spending in the uMgungundlovu area, which has the second highest share, includes costs relating to the main psychiatric services, as well as regional and tertiary services for the midlands region.

Table 7.8: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14	2014/15
eThekweni	7 554 455	8 929 481	9 697 971	10 414 311	11 160 890
Ugu	1 235 320	1 460 167	1 585 833	1 702 970	1 825 053
uMgungundlovu	3 159 859	3 735 001	4 056 444	4 356 072	4 668 350
Uthukela	838 674	991 325	1 076 641	1 156 166	1 239 050
Umzinyathi	871 227	1 029 804	1 118 432	1 201 044	1 287 145
Amajuba	987 269	1 166 967	1 267 399	1 361 015	1 458 583
Zululand	1 201 247	1 419 892	1 542 092	1 655 998	1 774 713
Umkhanyakude	1 015 930	1 200 845	1 304 192	1 400 526	1 500 927
uThungulu	1 808 362	2 137 511	2 321 470	2 492 945	2 671 658
Ilembe	906 449	1 071 436	1 163 647	1 249 600	1 339 180
Sisonke	797 880	943 106	1 024 270	1 099 931	1 178 781
Total	20 376 672	24 085 535	26 158 391	28 090 578	30 104 330

In order to meet the demand in the other districts, funds have been provided to continue to:

- Accelerate development in under-served areas including the Nkandla area in the uThungulu district and Msinga in the Umzinyathi district.
- Focus on the completion of existing projects, refurbishment and rehabilitation of existing community health centres and clinics and, where possible, expand more clinics to provide 24 hour availability.
- Strengthen mobile clinic services at district level.
- Provide an outreach service to enable doctors and medical personnel to visit clinics and hospitals in remote areas.
- Develop MDR/XDR TB facilities in uMgungundlovu, uThungulu, Ugu and Zululand districts.
- Continue to develop regional hospital services in all districts, and tertiary services at Ngwelezana/Lower Umfolozi Hospitals (uThungulu) and Grey's Hospital (uMgungundlovu).

5.5 Summary of conditional grant payments and estimates

Tables 7.9 and 7.10 illustrate conditional grant payments and estimates from 2008/09 to 2014/15. Details of the 11 conditional grants are listed below, with further detail given in *Annexure – Vote 7: Health*.

The ***Health Professions Training and Development grant*** supports the department in providing funding for operational costs associated with the training and development of health professionals, development and recruitment of medical specialists in under-served provinces and support and strengthen under-graduate teaching and training processes in health facilities.

The ***Hospital Revitalisation grant*** provides funding to enable provinces to plan, manage, modernise, rationalise and transform the infrastructure, health technology, monitoring and evaluation of hospitals and to transform hospital management and improve quality of care, in line with national policy objectives.

The ***National Tertiary Services grant*** is used to enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform in line with national policy objectives, including improving access and equity.

The ***Comprehensive HIV and AIDS grant*** is provided to enable the sector to develop effective and integrated management of HIV and AIDS, to support the implementation of the National Operational Plan for comprehensive HIV and AIDS treatment and care and to subsidise, in part, funding for the ARV treatment programme.

The ***Health Infrastructure grant*** (previously the Infrastructure Grant to Provinces or IGP) is aimed at accelerating the construction, maintenance, upgrading and rehabilitation of new and existing health infrastructure. Note that this grant's budget was reduced as a result of National Treasury discontinuing the IGP in its current form from 2011/12, and replacing it with a specific grant for Education, Health and Transport. The decrease in this grant results from a decision taken at a national level to change the way the grant is allocated between the three sectors. This grant will supplement existing infrastructure budgets in health and will function in a similar manner to the IGP.

The ***Forensic Pathology Services grant*** was used for the development and provision of a comprehensive forensic pathology service in the province, to ensure impartial professional evidence for the criminal justice system concerning death due to unnatural causes. Funding for this grant has been phased into the equitable share from 2012/13.

The ***2010 World Cup Health Preparation Strategy grant*** was a once-off grant in 2009/10 as a contribution toward the final preparation strategies to be implemented by the Health sector for the 2010 World Cup.

The ***Social Sector EPWP Incentive Grant for Provinces*** was provided to subsidise non-profit organisations in home community-based care programmes to provide stipends to previously unpaid volunteers to maximise job creation and skills development in line with the EPWP guidelines. Note that this grant has ceased from 2012/13.

The ***EPWP Integrated Grant for Provinces*** is used to enhance the number of full time equivalent jobs created through labour intensive infrastructure programmes, and no funding is provided for the outer years of the MTEF at this stage.

The ***National Health Insurance grant*** has been allocated to provide financial support for the development of projects directed at improving health delivery in line with the requirements of the introduction of the NHI.

The ***Nursing Colleges and Schools grant*** is used to supplement provincial funding of health infrastructure, to accelerate the provision of health facilities including office furniture and related equipment, as well as to ensure proper maintenance of provincial health infrastructure for nursing colleges and schools.

The conditional grant transfers increase from R2.656 billion in 2008/09 to R6.091 billion in 2014/15. The varying trends in the individual grants relate mainly to funding for specific projects, as well as roll-overs. Note that the historical figures set out in Table 7.9 for the period 2008/09 to 2011/12 indicate the actual receipts for each grant, as well as other technical adjustments, and therefore should not be compared to the figures reflected in Table 7.9 below.

Table 7.9: Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Health Professions Training and Development grant	212 092	222 425	235 771	249 917	249 917	249 917	261 860	276 262	292 837
Hospital Revitalisation grant	330 404	224 909	297 570	547 698	547 698	547 698	566 605	575 104	661 132
National Tertiary Services grant	911 898	984 488	1 102 517	1 201 831	1 201 831	1 201 831	1 323 114	1 415 731	1 496 427
Comprehensive HIV and AIDS grant	757 616	1 121 582	1 500 926	1 889 427	1 907 312	1 907 312	2 225 423	2 652 072	3 073 536
Health Infrastructure grant (was IGP)	294 832	359 717	280 449	358 471	358 471	358 471	393 367	416 969	427 845
Forensic Pathology Services grant	149 093	278 033	152 406	161 550	161 550	161 550	-	-	-
2010 World Cup Health Preparation Strategy grant	-	43	3 538	-	-	-	-	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	2 555	25 775	25 775	25 775	-	-	-
EPWP Integrated Grant for Provinces	-	-	-	-	536	536	1 000	-	-
National Health Insurance grant	-	-	-	-	-	-	33 000	77 000	110 000
Nursing Colleges and Schools grant	-	-	-	-	-	-	16 480	23 896	29 454
Total	2 655 935	3 191 197	3 575 732	4 434 669	4 453 090	4 453 090	4 820 849	5 437 034	6 091 231

Table 7.10: Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	1 876 694	2 275 886	2 802 040	3 478 650	3 486 037	3 486 037	3 772 056	4 304 137	4 855 872
Compensation of employees	822 927	913 527	1 361 820	1 947 803	1 947 165	1 947 165	2 121 207	2 292 617	2 584 643
Goods and services	1 053 767	1 362 359	1 440 220	1 530 847	1 538 872	1 538 872	1 650 849	2 011 520	2 271 229
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	6 832	2 448	76 479	10 576	10 743	10 743	10 515	12 201	12 201
Provinces and municipalities	11	82	63	36	36	36	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	68 746	10 515	10 515	10 515	10 515	12 201	12 201
Households	6 821	2 366	7 670	25	192	192	-	-	-
Payments for capital assets	772 409	912 863	697 213	945 443	956 310	956 310	1 038 278	1 120 696	1 223 158
Buildings and other fixed structures	467 732	660 338	536 345	657 709	657 709	657 709	718 846	763 435	847 580
Machinery and equipment	304 677	252 525	160 070	287 722	298 589	298 589	319 432	357 261	375 578
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	798	12	12	12	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 655 935	3 191 197	3 575 732	4 434 669	4 453 090	4 453 090	4 820 849	5 437 034	6 091 231

The significant growth in the two infrastructure grants, namely the Hospital Revitalisation grant and the Health Infrastructure grant, relates primarily to the intensive drive to improve the physical health facilities within the province. The 2009/10 reduction in the Hospital Revitalisation grant relates to an under-spending of R224.649 million due to challenges with the tender processes, for which a roll-over to 2011/12 was requested, as mentioned. Of this amount, R63.953 million was rolled over to 2011/12.

The variable trend in the Forensic Pathology Services grant, which was provided to fund the department for the take-over of the forensic pathology services from the SAPS, results from a roll-over not being approved and challenges experienced with the tender process. Despite an agreement in 2007/08 with the National Department of Health to fund the amended construction time frame, a request for a roll-over from 2007/08 to 2008/09 was not approved, resulting in over-expenditure against the grant in 2008/09 and 2009/10, as buildings under construction could not be halted without further cost to the department. The funds allocated in 2010/11 for this grant provided for inflationary increases only. The ceasing of funding from 2012/13 relates to the phasing in of this grant into the department's equitable share.

The variable trend in the National Tertiary Services grant relates mainly to additional funding provided for the modernisation of tertiary services from 2008/09 onward.

The substantial growth in the Comprehensive HIV and AIDS grant indicates the critical importance placed on managing this pandemic. The major increases between 2008/09 and 2010/11 relate mainly to the provision of additional funding to enable an increasing number of patients to be placed on ARV therapy, as well as to provide for the male circumcision programme. Further funding is provided from 2011/12 to allow for the demand and increased growth of these HIV and AIDS programmes. From 2012/13, funding was increased to enable the ARV threshold to be reduced to a CD4 count of 350.

The trend in the Health Professions Training and Development grant over the seven years reflects inflationary increases only. A decision was taken in 2011/12 to use the grant to fund the personnel costs of registrars only.

The increase in *Compensation of employees* in 2009/10 results primarily from the decision to incorporate the payment of registrars (medical specialists in training) into the Health Professions Training and Development grant, the increase in the number of HIV and AIDS projects driven by the improved HIV and AIDS ARV policy resulting in the need to employ more staff, as well as the implementation of the OSDs for medical personnel.

The significant increase in *Goods and services* from 2009/10 onward is mainly due to the increase in the funding provided for ARVs, the anticipated increase in the uptake of additional patients on the ARV programme, as well as the provision for the male circumcision programme.

The increasing trend in *Buildings and other fixed structures* over the seven-year period relates to the drive to improve the physical infrastructure, with significant increases provided in the Hospital Revitalisation and Health Infrastructure grants for this purpose. The inflated figure reflected in 2009/10 relates to the over-expenditure of approximately R143 million against the Forensic Pathology Services grant, as mentioned above. This also accounts for the apparent decrease in 2010/11.

The fluctuating trend in *Machinery and equipment* relates to the variation in the business plans of the grants which relate to this category. The high base in 2008/09 results from an additional payment of R51 million in respect of the PPP with Inkosi Albert Luthuli Central Hospital (IALCH), which was not paid in 2007/08, being included from this expenditure. The reduction in 2009/10 relates to the previously mentioned under-expenditure on the Hospital Revitalisation grant. The significant increase in the 2011/12 Main Appropriation and the further increase in the 2011/12 Adjusted Appropriation relates to changes in the relevant business plans, as well as a decision to provide funding on a once-off basis to enable institutions to upgrade their essential medical equipment. The allocations in the outer years have been made in accordance with the business plans of the relevant grants. In the 2012/13 MTEF, amounts are provided to replace essential equipment at a reduced rate, in line with available funding.

5.6 Summary of infrastructure payments and estimates

Table 7.11 below presents a summary of infrastructure payments and estimates by categories for Vote 7. Detailed information on infrastructure is given in the *Annexure – Vote 7: Health*. The infrastructure trend shows a substantial increase over the seven-year period, resulting from a focussed drive by the department to improve its physical facilities and medical equipment to an acceptable level.

Over the period under review, the department provided for the building of additional community health centres and community health clinics in line with its service delivery plan, as well as the upgrading or replacement of hospitals and unsuitable clinics.

Table 7.11: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
New and replacement assets	450 328	727 950	405 893	725 622	692 834	747 493	441 220	1 019 273	1 030 393
Existing infrastructure assets	647 394	646 851	676 317	955 585	1 138 682	1 018 256	1 424 729	1 048 825	1 111 743
Upgrades and additions	261 172	249 592	340 102	531 782	559 080	493 314	708 018	465 107	490 688
Rehabilitation, renovations and refurbishments	53 722	135 798	83 083	178 292	161 054	106 405	296 238	127 023	134 009
Maintenance and repairs	332 500	261 461	253 132	245 511	418 548	418 537	420 473	456 695	487 046
Infrastructure transfers	-	-	-	-	-	10 000	20 000	20 000	-
Current	-	-	-	-	-	10 000	20 000	20 000	-
Capital	-	-	-	-	-	-	-	-	-
Capital infrastructure	765 222	1 113 340	829 078	1 435 696	1 412 968	1 357 212	1 465 476	1 631 403	1 655 090
Current infrastructure	332 500	261 461	253 132	245 511	418 548	418 537	420 473	456 695	487 046
Total	1 097 722	1 374 801	1 082 210	1 681 207	1 831 516	1 775 749	1 885 949	2 088 098	2 142 136

Note: Capital infrastructure includes spending on buildings, major medical equipment and capital transfers.

The fluctuating trend in *New and replacement assets* and the increasing trend in *Existing infrastructure assets* in 2010/11 to 2012/13 relates to a conscious decision made by management to increase funding provided on the maintenance, upgrading, rehabilitation and refurbishment of existing infrastructure in order to preserve these facilities. Among the major projects in this category are the Pixley Ka Seme and John Dube Hospitals in the eThekweni Metro.

The low spending projected in the 2011/12 Revised Estimate relates to *Machinery and equipment* ordered, but delivery only expected in 2012/13.

Maintenance and repairs expenditure shows a fluctuating trend over the period. The decreasing trend from 2008/09 to 2009/10 results from enforced savings, in an effort to limit over-expenditure on the vote as a whole, while the decrease in 2010/11 is caused by the late provision of the budget to institutions as a result of intensive restructuring of the department's budget by the joint Treasury/Health task team. This category shows a decrease in the 2011/12 Main Appropriation due to reprioritisation to capital projects. The increase in the 2011/12 Adjusted Appropriation relates to a conscious decision taken by the department to provide more funding for day-to-day maintenance and small maintenance projects. The allocation from 2012/13 provides funding to continue this maintenance drive.

In the 2011/12 Revised Estimate and the subsequent two years, the department will transfer funds to the KZN Children's Hospital Trust for the development and refurbishment of the Children's Hospital in eThekweni. This is reflected under the category, *Infrastructure transfers: Capital*.

5.7 Summary of Public Private Partnerships (PPP)

Table 7.12 below provides a summary of PPP projects in the department. In 2002/03, the department entered into a PPP with Impilo Consortium (Pty) Ltd. The agreement covered the provision of equipment, information management and technology and facilities management for the IALCH. This agreement enables the department to focus on the clinical services at the hospital, and to promote the hospital as a central referral hospital, operating at the highest standards in terms of quality, efficiency, effectiveness and patient focused care.

Payments made for services rendered are index-linked and are thus subject to movements in CPI. Payments over the 2012/13 MTEF have been calculated based on current estimates. The high base in 2008/09 relates to a quarterly payment of R51 million which was not made in 2007/08. The decrease in the 2011/12 Main Appropriation is due to the cost of medical inflation being lower than anticipated. The increasing trend relates mainly to the deterioration in the Rand/Dollar exchange rate.

Table 7.12: Summary of departmental Public-Private Partnership projects

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Projects under implementation	593 328	543 190	647 788	625 750	626 129	626 129	657 435	690 307	724 822
PPP unitary charge	593 328	543 190	647 788	625 750	626 129	626 129	657 435	690 307	724 822
Proposed projects	-	-	-	-	-	-	-	-	-
Total	593 328	543 190	647 788	625 750	626 129	626 129	657 435	690 307	724 822

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.9 Transfers to other entities

Table 7.13 provides a list of entities that receive funding from the department for the provision of general clinic services, HIV and AIDS services, district hospital services, general hospital services and TB services. The varying trend across the seven years relates mainly to the inclusion/exclusion of entities, as well as to the implementation of OSD for doctors in certain institutions which qualify.

The increase in overall transfers in 2009/10 relates to the finalisation of the Global Fund in December 2008. This fund supported activities at the Dream Centre, Genesis Care Centre and Ethembeni *via* donor funding. With the cessation of donor funding in 2008/09, the department made provision to continue the financial support from the equitable share in 2009/10, to ensure the continuation of services provided by the entities. The funding for the Dream Centre ceased in 2009/10 due to the closure of the centre as a result of fraudulent activities.

The effect of the higher than anticipated wage agreements and the OSD for doctors is shown under those institutions which qualify for the state salary increases and is also reflected in the 2011/12 Main Appropriation. The 2011/12 Adjusted Appropriation includes the additional funding for higher than anticipated 2011 wage adjustment only. The decrease in the 2011/12 Main Appropriation is caused by the closure of the HIV and AIDS NIP sites and the incorporation of these services into the department's operations. The figures reflected in the 2012/13 MTEF period provide for an inflationary increase only.

In the 2011/12 Revised Estimate and the subsequent two years, the department will transfer funds to the KZN Children's Hospital Trust for the development and refurbishment of the Children's Hospital in the eThekweni Metro.

Table 7.13: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Austerville Halfway House	2.2: Comm. Hlth Clinics	417	505	474	509	500	500	525	551	579
Azalea House	2.2: Comm. Hlth Clinics	384	409	438	470	462	462	485	509	534
Bekulwandle Bekimpelo	2.2: Comm. Hlth Clinics	5 586	6 190	6 687	7 182	7 238	7 238	7 600	7 980	8 379
Benedictine Clinic	2.2: Comm. Hlth Clinics	294	313	335	360	363	363	381	400	420
Claremont Day Care Centre	2.2: Comm. Hlth Clinics	392	341	324	348	353	353	371	390	410
Day Care Club 91	2.2: Comm. Hlth Clinics	46	49	52	56	96	96	101	106	111
Dream Centre	2.2: Comm. Hlth Clinics	1 139	1 735	-	-	-	-	-	-	-
Durban School for the Deaf	2.2: Comm. Hlth Clinics	156	166	179	192	193	193	203	213	224
Ekuhanyeni Clinic	2.2: Comm. Hlth Clinics	49	-	718	-	-	-	-	-	-
Elandsop Clinic	2.2: Comm. Hlth Clinics	354	377	403	433	436	436	458	481	505
Enkumane Clinic	2.2: Comm. Hlth Clinics	212	226	243	261	263	263	276	290	305
Happy Hour Various	2.2: Comm. Hlth Clinics	1 980	3 125	2 131	2 421	2 473	2 473	2 598	2 727	2 865
Hlanganani Ngothando	2.2: Comm. Hlth Clinics	353	375	179	192	200	200	210	221	232
Ikwezi Cripple Care	2.2: Comm. Hlth Clinics	1 179	1 254	1 344	1 443	1 443	1 443	1 515	1 591	1 671
Ikwezi District Nursing Services	2.2: Comm. Hlth Clinics	136	145	155	166	167	167	175	184	193
Jewel House	2.2: Comm. Hlth Clinics	267	284	304	326	321	321	337	354	372
Joan Tennant House	2.2: Comm. Hlth Clinics	289	-	-	-	-	-	-	-	-
John Peattie House	2.2: Comm. Hlth Clinics	1 046	1 113	1 192	1 280	1 284	1 284	1 348	1 415	1 486
Jona Vaughn Centre	2.2: Comm. Hlth Clinics	1 869	2 032	2 130	2 288	2 247	2 247	2 359	2 477	2 601
Lynn House	2.2: Comm. Hlth Clinics	267	592	633	680	562	562	590	620	651
Madeline Manor	2.2: Comm. Hlth Clinics	673	716	767	824	809	809	849	891	936
Masada Workshop	2.2: Comm. Hlth Clinics	46	62	67	72	71	71	75	79	83
Masibambeni Day Care Centre	2.2: Comm. Hlth Clinics	118	126	134	144	141	141	148	155	163
Matikwe Oblate Clinic	2.2: Comm. Hlth Clinics	383	408	436	468	472	472	496	521	547
Mhlumayo Clinic	2.2: Comm. Hlth Clinics	454	483	518	556	560	560	588	617	547
Noyi Bazi Oblate Clinic	2.2: Comm. Hlth Clinics	386	411	440	473	477	477	501	526	552
Prenaid A L P	2.2: Comm. Hlth Clinics	80	85	91	98	96	96	101	106	111
Rainbow Haven	2.2: Comm. Hlth Clinics	311	331	355	381	374	374	393	413	434
Scadifa Centre	2.2: Comm. Hlth Clinics	801	852	913	981	913	913	959	1 007	1 057
Sparkes Estate	2.2: Comm. Hlth Clinics	1 023	1 089	1 166	1 252	1 016	1 016	1 067	1 120	1 176
St Lukes Home	2.2: Comm. Hlth Clinics	423	450	482	518	695	695	730	767	805
Sunfield Home	2.2: Comm. Hlth Clinics	111	118	127	136	294	294	309	324	340
Umlazi Halfway House	2.2: Comm. Hlth Clinics	208	237	237	255	250	250	263	276	290
Ekuhanyeni Clinic (AIDS step down centre)	2.6: HIV and AIDS	-	-	-	4 902	834	834	876	920	966
Ethembeni Care Centre	2.6: HIV and AIDS	600	3 917	3 836	3 657	4 506	4 506	4 731	4 968	5 216
Genesis Care Centre	2.6: HIV and AIDS	197	2 520	2 659	5 760	2 753	2 753	2 891	3 036	3 188
HIV and AIDS NIP sites (HBC stipends)	2.6: HIV and AIDS	58 009	60 239	57 814	-	-	-	-	-	-
Philanjalo Hospice (step down centre)	2.6: HIV and AIDS	1 352	2 213	2 109	3 054	3 078	3 078	3 232	3 394	3 564
Pongola Hospital	2.9: District Hospitals	2 961	3 282	3 545	3 807	3 837	3 837	4 029	4 230	4 442
Montebello Chronic Sick Home	4.3: Psyc/Mental Hosp.	3 832	4 078	4 372	4 695	4 732	4 732	4 969	5 217	5 478
KZN Children's Hospital Trust	8.6: Other Facilities	-	-	-	-	-	10 000	20 000	20 000	-
McCords Hospital	Various	59 054	71 720	76 275	89 364	90 061	90 061	94 564	99 292	104 257
Mountain View Hospital	Various	7 838	8 120	8 774	9 423	9 496	9 496	9 971	10 470	10 994
Siloah Hospital	Various	11 548	12 957	15 471	15 580	15 702	15 702	16 487	17 311	18 177
St Mary's Hosp Marianhill	Various	76 911	85 201	90 500	100 849	101 636	101 636	106 718	112 054	117 657
Earmarked for further negotiations	Various	-	-	-	931	21 861	-	2 200	2 200	2 200
Total		243 734	278 846	289 009	266 787	283 265	271 404	296 679	310 403	304 718

5.10 Transfers to local government

Table 7.14 below indicates transfers to local government, per category of municipality. The unallocated funding in this table relates to incorrect allocations made by the institutions. All transfers are made to a single grant namely, municipal clinics within the sub-programme: Community Health Clinics. It is also noted that, although the payment of motor vehicle licences now falls under *Transfers and subsidies to: Provinces and municipalities*, in line with changes in the SCOA classification, these funds will not be transferred to any municipality, and hence these are excluded from the table below.

Although these funds have been earmarked for transfer to municipalities, the transfer is dependent upon the provision of satisfactory services in line with SLAs signed by municipalities. The purpose of the transfer is to subsidise primary health care for services provided by local authorities/municipal clinics. Until such time as the negotiations for the take-over of these clinics has been finalised, these funds will remain in this category. Further details of amounts per grant type and per municipality are given in *Annexure – Vote 7: Health*.

Table 7.14: Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Category A	36 406	42 612	44 540	47 212	47 212	47 282	69 573	73 051	76 703
Category B	14 063	38 446	79 348	46 961	46 961	47 682	14 720	9 777	10 266
Category C	-	-	-	-	-	-	-	-	-
Unallocated/unclassified	24	-	-	-	12	242	-	-	-
Total	50 493	81 058	123 888	94 173	94 185	95 206	84 293	82 828	86 969

The increase from 2008/09 to 2014/15 in Category A, which represents the eThekweni Metro, pertains mainly to inflation, and relates to transfers to municipal clinics within the eThekweni Metro. The significant increase from the 2011/12 Adjusted Appropriation to 2012/13 relates to the department's decision to provide additional funding to meet the health funding requirements of the clinics in this Metro.

The varying trend in Category B can be ascribed to the anticipated provincialisation of the municipal clinics. It is anticipated that the majority of the municipal clinics will be taken over by the department by the end of 2011/12, and funding for the 2012/13 MTEF has only been provided for the uMhlathuze Municipality. In addition, funding has been provided in 2012/13 in the first quarter to enable the finalisation of the provincialisation of clinics in the Umlalazi Municipality (uThungulu District), as well as municipalities in the uMgungundlovu and Ilembe Districts.

Funding will continue to be provided in the 2012/13 MTEF for the eThekweni Metro and uMhlathuze Municipality, as well as some clinics for the first quarter only, as mentioned previously.

5.11 Transfers and subsidies

Table 7.15 gives a summary of spending on *Transfers and subsidies* by programme and main category.

The various trends in each programme are explained hereunder and after the table:

- *Provinces and municipalities* reflects the payment of motor vehicle licences. These were previously budgeted for under *Goods and services* but, due to a change in the SCOA classification, are now paid under *Provinces and municipalities*. The prior year figures were restated for comparison purposes.
- In Programme 1, the fluctuating trend in *Households* is mainly due to staff exit costs.
- The low base in Programme 2 against *Provinces and municipalities* in 2008/09 related mainly to the non-signing of SLAs by the municipalities. The increase in 2010/11 relates to funding for the signing of the SLAs pertaining to 2008/09 and 2009/10. The minimal reduction in 2011/12 relates to the provincialisation of some of the municipal clinics. The reduced trend in the 2012/13 MTEF relates to the anticipated provincialisation of all municipal clinics, with the exception of the eThekweni Metro and uMhlathuze Municipality.

Table 7.15: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	2 165	2 311	1 750	2 510	1 538	2 880	3 157	3 463	3 800
Provinces and municipalities	4	38	33	-	38	38	57	53	49
Motor vehicle licences	4	38	33	-	38	38	57	53	49
Households	2 161	2 273	1 717	2 510	1 500	2 842	3 100	3 410	3 751
Social benefits	2 134	2 242	1 067	2 510	1 500	2 692	3 100	3 410	3 751
Other transfer to households	27	31	650	-	-	150	-	-	-
2. District Health Services	282 953	345 058	399 201	334 819	350 004	348 951	345 980	359 207	378 785
Provinces and municipalities	50 883	82 483	124 913	94 173	96 029	96 750	86 293	84 928	89 174
Municipal clinics	50 493	81 058	123 888	94 173	94 185	95 206	84 293	82 828	86 969
Motor vehicle licences	390	1 425	1 025	-	1 844	1 544	2 000	2 100	2 205
Universities and technikons	40	-	-	-	-	-	-	-	-
University and technikons	40	-	-	-	-	-	-	-	-
Non-profit institutions	210 664	237 438	247 899	216 797	229 081	210 755	223 807	234 889	246 426
Non-profit institutions	210 664	237 438	247 899	216 797	229 081	210 755	223 807	234 889	246 426
Households	21 366	25 137	26 389	23 849	24 894	41 446	35 880	39 390	43 185
Social benefits	21 185	24 603	26 161	22 620	23 649	27 755	35 521	38 996	42 753
Other transfers to households	181	534	228	1 229	1 245	13 691	359	394	432
3. Emergency Medical Services	9 171	2 260	2 966	1 100	2 504	3 057	3 922	4 233	4 560
Provinces and municipalities	511	1 232	1 461	-	924	1 432	1 832	1 938	2 040
Motor vehicle licences	511	1 232	1 461	-	924	1 432	1 832	1 938	2 040
Households	8 660	1 028	1 505	1 100	1 580	1 625	2 090	2 295	2 520
Social benefits	762	938	937	99	142	810	1 317	1 446	1 588
Other transfers to households	7 898	90	568	1 001	1 438	815	773	849	932
4. Provincial Hospital Services	54 630	58 618	71 170	83 885	63 108	61 551	58 726	70 058	74 277
Provinces and municipalities	131	235	318	-	738	713	600	625	640
Motor vehicle licences	131	235	318	-	738	713	600	625	640
Non-profit institutions	27 103	30 051	32 600	35 692	38 770	36 238	37 742	39 628	41 611
Non-profit institutions	27 103	30 051	32 600	35 692	38 770	36 238	37 742	39 628	41 611
Households	27 396	28 332	38 252	48 193	23 600	24 600	20 384	29 805	32 026
Social benefits	15 908	14 555	18 076	31 807	15 104	15 500	18 957	27 719	29 784
Other transfers to households	11 488	13 777	20 176	16 386	8 496	9 100	1 427	2 086	2 242
5. Central Hospital Services	8 187	2 661	7 817	3 645	3 000	2 126	8 807	9 458	9 789
Provinces and municipalities	1	8	6	-	-	1	7	8	9
Motor vehicle licences	1	8	6	-	-	1	7	8	9
Households	8 186	2 653	7 811	3 645	3 000	2 125	8 800	9 450	9 780
Social benefits	639	612	5 241	2 468	2 040	1 700	6 200	6 800	7 105
Other transfers to households	7 547	2 041	2 570	1 177	960	425	2 600	2 650	2 675
6. Health Sciences and Training	56 144	59 843	68 625	82 891	95 308	94 315	107 018	128 301	136 184
Provinces and municipalities	8	14	25	-	6	16	30	32	34
Motor vehicle licences	8	14	25	-	6	16	30	32	34
Departmental agencies and accounts	5 827	6 784	7 637	8 166	8 588	8 588	9 360	9 813	10 730
HWSETA	5 827	6 784	7 637	8 166	8 588	8 588	9 360	9 813	10 730
Non-profit institutions	5 967	11 357	8 510	14 298	15 414	14 411	15 130	15 886	16 681
Non-profit institutions	5 967	11 357	8 510	14 298	15 414	14 411	15 130	15 886	16 681
Households	44 342	41 688	52 453	60 427	71 300	71 300	82 498	102 570	108 739
Social benefits	239	-	-	1 209	1 426	1 426	1 650	1 743	1 848
Other transfers to households	44 103	41 688	52 453	59 218	69 874	69 874	80 848	100 827	106 891
7. Health Support Services	34 130	27 528	10 764	13 971	13 971	13 971	15 170	16 004	18 000
Departmental agencies and accounts	34 130	27 528	10 764	13 971	13 971	13 971	15 170	16 004	18 000
Medicine Trading Account	34 130	27 528	10 764	13 971	13 971	13 971	15 170	16 004	18 000
8. Health Facilities Management	326	-	-	-	-	10 000	20 000	20 000	-
Non-profit institutions	-	-	-	-	-	10 000	20 000	20 000	-
Natal Childrens' Hospital Trust	-	-	-	-	-	10 000	20 000	20 000	-
Households	326	-	-	-	-	-	-	-	-
Social benefits	326	-	-	-	-	-	-	-	-
Total	447 706	498 279	562 293	522 821	529 433	536 851	562 780	610 724	625 395

- In Programme 2, the significant increase in *Non-profit institutions* in 2009/10 is primarily due to the finalisation of the Global Fund in December 2008. This fund supported activities at the Dream Centre, Genesis Care Centre and Ethembeni via donor funding. With the cessation of donor funding in 2008/09, the department made provision to continue the financial support from the equitable share in 2009/10. Funding for the Dream Centre ceased in 2009/10 due to the closure of the centre as a result of fraudulent activities. The reduction in the 2011/12 Main Appropriation relates mainly to the decision of the department to close the NIP sites and to manage these services centrally. The higher than anticipated 2011 wage agreement is reflected in the increased 2011/12 Adjusted Appropriation. The figures in the 2012/13 MTEF reflect inflationary increases only.

- With regard to Programme 3, the high base in 2008/09 in *Households* pertains to a legal claim against the department by the First Aid League (an outsourced service provider) of R7.883 million. In Programme 4, *Non-profit institutions* shows an increasing trend from 2008/09 mainly related to the higher than anticipated wage agreements and the introduction of OSD for doctors in those institutions which qualify.
- Programme 5's inflated amount against *Households* in 2008/09 results from a medico-legal claim against the department.
- In Programme 6, the amounts against *Departmental agencies and accounts* relate to the compulsory levy paid to the Health and Welfare Sector Education Training Authority (HWSETA) on an annual basis. The increase in 2009/10 against *Non-profit institutions* relates to the employment of additional medical interns allocated to McCords Hospital, due to the extension of the medical intern programme to two years, and the higher than anticipated wage agreements. The increase in *Households* in the 2011/12 Main and Adjusted Appropriation is ascribed to an additional amount provided for bursaries.
- In Programme 7, the increased spending against *Departmental agencies and accounts* in 2008/09 and 2009/10 is due primarily to an increase in the Medicine Trading Account, which was required to enable the provincial Medical Supply Centre to carry sufficient medical stock to meet demand. Thereafter funding is provided for inflationary increases only.
- In the 2011/12 Revised Estimate against Programme 8 and the subsequent two years, the department will transfer funds to the KZN Children's Hospital Trust for the development and refurbishment of the Children's Hospital in the eThekweni Metro.

6. Programme description

The services rendered by this department are categorised under eight programmes, further details of which are discussed below. The department fully conforms to the uniform budget structure for the Health sector. The information for each programme is given in terms of sub-programmes and economic classification, with details of economic classification given in *Annexure – Vote 7: Health*.

6.1 Programme 1: Administration

Programme 1 comprises two sub-programmes, namely Office of the MEC and Management, with the objectives of providing overall strategic leadership, co-ordination and management of activities toward the achievement of optimal health status of all the communities in the province, as well as the administration of the department in line with good governance practice. The programme also includes the formulation of policies and strategies in line with national and provincial priorities. Note that the programme structure and purposes are unchanged from 2011/12.

Tables 7.16 and 7.17 summarise information for the period 2008/09 to 2014/15. It is the department's policy to keep the allocation of this programme to a maximum of two per cent of total budget, which has been achieved over the past four years and will be maintained over the 2012/13 MTEF.

As mentioned earlier, the first charge of R758 million was implemented against the budget in 2009/10 against *Payments for financial assets* within the Management sub-programme. This is reflected as a footnote in Tables 7.16 and 7.17 above. This was, however, not paid back by the department in 2009/10, as the department again over-spent in 2009/10 against the vote as a whole. A subsequent decision made by SCOPA ruled that the first charge be dealt with by using the funding available due to the department's substantial under-spending in 2010/11. This ruling occurred after the finalisation of the department's annual financial statements, and is thus not included in the table.

Table 7.16: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Office of the MEC Management	13 782	12 441	14 452	16 491	17 508	16 842	20 318	20 159	21 284
	270 284	1 036 437	341 573	327 680	360 694	360 684	377 352	397 901	419 293
Total	284 066	1 048 878	356 025	344 171	378 202	377 526	397 670	418 060	440 577
Unauth. exp. (1 st charge) not available for spending	-	(758 000)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	284 066	290 878	356 025	344 171	378 202	377 526	397 670	418 060	440 577

Table 7.17: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	279 411	285 925	347 872	336 961	349 739	343 209	379 513	411 997	436 173
Compensation of employees	163 648	168 705	183 201	202 290	210 886	207 433	238 456	256 459	275 324
Goods and services	115 763	117 220	164 671	134 671	138 853	135 756	141 057	155 538	160 849
Interest and rent on land	-	-	-	-	-	20	-	-	-
Transfers and subsidies to:	2 165	2 311	1 750	2 510	1 538	2 880	3 157	3 463	3 800
Provinces and municipalities	4	38	33	-	38	38	57	53	49
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 161	2 273	1 717	2 510	1 500	2 842	3 100	3 410	3 751
Payments for capital assets	2 490	2 642	6 023	4 700	26 884	31 396	15 000	2 600	604
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 490	2 642	6 023	4 700	26 884	31 396	15 000	2 600	604
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	758 000	380	-	41	41	-	-	-
Total	284 066	1 048 878	356 025	344 171	378 202	377 526	397 670	418 060	440 577
Unauth. exp. (1 st charge) not available for spending	-	(758 000)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	284 066	290 878	356 025	344 171	378 202	377 526	397 670	418 060	440 577

The increasing trend in *Compensation of employees* from 2008/09, as well as the significant increase over the 2012/13 MTEF, relate to the need to improve management capacity at head office to address the challenges of service delivery. From 2012/13, additional funding was provided from the NHI conditional grant to build capacity for the management of the introduction of NHI.

The significant increase in *Goods and services* in 2010/11 pertains to the department's decision to provide for interim personnel capacity (consultants), for forensic investigations into fraud related activities, as well as operational costs. The subsequent reduction in the 2011/12 Main Appropriation results from the decision to replace consultants with permanent staff in order to address capacity constraints, as well as a change in policy to purchase computers rather than to lease them, due to the cost of contracted computer services. The budget from 2012/13 includes funding from the NHI conditional grant for operational costs to implement NHI, and additional funding to support infrastructure capacity building.

The expected expenditure against *Interest and rent on land* in the 2011/12 Revised Estimate relates to a medico-legal claim which, following arbitration, resulted in the department being ordered to pay interest.

Note that, due to an amendment of the SCOA classification for motor vehicle licences in 2011/12, the department shifted funds in respect of motor vehicle licences from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities*. The department has adjusted the historical figures for comparative purposes.

The fluctuating trend in *Transfers and subsidies to: Households* is due to staff exit costs.

The notable increase in *Machinery and equipment* in 2010/11 and in the 2011/12 Adjusted Appropriation relates primarily to the department's decision to purchase computer equipment rather than to lease it, as well as to provide new file servers to avoid the loss of critical information. In addition, funding was made available in 2011/12 for the purchasing of replacement vehicles at head office, as well as vehicles for the Ministry. In the 2012/13 MTEF, amounts are provided to replace essential equipment at a reduced rate, in line with available funding.

Service delivery measures – Programme 1: Administration

Table 7.18 illustrates the main service delivery measures relating to Programme 1. The performance indicators provided comply fully with the customised measures for the Health sector.

Table 7.18: Service delivery measures – Programme 1: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
Administration:	Human Resources				
To conduct the strategic management and overall administration of the Department of Health	• Vacancy rate for professional nurses	31%	18%	15%	13%
	• Vacancy rate for doctors	48%	31%	30%	29%
	• Vacancy rate for medical specialists	55%	54%	53%	52%
	• Vacancy rate for pharmacists	35%	30%	29%	28%
	• Medical officers per 100 000	24	26	27	27
	• Medical officers per 100 000 people in rural districts	10	15	17	28
	• Professional nurses per 100 000 people	130	139	140	142
	• Professional nurses per 100 000 people in rural districts	96	100	112	114
	• Pharmacists per 100 000 people	5	5.5	5.5	5.6
	• Pharmacists per 100 000 people in rural districts	2	2.7	2.9	3

6.2 Programme 2: District Health Services

The purpose of Programme 2: District Health Services is to render primary health care services and district hospital services. This programme comprises nine sub-programmes, which are used to facilitate identification of the different functions. The main aims of these sub-programmes are:

- To provide service planning, administration of services, managing personnel and financial administration and the co-ordination and monitoring of district health services, including those rendered by district councils and non-government organisations (NGOs).
- To render primary health care services with a nurse-driven service at clinic level, including visiting points, mobile and local authority clinics.
- To render primary health care services in respect of maternal child and women's health, geriatrics, occupational therapy, physiotherapy, psychiatry, speech therapy, communicable diseases, oral and dental health, mental health, rehabilitation and disability and chronic health.
- To render primary health care services at non-health facilities in respect of home-based care, abuse victims, mental and chronic care, school health.
- To render primary health care services related to the comprehensive management of HIV and AIDS campaigns and special projects.
- To provide services directed at providing nutrition for the malnourished members of the population.
- To render forensic pathology services and medico-legal services in the province.
- To render hospital services at general practitioner level.

Tables 7.19 and 7.20 summarise payments and estimates for Programme 2: District Health Services.

The significant allocation to this programme supports the policy of providing access to the less expensive, but most important level of health care. The programme provides for, *inter alia*, the commissioning of new clinics and community health centres, the development of district offices, and the comprehensive management of HIV and AIDS and its related diseases, especially TB.

Table 7.19: Summary of payments and estimates - Programme 2: District Health Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
District Management	150 532	121 875	133 675	150 275	166 152	175 357	200 149	210 713	224 502
Community Health Clinics	1 578 640	1 836 913	2 078 627	2 697 528	2 347 276	2 301 184	2 546 665	2 717 819	2 851 674
Community Health Centres	503 302	553 575	632 334	849 799	777 240	773 436	870 181	931 852	988 400
Community-based Services	92 769	98 850	101 399	206 571	40 000	33 204	-	-	-
Other Community Services	429 132	495 474	552 265	598 325	715 601	675 454	768 652	848 364	929 261
HIV and AIDS	1 239 365	1 534 546	1 500 250	1 925 452	1 907 312	1 907 312	2 225 423	2 652 072	3 073 536
Nutrition	21 635	90 637	36 614	64 200	56 935	56 935	47 642	50 270	51 980
Coroner Services	96 664	97 091	117 884	133 433	150 181	137 494	156 393	168 416	175 130
District Hospitals	4 020 233	4 359 717	4 677 061	5 114 241	4 739 463	4 783 082	5 138 614	5 301 777	5 750 954
Total	8 132 272	9 188 678	9 830 109	11 739 824	10 900 160	10 843 458	11 953 719	12 881 283	14 045 437

Table 7.20: Summary of payments and estimates by economic classification - Programme 2: District Health Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	7 792 667	8 815 438	9 398 002	11 213 448	10 275 918	10 316 979	11 532 669	12 436 115	13 613 029
Compensation of employees	5 264 489	5 723 862	6 452 713	7 742 028	7 147 265	7 182 366	8 014 328	8 627 440	9 442 149
Goods and services	2 528 178	3 091 576	2 945 289	3 471 420	3 128 653	3 134 613	3 518 341	3 808 675	4 170 880
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	282 953	345 058	399 201	334 819	350 004	348 951	345 980	359 207	378 785
Provinces and municipalities	50 883	82 483	124 913	94 173	96 029	96 750	86 293	84 928	89 174
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	40	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	210 664	237 438	247 899	216 797	229 081	210 755	223 807	234 889	246 426
Households	21 366	25 137	26 389	23 849	24 894	41 446	35 880	39 390	43 185
Payments for capital assets	56 570	28 182	29 921	191 557	274 200	177 488	75 070	85 961	53 623
Buildings and other fixed structures	138	-	-	-	-	-	-	-	-
Machinery and equipment	56 432	28 182	29 921	191 557	274 200	177 488	75 070	85 961	53 623
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	82	-	2 985	-	38	40	-	-	-
Total	8 132 272	9 188 678	9 830 109	11 739 824	10 900 160	10 843 458	11 953 719	12 881 283	14 045 437

The gradual decrease in the allocation to this programme from 47.5 per cent of the department's annual budget in 2008/09, to 46 per cent in 2014/15, relates mainly to the restructuring of the department and the reclassification of some of the district hospitals as general hospitals.

The significant increases in this programme over the seven-year period relate to the various higher than anticipated wage agreements and the carry-through costs of the various OSDs for medical personnel and other categories of staff from 2008/09 onward. Also contributing was additional funding provided to assist with inflationary increases in medical supplies and services and to improve infant and child mortality rates, substantial increase in the funding for HIV and AIDS each year, as well as a provision for an improvement in the general health capacity in 2011/12. Further amounts were allocated for national priorities from 2011/12, with carry-through costs over the 2012/13 MTEF, to provide for capacity building for personnel and *Goods and services*, funding for family health team pilots/models, improving hospital norms and standards, and the general policy adjustment. In addition, the NHI grant commences from 2012/13, aimed at establishing two pilot districts in line with the implementation of NHI. This funding provides for additional personnel, contracting private practitioners and private services.

The decrease in the sub-programme: District Management in 2009/10 is a result of enforced savings and the non-filling of posts in an effort to remain within budget. The increase in the 2011/12 Main and Adjusted Appropriation relates to planned capacity building at district office level in order to improve service delivery within the districts, as well as the higher than anticipated 2011 wage agreement. The 2012/13 MTEF provides additional funding from the NHI conditional grant for supporting the establishment of two pilot districts within the province, as well as the carry-through costs of the relevant wage agreements and inflationary costs.

The notable increase in 2009/10 and the strong growth thereafter in the Community Health Clinics and Community Health Centres sub-programmes includes additional funding for the various wage

agreements, the OSDs for medical personnel, funding for inflationary costs in medical related goods and services and reducing infant and child mortality. The increase from 2011/12 is due to national priority funding for additional posts and *Goods and services*, family health team pilots/models and for the general policy adjustment, as well as funding to encourage growth in primary health care service delivery. The reduction in the 2011/12 Adjusted Appropriation in these two sub-programmes is caused by the filling of posts being slower than anticipated, which also affected *Goods and services*.

The notable decrease in the sub-programme: Community-Based Services in the 2011/12 Adjusted Appropriation results from the absorption of the majority of the community health workers into the HIV and AIDS sub-programme and the department's decision to take over the management of the HIV and AIDS NIP sites from the NGOs, in an effort to minimise fraud. The Social Sector EPWP Integrated Grant for Provinces is being phased out from 2012/13 and a decision was taken to place all community health workers' expenditure into the other sub-programmes within Programme 2: District Health Services, where the costs are incurred, hence no further funding in this sub-programme from 2012/13 onward.

The increase in 2009/10 in the sub-programme: Other Community Services is due to the introduction of community nursing services and the additional intake of community doctors resulting from the extension of the medical intern programme to two years, as well as the OSDs for medical personnel. Included from the 2011/12 Adjusted Appropriation is additional funding for expanding school health teams and for the higher than anticipated 2011 wage agreement.

The steady growth in the HIV and AIDS sub-programme relates mainly to the increasing provision of the Comprehensive HIV and AIDS grant to cater for the increasing uptake of patients on ARV therapy. An additional R20 million was provided in 2010/11 for male circumcision. Despite this allocation, there was an overall decrease in this sub-programme in 2010/11 resulting from the decision to move equitable share funding to the sub-programmes: Community Health Clinics and Community Health Centres to provide better access for HIV and AIDS patients at these facilities. Additional funds were allocated in the 2012/13 MTEF to assist with the increase of the ARV threshold to a CD4 count of 350. Of note is the fact that the Comprehensive HIV and AIDS grant has been reduced by R20.638 million and R22.980 million in the first two years of the 2012/13 MTEF, respectively. In 2014/15, this grant was increased by R398.455 million to R3.074 billion.

The significant increase in the sub-programme: Nutrition in 2009/10 includes funding for food packs for TB and HIV and AIDS patients, which was consolidated into this programme. The decreasing trend from 2010/11 is due to cost-cutting.

The sub-programme: Coroner Services, which was transferred from the SAPS from 1 April 2006, was funded through the Forensic Pathology Services grant from 2008/09 to 2011/12. From 2012/13, these services will be paid from the department's equitable share. The increase in the 2011/12 Adjusted Appropriation was provided from the department's equitable share to cover the cost of the OSD for mortuary workers, for which no funding was provided in the grant. Otherwise, figures across the seven years include the various wage agreements and inflationary increases only.

In the sub-programme: District Hospitals, the high figure in 2009/10 relates to the various OSDs for medical personnel, the 2009 wage agreement, as well as the escalating costs of laboratory services and inflationary expenditure on medical services and supplies. The increase in 2010/11 is due to the 2010 wage agreement, additional funding for the OSDs for medical personnel, as well as funding reprioritised from other areas to offset spending pressures. The decrease in the 2011/12 Adjusted Appropriation and Revised Estimate relates to the reclassification of some district hospitals to general hospitals, restructuring of the service delivery programmes in line with national priorities, and the slower than expected filling of posts. Growth over the 2012/13 MTEF includes funding for national priorities to improve hospital norms and standards, as well as funding for the various OSDs, capacity building and the general policy adjustment.

The increase in *Compensation of employees* from 2008/09 onward is mainly due to the OSDs for medical personnel and other categories of staff, as well as the various wage agreements. In the 2011/12 Main

Appropriation, additional funding includes allocations for national priorities, including improvements to hospital norms and standards, the implementation of family health team pilots, capacity building and the general policy adjustment. The decrease in the 2011/12 Adjusted Appropriation relates to the slower than anticipated filling of posts, as well as the reclassification of some district hospitals as general hospitals. From 2012/13, additional funding was included from the NHI grant to provide administrative support at district management level for two districts to undertake pilot projects, as well as to recruit support staff within the sub-programme: Other Community Services, to initiate contracts to involve the private medical sector in the implementation of the NHI. In 2014/15, an additional R198.455 million was included in *Compensation of employees* from the Comprehensive HIV and AIDS grant, to improve treatment access.

The fluctuating trend in *Goods and services* is mainly due to the variable CPI over the period, higher than anticipated medical inflation, the increase in the cost of NHLS, as well as the increase in the number of patients suffering from HIV and AIDS and TB. The reduction in 2010/11 relates to the decision by the department to reduce the equitable share of the HIV and AIDS sub-programme to offset expenditure for HIV and AIDS patients in other programmes, as well as the decrease in the inflation on medicines, especially ARVs due to the strengthening of the rand and improved contract negotiation, and the pegging of the NHLS expenditure to the previous year's contract. In addition to carry-through costs from previous allocations, funding for national priorities in 2011/12 provides for family health teams, the general policy adjustment, capacity building and, in 2012/13 and 2013/14, additional funding to reduce the ARV threshold to a CD4 count of 350. The carry-through costs of these initiatives are reflected in 2014/15. Additional funding has been provided in the 2012/13 MTEF from the NHI grant to implement a pilot programme in two districts and to contract private practitioners and other private services to co-operate with the department in the provision of medical services.

The fluctuations in *Transfers and subsidies to: Provinces and municipalities* are mainly due to the uncertainty of the provincialisation process of the municipal clinics, as well as the non-signing of SLAs. The increase in 2009/10 results from the signature of some of the 2008/09 SLAs while the increase in 2010/11 provides for payment of those SLAs that were not signed in 2008/09 and 2009/10. The decrease in the 2011/12 Main Appropriation results from provincialisation of some of the clinics. The reduction in the 2012/13 budget allocation relates to the planned provincialisation of most of the clinics, with the exception of the eThekweni Metro and uMhlathuze Municipality. The allocation in 2012/13 includes funding for the first quarter to cover those institutions which are still in the process of being provincialised. The increase in the outer years of the 2012/13 MTEF reflects inflationary increases only.

The reduction in *Transfers and subsidies to: Non-profit institutions* in the 2011/12 Revised Estimate relates primarily to an over-provision in the 2011/12 Adjusted Appropriation for additional subsidies, as well as salaries. The amounts allocated in the 2012/13 MTEF provide for inflationary increases only.

The reduction in *Machinery and equipment* in 2009/10 results from enforced savings. The minimal increase in 2010/11 relates to the need to provide additional motor vehicles for the TB programme, as well as essential equipment at district hospitals, which had been steadily deteriorating. The significant increases in the 2011/12 Main and Adjusted Appropriation provide for the replacement of the steadily deteriorating essential equipment at institutions, as well as for mobile clinics and other service delivery related vehicles. In the 2012/13 MTEF, amounts are provided to replace essential equipment at a reduced rate, in line with available funding.

Service delivery measures – Programme 2: District Health Services

It should be noted that a significant number of patients suffering from TB are treated in community clinics and community health centres within Programme 2. TB patients who have been admitted and discharged from hospital are monitored at clinics and community health centres. For this reason, TB statistics have been included in this programme.

Table 7.21 illustrates the main service delivery measures of Programme 2: District Health Services. The performance indicators provided comply fully with the customised measures for the Health sector.

Table 7.21: Service delivery measures – Programme 2: District Health Services

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
1. Clinics and Community Health Centres						
To provide facilities for patients to be treated at PHC level	Provincial PHC expenditure per uninsured person	R322	R335	R348	R359	
	Utilisation rate – PHC	2.7	2.6	2.6	2.7	
	Utilisation rate under 5 years - PHC	4.3	4.6	4.7	4.8	
	Fixed PHC facilities with a monthly supervisory visit rate	72.5%	67.1%	71.1%	75.4%	
	Expenditure per PHC headcount	R100	R115	R120	R127	
	CHCs/CDCs resident doctor rate	94.5%	100%	100%	100%	
	No. of PHC facilities assessed for compliance against the 6 priorities of the core standards	21.3%	100%	100%	100%	
2. District Hospitals						
Rendering of a hospital service at district level	Average length of stay	6 Days	5.9 Days	5.7 Days	5.6 Days	
	Bed utilisation rate	61.7%	64.9%	66.3%	67.8%	
	Separations - total	320 934	345 570	360 534	376 037	
	Patient day equivalent - total	2 983 414	3 122 617	3 247 521	3 377 422	
	Out-patients departments (OPD) headcount - total	2 540 482	2 824 155	2 933 604	3 173 220	
	Caesarean section rate	27.2%	27%	26.4%	26%	
	Expenditure per patient day equivalent (PDE)	R1 695	R1 720	R1 751	R1 779	
	% of complaints of users of district hospital services resolved within 25 days	67.5%	100%	100%	100%	
	% of district hospitals with monthly mortality and morbidity meetings	100%	100%	100%	100%	
	District Hospital patient satisfaction rate	100%	100%	100%	100%	
	No. of district hospitals assessed for compliance against the 6 priorities of the core standards	100%	100%	100%	100%	
3. HIV and AIDS, TB and STI control						
Rendering a primary health care service in respect of HIV and AIDS, TB and STI Control	Total no. of patients (children and adults) on ART	464 702	785 431	846 919	1 143 341	
	Male condom distribution rate	7.5	14	15	15	
	New smear positive PTB cure rate	69.7%	73.3%	78.9%	85%	
	New smear positive PTB defaulter rate	10.2%	8.2%	6.2%	>5%	
	PTB 2 month smear conversion rate	68%	74%	79.4%	85%	
	% of HIV-TB co-infected patients placed on ART	54.2%	90%	95%	95.5%	
	HCT testing rate	92.4%	95%	95%	95%	
4. Maternal, child and women health						
Rendering a comprehensive and integrated maternal, child and women health at primary health care level	Immunisation coverage under 1 year old	91.3%	90%	90%	90%	
	Vitamin A coverage 12 - 59 months	30.1%	40%	44.9%	50.9%	
	Measles 1 st dose under 1 year coverage	93.4%	90%	90%	90%	
	Pneumococcal vaccine (PCV) 3rd dose coverage	92.4%	90%	90%	90%	
	Rota Virus (RV) 2nd dose coverage	110.8%	90%	90%	90%	
	Cervical cancer screening coverage	102.4%	70%	70%	70%	
	Antenatal visits before 20 weeks rate	38.5%	50%	56%	60%	
	Baby tested PCR positive 6 weeks after birth as a proportion of babies tested at 6 weeks	4.7%	<2%	<2%	>2%	
	Couple year protection rate	22%	28.9%	38%	44.6%	
	Facility Maternal mortality rate	224/100 000	165/100 000	140/100 000	119/100 000	
	Delivery rate for women under 18 years	10%	8.5%	8%	7.5%	
	Facility infant mortality (under 1) rate	8.5%	8.9%	8.7%	8.4%	
	Facility Child mortality (under 5) rate	6.8%	7.4%	7.2%	7%	
5. Disease prevention and control						
Rendering preventive and promotive health services	Malaria case fatality rate	>1%	>1%	>1%	>1%	
	Cholera fatality rate	0%	0%	0%	0%	
	Cataract surgery rate	140/1 million	144/1 million	160/1million	145 /1 million	

6.3 Programme 3: Emergency Medical Services

The purpose of Programme 3: Emergency Medical Services is to render pre-hospital emergency medical services, including inter-hospital transfers and planned patient transport. The policy of implementing

emergency medical services and focusing on the under-served areas, which is in line with the provincial priority of eradicating inequity, faces various expenditure pressures and challenges. Such challenges include the need to appoint additional staff to accommodate the expansion of the programme, the high rate of inflation on EMS vehicles, and the cost of fuel.

In addition, poverty and topography are major cost drivers for both the Emergency Transport and Planned Patient Transport sub-programmes.

Tables 7.22 and 7.23 below summarise payments and budgeted estimates pertaining to Programme 3.

Table 7.22: Summary of payments and estimates - Programme 3: Emergency Medical Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Emergency Transport	636 096	741 331	809 447	883 803	1 001 027	996 638	1 007 942	1 037 149	1 097 201
Planned Patient Transport	36 264	41 001	32 603	42 944	34 400	40 359	37 946	40 694	43 097
Total	672 360	782 332	842 050	926 747	1 035 427	1 036 997	1 045 888	1 077 843	1 140 298

Table 7.23: Summary of payments and estimates by economic classification - Programme 3: Emergency Medical Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	590 257	710 728	753 033	809 271	864 147	865 164	971 966	1 043 610	1 105 738
Compensation of employees	381 733	486 534	521 434	559 234	595 893	592 279	691 586	739 997	791 797
Goods and services	208 524	224 194	231 599	250 037	268 254	272 885	280 380	303 613	313 941
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	9 171	2 260	2 966	1 100	2 504	3 057	3 922	4 233	4 560
Provinces and municipalities	511	1 232	1 461	-	924	1 432	1 832	1 938	2 040
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	8 660	1 028	1 505	1 100	1 580	1 625	2 090	2 295	2 520
Payments for capital assets	72 932	69 344	85 781	116 376	168 776	168 776	70 000	30 000	30 000
Buildings and other fixed structures	-	-	19	-	-	-	-	-	-
Machinery and equipment	72 932	69 344	85 762	116 376	168 776	168 776	70 000	30 000	30 000
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	270	-	-	-	-	-	-
Total	672 360	782 332	842 050	926 747	1 035 427	1 036 997	1 045 888	1 077 843	1 140 298

The increasing trend over the seven-year period under review is largely due to funding provided to appoint additional staff and to purchase additional vehicles to accommodate the expansion of the programme in preparation for the 2010 World Cup, as well as the planned expansion of emergency medical services to the under-served areas in KZN. The significant increase in 2009/10 is due to the higher than anticipated 2009 wage agreement, the OSD for emergency medical workers, and additional costs incurred through preparations for the 2010 World Cup. The increase in 2010/11 includes an additional R60 million for the 2010 World Cup, which contributed toward the drive to meet the national norms for this service. The significant increase in the 2011/12 Adjusted Appropriation relates to the once-off provision of funding for additional personnel, and additional emergency medical vehicles. Funding for the vehicles was reduced in the 2012/13 MTEF and will be revisited when funds are available.

The overall increase in the trend in the sub-programme: Planned Patient Transport results from the successful implementation of the inter-hospital transfer programme.

The increase in *Compensation of employees* from 2009/10 onward relates to the higher than anticipated 2009 wage agreement, introduction of the OSDs for emergency personnel, as well as reprioritisation of funding to bring the salaries of the emergency medical workers in line with those in the other provinces, in order to retain staff and to avoid strike action.

The main cost drivers under *Goods and services* are fuel and repairs to emergency vehicles, the latter being related to the rough terrain in the rural areas of the province. These costs will increase as the service

expands, with a related increase in the size of the fleet. The increase in the 2011/12 Revised Estimate relates mainly to an increase in fuel costs and the costs of maintaining vehicles. The allocations in the 2012/13 MTEF provide for inflation only.

Note that, due to an amendment of the SCOA classification for motor vehicle licences in 2011/12, the department shifted funds in respect of motor vehicle licences from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities*. The department has adjusted the historical figures for comparative purposes.

With regard to *Transfers and subsidies to: Households*, the inflated amount in 2008/09 pertains to a legal claim against the department by the First Aid League.

The increased amount in 2008/09 against *Machinery and equipment* relates to the late delivery of emergency vehicles ordered in 2007/08. In 2009/10, funding was moved from this category to *Compensation of employees* in order to align the salaries of the emergency medical workers with those in the other provinces. The sharp increase in the 2011/12 Main and Adjusted Appropriation provides for the purchasing of additional emergency vehicles, supporting the drive to meet the national norms for this service. The reduced amount over the 2012/13 MTEF relates to reprioritisation of funding, which will be reviewed during 2012/13.

Service delivery measures – Programme 3: Emergency Medical Services

Table 7.24 below illustrates the main service delivery measures pertaining to Programme 3. The performance indicators provided comply fully with the customised measures for the Health sector.

Table 7.24: Service delivery measures – Programme 3: Emergency Medical Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
Emergency Medical Services					
Rendering emergency medical services including ambulance services, special operations, communications and air ambulance services	• % of P1 calls with a response time of <15 minutes in an urban area	12.5%	20%	25%	30%
	• % of P1 calls with a response time of <40 minutes in a rural area	35.5%	50%	55%	60%
	• % of all calls with response time within 60 minutes	51.4%	55%	60%	65%
	• Rostered ambulances per 100 000 population	0.17	0.45	0.5	0.6

6.4 Programme 4: Provincial Hospital Services

The purpose of this programme is the delivery of hospital services which are accessible, appropriate and effective and the provision of general specialist services including a specialised rehabilitation service, and a platform for training health professionals and research. Programme 4 comprises five sub-programmes, with the following main objectives:

- To render regional hospital services at a general specialist level and a platform for training of health workers and research.
- To render hospital services for tuberculosis, including multi-drug resistance.
- To render specialist psychiatric hospital services for people with mental illness and intellectual disability and providing a platform for training of health workers and research.
- To provide medium to long-term care to patients who require rehabilitation and/or a minimum degree of active medical care but cannot be sent home.
- To render an affordable and comprehensive oral health service, based on primary health care.

Tables 7.25 and 7.26 summarise payments and estimates relating to Programme 4.

Table 7.25: Summary of payments and estimates - Programme 4: Provincial Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
General (Regional) Hospitals	3 169 928	3 664 133	4 161 998	4 670 222	5 466 358	5 548 041	5 989 701	6 436 857	6 831 380
Tuberculosis Hospitals	653 625	787 273	837 104	976 783	907 127	800 107	787 875	843 900	896 988
Psychiatric/Mental Hospitals	451 429	509 621	540 326	592 947	597 802	581 596	655 155	702 227	746 171
Sub-acute, Step-down and Chronic Medical Hospitals	93 865	99 578	102 531	111 323	110 279	108 787	119 006	127 427	134 682
Dental Training Hospitals	9 967	10 685	12 266	14 907	14 739	14 923	16 652	17 778	18 465
Total	4 378 814	5 071 290	5 654 225	6 366 182	7 096 305	7 053 454	7 568 389	8 128 189	8 627 686

Table 7.26: Summary of payments and estimates by economic classification - Programme 4: Provincial Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	4 299 744	4 994 773	5 563 408	6 195 587	6 895 024	6 890 388	7 490 163	8 036 151	8 550 909
Compensation of employees	3 015 350	3 520 810	4 112 995	4 433 228	5 221 180	5 233 460	5 531 354	5 931 894	6 365 528
Goods and services	1 284 394	1 473 963	1 450 413	1 762 359	1 673 844	1 656 928	1 958 809	2 104 257	2 185 381
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	54 630	58 618	71 170	83 885	63 108	61 551	58 726	70 058	74 277
Provinces and municipalities	131	235	318	-	738	713	600	625	640
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	27 103	30 051	32 600	35 692	38 770	36 238	37 742	39 628	41 611
Households	27 396	28 332	38 252	48 193	23 600	24 600	20 384	29 805	32 026
Payments for capital assets	24 440	17 884	17 730	86 710	138 158	101 500	19 500	21 980	2 500
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	24 440	17 884	17 730	86 710	138 158	101 500	19 500	21 980	2 500
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	15	1 917	-	15	15	-	-	-
Total	4 378 814	5 071 290	5 654 225	6 366 182	7 096 305	7 053 454	7 568 389	8 128 189	8 627 686

The sustained growth in this programme over the seven-year period relates to the various wage agreements, the OSD for medical personnel and the high inflation rates on *Goods and service* (especially medical supplies and services) in 2008/09 and 2009/10, as well as the take-over of laboratories by the NHLS. Further contributing factors include the carry-through costs of the MDR/XDR TB facilities opened in the Greytown, Murchison and Thulasizwe Hospitals. The large increase in 2010/11 includes the correction of an allocation for registrars from Programme 5: Central Hospitals Services to this programme, as well as savings from the equitable portion of the HIV and AIDS sub-programme, which were used to offset the costs of unfunded mandates in respect of OSDs, mainly for medical personnel. In 2011/12, funding was provided as a once-off payment for essential equipment and motor vehicles. A number of the district hospitals were also reclassified as general hospitals, and the funding moved into this programme. Other allocations included funding for various national priorities. The funding provided in the 2012/13 MTEF includes the carry-through costs for previous wage agreements, OSDs and national health priorities, with a reduction in equipment in line with earlier trends.

The increase in the sub-programme: General (Regional) Hospitals in 2009/10 relates mainly to various OSDs and wage agreements, the high inflation rate on foodstuffs and medical supplies and services, as well as the take-over of the laboratory services by NHLS in 2008/09. The significant increase in 2009/10 is also due to increased patient demand for services. The increase in 2010/11 includes additional funding for the OSDs for medical personnel. The significant increase in 2011/12 relates to funding for national priorities for *Goods and services*, registrars, improvement of public norms and standards, OSDs for medical personnel, as well as the provision of once-off funding for essential equipment in compliance with the introduction of NHI. In addition, a number of district hospitals were reclassified as general hospitals and are now included in this programme. The allocations for the 2012/13 MTEF relate mainly to the carry-through costs for the national priorities and wage agreements from the previous years.

The Tuberculosis Hospitals sub-programme shows steady growth from 2008/09 to 2011/12 related to the various wage agreements, the various OSDs and provision for the treatment of MDR/XDR TB, including the establishment of specialised TB hospitals in line with national policy. Additional funding was also

provided in 2011/12 under *Goods and services* for the purchasing of patient clothing and bed linen. The reduction in the 2012/13 MTEF relates mainly to the decision to move funding to other categories of hospitals, which are also dealing with TB, primarily district hospitals and regional hospitals.

The increasing trend in the sub-programme: Psychiatric/Mental Hospitals relates mainly to the various wage agreements and OSDs. The 2012/13 MTEF includes the carry-through costs of previous wage agreements, OSD and inflationary increases only.

The increase in the sub-programme: Sub-acute, Step-down and Chronic Medical Hospitals in 2010/11 relates to the movement of the Montebello Chronic Sick Home from Programme 2: District Health Services, as it is more appropriately placed here with regard to its service delivery. Included in the increasing trend are the higher than anticipated annual wage agreements, OSD expenditure and carry-through costs thereof. Additional funding was provided in 2011/12 to purchase patient clothing and bed linen. The 2012/13 MTEF includes the carry-through costs of previous wage agreements, OSD and inflationary increases only.

The increase in 2009/10 against *Compensation of employees* relates mainly to the various OSDs and wage agreements. The increase from the 2011/12 Main Appropriation includes a portion of the funding for the improvement of the general health capacity provided as a national priority in the 2009/10 MTEF, as well as the carry-through costs of the various OSDs and wage agreements. Funding was provided in 2011/12 for national priorities for addressing personnel capacity, registrars, improving hospital norms and standards, as well as the general policy adjustment. In addition, a number of district hospitals were reclassified as general hospitals, which accounts for the increase in this category in the 2011/12 Adjusted Appropriation. The 2012/13 MTEF reflects the carry-through costs for the various projects mentioned, as well as funding for OSDs and various wage agreements.

The notable increase in *Goods and services* from 2008/09 to 2009/10 is mainly due to significant increases in laboratory services fees and the cost of medicines and medical supplies related to the high rate of medical inflation. The decrease in 2010/11 and the 2011/12 Adjusted Appropriation can largely be ascribed to the lower cost of medicines and medical supplies mainly due to the intensive utilisation of transversal contracts, the curbing of fraud and cost-cutting. Included from 2011/12 onward, is national priority funding for improving norms and standards at public hospitals, additional capacity for purchasing *Goods and services* and funding for the general policy adjustment.

Note that, due to an amendment of the SCOA classification for motor vehicle licences in 2011/12, the department shifted funds in respect of motor vehicle licences from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities* in the 2011/12 Adjusted Appropriation. The department has adjusted the historical figures for comparative purposes.

The increase in *Transfers and subsidies to: Non-profit institutions* in 2009/10 relates to the introduction of the OSD for doctors in those institutions which qualify. The higher than anticipated wage agreements also impact on this category. The increase in 2010/11 relates to the movement of the Montebello Chronic Sick Home from Programme 2, as it is more appropriately placed here with regard to its service delivery, as well as the impact of the 2010 and 2011 wage agreements. The reduction in the 2011/12 Revised Estimate relates primarily to an over-provision in the 2011/12 Adjusted Appropriation for additional subsidies, as well as salaries. The amounts allocated in the 2012/13 MTEF provide for inflationary increases only.

The increase in *Transfers and subsidies to: Households* in 2010/11 relates to a number of medico-legal claims against the department. The reduced amount provided in the 2011/12 Adjusted Appropriation corrects the over-allocation in the 2011/12 Main Appropriation.

The decrease in *Machinery and equipment* in 2009/10 and 2010/11 relates mainly to cost-cutting. The increase in the 2011/12 Main Appropriation and the Adjusted Appropriation relate to the need to replace essential equipment, especially at regional provincial hospitals on a once off basis. The reduced amount over the 2012/13 MTEF relates to reprioritisation of funding, which will be reviewed during 2012/13.

Service delivery measures – Programme 4: Provincial Hospital Services

Table 7.27 below illustrates the main service delivery measures pertaining to Programme 4. The measures comply fully with the customised measures of the health sector.

Table 7.27: Service delivery measures – Programme 4: Provincial Hospital Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
General (Regional) Hospitals					
Rendering of hospital services at a general specialist level and a platform for training of health workers and research	• Average length of stay	5.5 Days	5.2 Days	5.1 Days	4.9 Days
	• Bed utilisation rate	71.6%	70%	72%	74%
	• Separations – total	377 202	383 343	394 077	405 111
	• Patient-day equivalent (PDE) – total	3 510 522	3 465 001	3 707 551	3 967 080
	• Total OPD headcount	3 429 388	3 483 411	3 796 918	4 138 641
	• Caesarean section rate	41.2%	38.4%	38%	37.6%
	• Cost per day patient equivalent (Rand)	R1 390	R1 425	R1 510	R1 560
	• % of complaints of users of regional hospitals services resolved within 25 days	74.6%	100%	100%	100%
	• % of regional hospitals with monthly mortality and morbidity meetings	100%	100%	100%	100%
	• % of regional hospitals assessed for compliance against the 6 priorities of the core standards	100%	100%	100%	100%
• Regional Hospital patient satisfaction rate	100%	100%	100%	100%	

6.5 Programme 5: Central Hospital Services

The main purpose of Programme 5: Central Hospital Services is to provide tertiary health services and to create a platform for the training of health workers. Tables 7.28 and 7.29 below summarise payments and budgeted estimates relating to this programme.

Table 7.28: Summary of payments and estimates - Programme 5: Central Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Central Hospital Services	502 028	506 868	689 745	742 612	668 142	673 782	873 229	873 335	915 596
Provincial Tertiary Hospital Services	1 319 193	1 552 267	1 413 678	1 731 370	1 790 286	1 725 058	1 786 130	1 919 989	2 038 163
Total	1 821 221	2 059 135	2 103 423	2 473 982	2 458 428	2 398 840	2 659 359	2 793 324	2 953 759

Table 7.29: Summary of payments and estimates by economic classification - Programme 5: Central Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	1 547 758	1 747 565	1 882 846	2 193 724	2 197 498	2 145 870	2 410 552	2 573 886	2 797 709
Compensation of employees	717 374	802 490	942 537	1 115 927	1 157 026	1 143 510	1 228 839	1 316 924	1 467 649
Goods and services	830 384	945 075	940 309	1 077 797	1 040 472	1 002 360	1 181 713	1 256 962	1 330 060
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	8 187	2 661	7 817	3 645	3 000	2 126	8 807	9 458	9 789
Provinces and municipalities	1	8	6	-	-	1	7	8	9
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	8 186	2 653	7 811	3 645	3 000	2 125	8 800	9 450	9 780
Payments for capital assets	265 276	308 909	212 705	276 613	257 930	250 844	240 000	209 980	146 261
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	265 276	308 909	212 705	276 613	257 930	250 844	240 000	209 980	146 261
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	55	-	-	-	-	-	-
Total	1 821 221	2 059 135	2 103 423	2 473 982	2 458 428	2 398 840	2 659 359	2 793 324	2 953 759

The positive trend is due to the increasing demand for tertiary and central hospital services and the introduction of the initiative for the modernisation of tertiary services in 2007/08, as well as the various OSDs for medical personnel, annual wage agreements and related carry-through costs. The significant increase from 2008/09 to 2009/10 relates mainly to the high inflation rate on medicines, medical supplies and service costs and the Rand/Dollar exchange rate. The 2011/12 amounts include additional funding for capacity building from the 2009/10 MTEF and additional funding provided over the 2011/12 MTEF for national priorities, including the various OSDs, registrars, improvement of public hospital norms and standards, as well as funding for the previously mentioned general policy adjustment. The 2012/13 MTEF allocations include the carry-through costs of previous wage agreements, OSDs, and national priorities. Funding was also provided from the NHI grant to establish a pilot programme at two central/ provincial tertiary hospitals, namely Inkosi Albert Luthuli Central and King Edward VIII Hospitals.

The increasing trend in *Compensation of employees* includes the higher than anticipated annual wage agreements and the carry-through costs of the OSDs for medical personnel. The increase in 2011/12 is also due to funding for the improvement of general health capacity, as well as the national priorities mentioned above. The increase in the 2011/12 Adjusted Appropriation provides for the filling of essential posts. Allocations to the 2012/13 MTEF comprise carry-through costs for previous wage agreements and national priorities, increases in the National Tertiary Services grant and additional funding provided for the two pilot hospital projects mentioned above.

The notable increase in *Goods and services* from 2008/09 to 2009/10 is mainly due to the high inflation rate on medical supplies, medicines and medical services and the rand/dollar exchange rate. The reduction in 2010/11 relates mainly to the availability of cheaper medicines and medical supplies, as well as the use of transversal contracts and the benefits of economies of scale. The 2011/12 allocations include funding from the 2009/10 MTEF for national priorities for building capacity, improving the standards and norms in public hospitals and funding for the general policy adjustment. The reduction in the 2011/12 Adjusted Appropriation relates to an over allocation to this category in the 2011/12 Main Appropriation due to the factors mentioned previously. The allocations for the 2012/13 MTEF include the carry-through costs for the national priorities and funding from the NHI grant for the two pilot hospitals mentioned above.

Due to an amendment of the SCOA classification for motor vehicle licences in 2011/12, the department shifted funds in respect of motor vehicle licences from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities* in the 2011/12 Adjusted Appropriation. The department has adjusted the historical figures for comparative purposes.

The inflated figures in *Transfers and subsidies to: Households* in 2008/09 and 2010/11 relate to medico-legal claims against the department.

The notable increase in *Machinery and equipment* in 2009/10 is due to additional funding provided for the modernisation of tertiary services. The increase in 2011/12 relates mainly to the modernisation and expansion of tertiary services and specific funding provided to Grey's Hospital. The reduced amount over the 2012/13 MTEF relates to reprioritisation of funding, which will be reviewed during 2012/13.

Service delivery measures – Programme 5: Central Hospital Services

Table 7.30 illustrates service delivery measures pertaining to Programme 5: Central Hospital Services. The measures comply fully with the customised measures of the health sector.

Table 7.30: Service delivery measures – Programme 5: Central Hospital Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
1. National Central Hospitals					
Rendering of a highly specialised medical health and quaternary service on a national basis and a platform for the training of health workers and research	• Average length of stay	9.4 Days	9 Days	8.8 Days	8.5 Days
	• Bed utilisation rate	80.9%	75%	75%	75%
	• Separations - total	24 068	23 601	24 899	26 269

Table 7.30: Service delivery measures – Programme 5: Central Hospital Services

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
	• Patient day equivalent – total	285 654	259 151	268 221	277 609	
	• OPD headcount – total	178 234	176 971	183 164	189 575	
	• Caesarean section rate	70.6%	69.8%	69.1%	68.4%	
	• Expenditure per day patient equivalent (Rand)	R9 058	R9 100	R1 400	R1 500	
	• % of complaints of users of central hospital services resolved within 25 days	91.7%	100%	100%	100%	
	• % of national central hospitals with monthly mortality and morbidity meetings	100%	100%	100%	100%	
	• Central hospital patient satisfaction rate	100%	100%	100%	100%	
	• % of national central hospitals assessed for compliance against the 6 priorities of the core standards	100%	100%	100%	100%	

2. Provincial Tertiary Hospital Services

To provide tertiary health services and create a platform for the training of health workers	• Average length of stay	10.2 days	9.8 days	9.5days	9 days	
	• Bed utilisation rate	72.8%	75%	75%	75%	
	• Total separations	13 160	13 265	13 928	14 624	
	• Patient day equivalent – total	177 840	197 969	204 897	212 069	
	• OPD headcount – Headcount	233 194	215 511	223 054	230 861	
	• Caesarean section rate	72.2%	68.6%	67.7%	67.2%	
	• Expenditure per day patient equivalent (Rand)	R3 490	R3 500	R3 600	R3 700	
	• % of complaints of users of tertiary hospitals services resolved within 25 days	100%	100%	100%	100%	
	• % of tertiary hospitals with monthly mortality and morbidity meetings	100%	100%	100%	100%	
	• Tertiary hospital patient satisfaction rate	100%	100%	100%	100%	
	• % of tertiary hospitals assessed for compliance against the 6 priorities of the core standards	100%	100%	100%	100%	

6.6 Programme 6: Health Sciences and Training

The purpose of this programme is to render training and development opportunities for actual and potential employees of the department. The five sub-programmes have the following main aims:

- To provide for training of nurses at under-graduate and post-basic level.
- To provide training of rescue and ambulance personnel.
- To provide PHC related training for personnel.
- To provide skills development interventions for all occupational categories in the department.
- To provide bursaries for health science training at undergraduate and post-graduate levels.

Tables 7.31 and 7.32 summarise information relating to Programme 6 for the period 2008/09 to 2014/15.

Table 7.31: Summary of payments and estimates - Programme 6: Health Sciences and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Nurse Training Colleges	336 812	362 719	386 132	424 816	406 550	381 806	415 128	442 235	470 956
EMS Training Colleges	16 969	19 338	14 118	19 234	13 379	12 656	19 842	16 531	17 086
Bursaries	44 894	42 454	54 272	63 142	80 160	78 116	107 738	133 818	141 572
Primary Health Care Training	65 343	76 238	73 061	78 945	60 412	59 371	67 925	72 695	77 769
Training Other	212 583	292 437	323 560	347 305	384 086	364 850	387 418	414 311	441 975
Total	676 601	793 186	851 143	933 442	944 587	896 799	998 051	1 079 590	1 149 358

Table 7.32: Summary of payments and estimates by economic classification - Programme 6: Health Sciences and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	618 922	727 945	781 961	844 376	836 531	798 289	885 365	950 099	1 013 024
Compensation of employees	528 940	662 000	717 464	779 597	731 630	722 499	783 252	834 757	893 189
Goods and services	89 982	65 945	64 497	64 779	104 901	75 790	102 113	115 342	119 835
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	56 144	59 843	68 625	82 891	95 308	94 315	107 018	128 301	136 184
Provinces and municipalities	8	14	25	-	6	16	30	32	34
Departmental agencies and accounts	5 827	6 784	7 637	8 166	8 588	8 588	9 360	9 813	10 730
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	5 967	11 357	8 510	14 298	15 414	14 411	15 130	15 886	16 681
Households	44 342	41 688	52 453	60 427	71 300	71 300	82 498	102 570	108 739
Payments for capital assets	1 519	5 398	535	6 175	12 748	4 195	5 668	1 190	150
Buildings and other fixed structures	116	-	-	-	-	-	-	-	-
Machinery and equipment	1 403	5 398	535	6 175	12 748	4 195	5 668	1 190	150
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	16	-	22	-	-	-	-	-	-
Total	676 601	793 186	851 143	933 442	944 587	896 799	998 051	1 079 590	1 149 358

The increasing trend in this programme can largely be attributed to the training drive, increased bursary allocation and provision for the intake of medical interns, dentists, pharmacists and other interns. The significant increase in 2012/13 relates to funding to train an additional 148 learners in basic life and support skills for emergency and medical rescue services, as well as the training of additional doctors under the Cuban doctor programme. This funding is evident in the trends in the EMS Training Colleges and Bursaries sub-programmes, respectively. The trends are carried forward over the outer years of the 2012/13 MTEF.

The increases in 2008/09 and 2009/10 are caused by the various OSDs for medical personnel and wage agreements, the introduction of the compulsory two-year internship for medical doctors and the drive to increase the capacity of nursing personnel. The decrease in the 2011/12 Revised Estimate, when compared with the Adjusted Appropriation, relates mainly to the introduction of stipends for student nurses, which are replacing the previously fully funded student nurse posts. The other contributing factor is related to the EMS training college, which is not functional at present as finding a suitable venue for the college is still being negotiated.

In the sub-programmes: Nurse Training Colleges and Primary Health Care Training, the increase in 2009/10 relates mainly to the carry-through costs of the OSDs for medical personnel and the 2009 wage agreement. There was also a significant increase against *Goods and services* for computer services for these two sub-programmes in 2008/09 and 2009/10 due to improvements to the colleges' network access. Additional funding was provided in the 2011/12 Main Appropriation to support improvements at the nursing colleges. The reduction in the 2011/12 Adjusted Appropriation relates to the introduction of stipends for student nurses, which are replacing the previously fully funded student nurse posts. The 2012/13 MTEF reflects inflationary increases only.

The increase in 2009/10 in the sub-programme: EMS Training Colleges relates to training for the 2010 World Cup. The decrease in 2010/11 relates to the decision to relocate the college, as mentioned above, resulting in reduced expenditure for training. The decrease in the 2011/12 Adjusted Appropriation results from challenges related to the finding of a suitable venue for the college. The 2012/13 MTEF includes inflationary increases only.

The reduced amount in the sub-programme: Bursaries in 2009/10 results from enforced savings to reduce the department's overall expenditure. A decision was taken to provide additional funding to this sub-programme from 2010/11 to increase the training of personnel in the health related fields.

In the sub-programme: Training Other, the increase in 2009/10 is due to the extension of the medical internship period to two years, which commenced in 2008/09. In addition, 2009/10 includes the introduction of the OSD for doctors. The increase in 2010/11 includes additional funding to cater for the

various OSDs and wage agreements. The increase in the 2011/12 Adjusted Appropriation provides for the training of additional health personnel to address the current shortage in the department. Additional funding for this purpose is also provided in the 2012/13 MTEF, together with the wage related carry-through costs from previous years.

The trend across the seven-year period shows a steady increase in *Compensation of employees* and includes carry-through costs for OSDs for medical personnel and wage agreements. The decrease in the 2011/12 Adjusted Appropriation relates to the stipend payments for student nurses mentioned previously.

The significant increase in *Goods and services* over the MTEF relates mainly to the provision of funding for travel and subsistence costs for the additional 265 participants in the Cuban doctor programme.

Due to an amendment of the SCOA classification for motor vehicle licences in 2011/12, the department shifted funds in respect of motor vehicle licences from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities*. The department adjusted the historical figures for comparative purposes.

The decrease in the allocation to *Transfers and subsidies to: Non-profit institutions* in 2010/11 results from the decision not to pay OSD related costs that year.

The significant increase in *Transfers and subsidies to: Households* over the seven-year period relates to the department's decision to implement intensive training programmes through bursaries in order to address the shortage of personnel in the health fields.

The notable increase in *Machinery and equipment* in 2009/10 relates to the purchasing of medical equipment for the 2010 World Cup, for training of emergency medical workers. The decrease in this category in 2010/11 results from cost-cutting to remain within budget. The increase in 2011/12 relates to a provision made for additional equipment at the various training campuses. The reduced amount over the 2012/13 MTEF relates to reprioritisation of funding, which will be reviewed during 2012/13.

Service delivery measures – Programme 6: Health Sciences and Training

Table 7.33 below illustrates service delivery pertaining to Programme 6. Note that with regard to the measure *Intake of nurse students*, the department can only project to a certain point, as the college will need to get accreditation for training provided. This target is therefore based on the last intake of nurses if the college does not receive accreditation as an institute of higher learning before 2012.

Table 7.33: Service delivery measures – Programme 6: Health Sciences and Training

Table 7.35: Service delivery measures – Programme 6: Health Sciences and Training					
Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
1. Nursing Training Colleges					
Training of nurses at under-graduate, and post-basic level. Target group includes actual and potential employees	• Intake of nurse students	2 702	383	Awaiting accreditation	Awaiting accreditation
	• No. of basic nurse students graduating	1 597	1 200	1 000	900
2. Bursaries					
Provision of bursaries for health science training programmes at undergraduate and postgraduate levels. Target group includes actual and potential employees	• No. of students with bursaries from the province	832	860	770	770

6.7 Programme 7: Health Care Support Services

The main aim of this programme is to house the provincial Medical Supply Centre, which manages the supply of pharmaceuticals and medical sundries to hospitals, community health centres, clinics and local authorities, via the Medicine Trading Account.

Tables 7.34 and 7.35 below summarise the payments and estimates relating to this programme for the period 2008/09 to 2014/15. The inflated amount in 2008/09 when compared with the rest of the trend results from a higher stock level needed to provide for the increased demand for ARV medication and turn-over of medicines. Funding was provided in 2009/10 to maintain the current level of stock, as well as for the provision of vaccines required for the reduction of child morbidity and mortality. The trend over the 2012/13 MTEF reflects inflationary increases only.

Table 7.34: Summary of payments and estimates - Programme 7: Health Care Support Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Medicine Trading Account	34 209	27 528	10 764	13 971	13 971	13 971	15 170	16 004	18 000
Total	34 209	27 528	10 764	13 971	13 971	13 971	15 170	16 004	18 000

Table 7.35: Summary of payments and estimates by economic classification - Programme 7: Health Care Support Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	79	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	79	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	34 130	27 528	10 764	13 971	13 971	13 971	15 170	16 004	18 000
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	34 130	27 528	10 764	13 971	13 971	13 971	15 170	16 004	18 000
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	34 209	27 528	10 764	13 971	13 971	13 971	15 170	16 004	18 000

6.8 Programme 8: Health Facilities Management

Programme 8: Health Facilities Management consists of six sub-programmes, the main aim of which is the facilities management of community health clinics, community health centres, district hospitals, emergency medical services facilities, provincial hospitals, central and tertiary hospitals, as well as all other buildings and structures.

The main activities of the programme are to provide new health facilities, and rehabilitate, upgrade and maintain existing facilities. This includes the provision of additional primary health care facilities, to ensure improved access to health services in under-served areas of the province, as well as the provision of major medical equipment.

Tables 7.36 and 7.37 below summarise payments and estimates relating to Programme 8.

Table 7.36: Summary of payments and estimates - Programme 8: Health Facilities Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Community Health Facilities	280 625	552 924	347 565	459 555	338 421	369 910	483 582	493 625	495 035
Emergency Medical Rescue Services	4 734	1 201	428	5 093	3 700	4 160	6 460	30 324	666
District Hospital Services	615 946	482 159	424 314	562 308	517 732	602 413	600 408	780 206	842 371
Provincial Hospital Services	111 763	187 320	204 691	449 393	508 323	516 709	568 303	546 403	546 774
Central Hospital Services	15 401	35 161	11 982	28 177	-	-	51 763	41 425	44 289
Other Facilities	75 089	119 484	98 267	182 010	473 840	348 824	206 588	222 333	240 657
Total	1 103 558	1 378 249	1 087 247	1 686 536	1 842 016	1 842 016	1 917 104	2 114 316	2 169 792

Table 7.37: Summary of payments and estimates by economic classification - Programme 8: Health Facilities Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	338 010	264 909	258 169	250 840	429 048	484 804	451 628	482 913	514 702
Compensation of employees	5 510	3 448	5 037	5 329	10 500	10 500	28 270	24 239	25 578
Goods and services	332 500	261 461	253 132	245 511	418 548	474 304	423 358	458 674	489 124
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	326	-	-	-	-	10 000	20 000	20 000	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	10 000	20 000	20 000	-
Households	326	-	-	-	-	-	-	-	-
Payments for capital assets	765 222	1 113 340	829 078	1 435 696	1 412 968	1 347 212	1 445 476	1 611 403	1 655 090
Buildings and other fixed structures	635 339	1 005 258	778 730	1 357 938	1 062 128	1 052 128	1 085 471	1 317 862	1 393 458
Machinery and equipment	129 883	108 082	49 550	77 758	350 840	295 073	360 005	293 541	261 632
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	798	-	-	11	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 103 558	1 378 249	1 087 247	1 686 536	1 842 016	1 842 016	1 917 104	2 114 316	2 169 792

The increasing trend is largely the result of a drive to improve and maintain the infrastructure of the department. The significant increase over the seven-year period comprises increasing amounts of conditional grant funding, especially the Hospital Revitalisation grant and the Health Infrastructure grant, as well as the department's equitable share. The significant increase in 2009/10 relates to over-expenditure on the Forensic Pathology Services grant of approximately R143 million, for which a roll-over of funding from 2008/09 was not approved (as mentioned previously), as well as to those projects which were on site and could not be delayed or stopped without further cost to the department. Also included in 2009/10 is under-expenditure of approximately R224.649 million against the Hospital Revitalisation grant for which a roll-over to 2011/12 was requested, as the department was not in a position to spend it in 2010/11. An amount of R63.953 million was approved for roll-over and is included in the 2011/12 Main Appropriation.

The decrease in 2010/11 relates primarily to under-expenditure on the Health Infrastructure grant and the Hospital Revitalisation grant of R74.886 million and R203.227 million respectively, mainly as a result of challenges with tender processes. The allocation for 2011/12 includes the additional R63.953 million, being the roll-over of the Hospital Revitalisation grant from 2009/10. The notable increase in this programme in the 2011/12 Adjusted Appropriation results from a decision to provide for a once-off payment for essential medical equipment in order to progress toward aligning the institutions with the requirements of NHI, as well as providing for improvement in the day-to-day maintenance at the institutions under *Goods and services*. Additional funding provided for the 2012/13 MTEF, apart from the increases to the existing conditional grants, includes funding for the refurbishment of nurses training colleges provided in the Nurses Colleges and Schools grant and additional funding allocated under *Current payments* to enable the department to address capacity issues in order to provide better support to infrastructure management.

With regard to *Transfers and subsidies to: Non-profit institutions* in the 2011/12 Revised Estimate and the subsequent two years, the department will transfer funds to the KZN Children's Hospital Trust for the development and refurbishment of the Children's Hospital in the eThekweni Metro.

7. Other programme information

7.1 Personnel numbers and costs

Tables 7.38 and 7.39 below reflect the personnel information for the Department of Health.

Table 7.38: Personnel numbers and costs per programme

	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
Personnel numbers							
1. Administration	688	674	691	741	799	799	799
2. District Health Services	35 719	35 023	38 772	44 051	46 863	46 863	46 863
3. Emergency Medical Services	3 059	2 909	2 924	3 229	3 446	3 446	3 446
4. Provincial Hospital Services	18 730	18 070	18 058	20 053	20 210	20 210	20 210
5. Central Hospital Services	3 665	3 629	3 743	4 120	4 204	4 204	4 204
6. Health Sciences and Training	4 199	4 532	4 692	4 727	4 495	4 495	4 495
7. Health Care Support Services							
8. Health Facilities Management	9	12	9	10	20	20	20
Total	66 069	64 849	68 889	76 931	80 037	80 037	80 037
Total personnel cost (R thousand)	10 077 044	11 367 849	12 935 381	15 092 047	16 516 085	17 731 710	19 261 214
Unit cost (R thousand)	153	175	188	196	206	222	241

Table 7.39: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Total for department									
Personnel numbers (head count)	66 069	64 849	68 889	68 889	76 560	76 931	80 037	80 037	80 037
Personnel cost (R thousand)	10 077 044	11 367 849	12 935 381	14 837 633	15 074 380	15 092 047	16 516 085	17 731 710	19 261 214
Human resources component									
Personnel numbers (head count)	1 259	1 126	1 074	1 061	1 061	1 171	1 171	1 171	1 171
Personnel cost (R thousand)	179 354	204 439	205 109	199 601	199 601	221 598	232 678	244 312	256 527
Head count as % of total for department	1.91	1.74	1.56	1.54	1.39	1.52	1.46	1.46	1.46
Personnel cost as % of total for department	1.78	1.80	1.59	1.35	1.32	1.47	1.41	1.38	1.33
Finance component									
Personnel numbers (head count)	2 962	3 042	3 547	2 985	2 985	2 985	3 547	3 547	3 547
Personnel cost (R thousand)	365 388	441 262	421 121	442 681	442 681	442 681	448 914	475 849	509 158
Head count as % of total for department	4.48	4.69	5.15	4.33	3.90	3.88	4.43	4.43	4.43
Personnel cost as % of total for department	3.63	3.88	3.26	2.98	2.94	2.93	2.72	2.68	2.64
Full time workers									
Personnel numbers (head count)	61 646	60 321	64 358	63 752	71 441	72 271	75 318	75 318	75 318
Personnel cost (R thousand)	9 576 327	10 745 215	12 357 486	14 163 093	14 399 840	14 524 530	15 891 014	17 078 711	18 562 505
Head count as % of total for department	93.31	93.02	93.42	92.54	93.31	93.94	94.10	94.10	94.10
Personnel cost as % of total for department	95.03	94.52	95.53	95.45	95.53	96.24	96.22	96.32	96.37
Part-time workers									
Personnel numbers (head count)	792	774	798	786	768	768	827	827	827
Personnel cost (R thousand)	126 410	97 523	141 256	135 763	135 763	135 763	159 614	159 614	170 787
Head count as % of total for department	1.20	1.19	1.16	1.14	1.00	1.00	1.03	1.03	1.03
Personnel cost as % of total for department	191.33	150.38	205.05	197.08	177.33	176.47	199.43	199.43	213.39
Contract workers									
Personnel numbers (head count)	3 631	3 754	3 733	4 351	4 351	3 892	3 892	3 892	3 892
Personnel cost (R thousand)	374 307	525 111	436 639	538 777	538 777	431 754	465 457	493 385	527 922
Head count as % of total for department	5.50	5.79	5.42	6.32	5.68	5.06	4.86	4.86	4.86
Personnel cost as % of total for department	3.71	4.62	3.38	3.63	3.57	2.86	2.82	2.78	2.74

The following personnel are not included in the information provided as they are not paid from the department's voted funds:

- Employees whose salaries are paid from donor funds.
- Personnel working at the Provincial Pharmacy Supply Depot, who are paid from the Medicine Trading Account.
- Staff occupying sub-vented (shared costs) posts and whose salaries are claimed from the University of KwaZulu-Natal.

The decrease in headcounts in 2009/10 relate to the cost-cutting measures implemented by the department which included a moratorium on new appointments.

The upward trend in the headcount from 2011/12 results mainly from the restructuring of the department, with the focus being placed on the less expensive and more efficient primary health care services. This has required the employment of additional professional staff, as well as community health workers.

7.2 Training

The department is required by the Skills Development Act to budget at least 1 per cent of its salary expenses on staff training, to cater for human resource development. Tables 7.40 and 7.41 reflect departmental expenditure on training, which is centralised under Programme 6: Health Sciences and Training. The costs reflected in the table include the costs of staff and other running costs within Programme 6, hence the total cost is more than that reflected against *Training and development* in Annexure 7B. The training provided is for medical interns, nurses, emergency medical rescue and ambulance personnel and skills development for all occupational categories in the department. The department has several training programmes aimed at developing and retaining skills. These include training at Nursing Colleges, the Cuban doctor programme, as well as registrar training programmes in respect of specialist medical training.

Table 7.40: Payments on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Nursing Training Colleges	336 812	362 719	386 132	424 816	406 550	381 806	415 128	442 235	470 956
EMS Training Colleges	16 969	19 338	14 118	19 234	13 379	12 656	19 842	16 531	17 086
Bursaries	44 894	42 454	54 272	63 142	80 160	78 116	107 738	133 818	141 572
Primary Health Care Training	65 343	76 238	73 061	78 945	60 412	59 371	67 925	72 695	77 769
Training Other	212 583	292 437	323 560	347 305	384 086	364 850	387 418	414 311	441 975
Total	676 601	793 186	851 143	933 442	944 587	896 799	998 051	1 079 590	1 149 358

Table 7.41: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Number of staff	66 069	64 849	68 889	68 889	76 560	76 931	80 037	80 037	80 037
Number of personnel trained	24 768	7 429	11 242	19 615	19 615	15 466	24 860	23 839	20 505
of which									
Male	8 421	2 027	2 670	5 872	5 872	4 835	6 814	6 638	5 932
Female	16 347	5 402	8 572	13 743	13 743	10 631	18 046	17 201	14 573
Number of training opportunities	-	7 606	12 107	12 150	12 150	12 150	12 410	13 155	81 292
of which									
Tertiary	-	198	1 618	1 600	1 600	1 600	1 700	1 802	1 910
Workshops	-	237	523	500	500	500	550	583	618
Seminars	-	78	22	50	50	50	60	64	67 416
Other	-	7 093	9 944	10 000	10 000	10 000	10 100	10 706	11 348
Number of bursaries offered	755	877	877	770	820	1 103	1 160	1 220	1 290
External	755	877	877	770	770	813	770	770	790
Internal	-	-	-	-	-	290	390	450	500
Number of interns appointed	998	782	314	450	399	380	500	500	500
Number of learnerships appointed	-	40	40	250	250	250	250	250	250
Number of days spent on training									

ANNEXURE – VOTE 7: HEALTH

Table 7.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	158 432	198 762	164 198	213 359	213 359	194 628	200 013	210 013	220 512
Sale of goods and services produced by dept. (excl. capital assets)	157 526	198 534	163 929	202 759	202 759	191 236	200 012	210 011	220 509
Sales by market establishments	9 917	10 850	17 791	11 928	11 928	15 287	21 399	22 469	23 592
Administrative fees	5 865	4 105	3 337	4 728	4 728	1 772	3	3	3
Other sales	141 744	183 579	142 801	186 103	186 103	174 177	178 610	187 539	196 914
Of which									
Health patient fees	93 931	133 750	84 885	132 170	132 170	110 364	109 134	114 590	120 319
Other	47 813	49 829	57 916	53 933	53 933	63 813	69 476	72 949	76 595
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	906	228	269	10 600	10 600	3 392	1	2	3
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits	-	11	2 449	-	-	12	1	1	1
Interest, dividends and rent on land	3	74	816	25	25	426	1	1	1
Interest	3	74	816	25	25	426	1	1	1
Dividends									
Rent on land									
Sale of capital assets	-	14 678	7 231	20	20	7	-	-	-
Land and subsoil assets									
Other capital assets	-	14 678	7 231	20	20	7	-	-	-
Transactions in financial assets and liabilities	9 614	19 352	16 527	14 394	14 394	12 026	13 977	14 676	15 411
Total	168 049	232 877	191 221	227 798	227 798	207 099	213 992	224 691	235 925

Table 7.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	15 466 848	17 547 283	18 985 291	21 844 207	21 847 905	21 844 703	24 121 856	25 934 771	28 031 284
Compensation of employees	10 077 044	11 367 849	12 935 381	14 837 633	15 074 380	15 092 047	16 516 085	17 731 710	19 261 214
Salaries and wages	8 779 750	9 720 487	11 232 137	12 908 455	13 114 712	13 129 530	14 368 560	15 426 454	16 757 504
Social contributions	1 297 294	1 647 362	1 703 244	1 929 178	1 959 668	1 962 517	2 147 525	2 305 256	2 503 710
Goods and services	5 389 804	6 179 434	6 049 910	7 006 574	6 773 525	6 752 636	7 605 771	8 203 061	8 770 070
of which									
Administrative fees	204	54	67	93	71	25	40	45	48
Advertising	27 947	14 406	8 880	11 338	9 736	8 484	8 597	9 079	9 386
Assets <R5000	45 516	25 582	36 370	29 724	38 484	74 824	47 495	50 151	51 856
Audit cost: External	11 456	23 872	30 915	31 734	35 317	28 630	26 482	27 967	28 915
Bursaries (employees)	306	331	1 033	2 200	5 200	2 054	4 614	4 872	5 037
Catering: Departmental activities	17 236	5 461	2 056	2 139	3 310	4 656	5 066	5 574	5 763
Communication	103 323	94 599	82 128	91 543	87 757	84 332	88 553	93 438	96 834
Computer services	117 157	117 344	80 192	104 866	104 683	128 677	156 492	185 034	191 265
Cons/prof: Business & advisory services	5 806	25 640	15 247	12 317	15 718	22 499	17 981	18 988	19 634
Cons/prof: Infrastructure & planning	37 112	8 778	8 668	-	2 492	3 843	4 514	4 766	4 928
Cons/prof: Laboratory services	494 121	665 181	408 246	542 213	519 366	562 950	715 177	753 689	833 985
Cons/prof: Legal cost	6 578	4 110	4 267	2 924	3 103	2 411	1 455	1 536	1 588
Contractors	202 165	201 553	220 537	253 229	240 815	232 711	246 203	266 700	281 315
Agency & support/outourced services	665 435	708 344	674 543	731 171	707 478	653 341	832 756	884 497	914 573
Entertainment	631	3	3	3	3	6	7	8	8
Fleet services (incl. GMT)	-	-	-	2 214	-	2	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	184 995	199 964	123 636	159 740	128 933	111 020	117 088	123 645	127 848
Inventory: Fuel, oil and gas	234 215	231 391	250 048	269 400	288 644	303 120	329 419	362 350	374 671
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	86 277	56 532	48 403	53 214	5 521	6 012	6 245	6 596	6 818
Inventory: Medical supplies	809 266	968 391	917 153	1 105 199	1 052 116	1 186 882	1 209 621	1 278 240	1 400 119
Inventory: Medicine	1 273 491	1 742 047	1 855 181	2 146 714	1 966 304	1 799 901	2 145 820	2 321 156	2 531 318
Medsas inventory interface	332	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	132 873	174 038	230 709	258 150	209 263	194 552	231 447	245 831	254 189
Inventory: Stationery and printing	53 098	48 433	43 989	50 981	50 352	54 982	53 103	56 184	58 385
Lease payments	88 748	70 686	96 543	104 697	90 648	44 328	43 438	45 945	47 698
Rental and hiring	41 764	59 048	55 796	57 797	66 481	65 698	70 010	73 931	76 445
Property payments	541 107	597 078	668 325	837 911	963 373	992 006	1 035 193	1 155 076	1 209 887
Transport provided: Departmental activity	21 260	30 572	30 360	31 936	29 033	33 852	29 366	31 011	32 065
Travel and subsistence	66 148	37 430	38 063	43 789	50 935	59 686	74 579	83 373	86 767
Training and development	36 350	31 824	29 646	17 650	36 211	27 847	26 999	30 761	33 296
Operating expenditure	70 806	28 946	87 463	50 583	60 041	57 560	70 390	74 569	77 107
Venues and facilities	14 081	7 796	1 443	1 105	2 137	5 745	7 621	8 049	8 322
Interest and rent on land	-	-	-	-	-	20	-	-	-
Interest	-	-	-	-	-	20	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	447 706	498 279	562 293	522 821	529 433	536 851	562 780	610 724	625 395
Provinces and municipalities	51 538	84 010	126 756	94 173	97 735	98 950	88 819	87 584	91 946
Provinces	1 045	2 952	2 868	-	3 550	3 744	4 526	4 756	4 977
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	1 045	2 952	2 868	-	3 550	3 744	4 526	4 756	4 977
Municipalities	50 493	81 058	123 888	94 173	94 185	95 206	84 293	82 828	86 969
Municipalities	50 493	81 058	123 888	94 173	94 185	95 206	84 293	82 828	86 969
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	39 957	34 312	18 401	22 137	22 559	22 559	24 530	25 817	28 730
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	39 957	34 312	18 401	22 137	22 559	22 559	24 530	25 817	28 730
Universities and technicians	40	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	243 734	278 846	289 009	266 787	283 265	271 404	296 679	310 403	304 718
Households	112 437	101 111	128 127	139 724	125 874	143 938	152 752	186 920	200 001
Social benefits	41 193	42 950	51 482	60 713	43 861	49 883	66 745	80 114	86 829
Other transfers to households	71 244	58 161	76 645	79 011	82 013	94 055	86 007	106 806	113 172
Payments for capital assets	1 188 449	1 545 699	1 181 773	2 117 827	2 291 664	2 081 411	1 870 714	1 963 114	1 888 228
Buildings and other fixed structures	635 593	1 005 258	778 749	1 357 938	1 062 128	1 052 128	1 085 471	1 317 862	1 393 458
Buildings	635 593	1 005 258	778 749	1 357 938	1 062 128	1 052 128	1 085 471	1 317 862	1 393 458
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	552 856	540 441	402 226	759 889	1 229 536	1 029 272	785 243	645 252	494 770
Transport equipment	101 088	69 271	61 691	191 526	278 257	247 058	112 050	72 500	63 085
Other machinery and equipment	451 768	471 170	340 535	568 363	951 279	782 214	673 193	572 752	431 685
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	798	-	-	11	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	98	758 015	5 629	-	94	96	-	-	-
Total	17 103 101	20 349 276	20 734 986	24 484 855	24 669 096	24 463 061	26 555 350	28 508 609	30 544 907
Unauth. exp. (1 st charge) not available for spending	-	(758 000)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	17 103 101	19 591 276	20 734 986	24 484 855	24 669 096	24 463 061	26 555 350	28 508 609	30 544 907

Table 7.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	279 411	285 925	347 872	336 961	349 739	343 209	379 513	411 997	436 173
Compensation of employees	163 648	168 705	183 201	202 290	210 886	207 433	238 456	256 459	275 324
Salaries and wages	142 136	146 547	158 063	175 913	183 471	180 467	207 585	223 153	239 726
Social contributions	21 512	22 158	25 138	26 377	27 415	26 966	30 871	33 306	35 598
Goods and services	115 763	117 220	164 671	134 671	138 853	135 756	141 057	155 538	160 849
of which									
Administrative fees	18	18	27	26	26	-	8	10	12
Advertising	1 947	940	680	402	402	883	804	849	877
Assets <R5000	326	521	791	1 366	717	291	202	214	221
Audit cost: External	4 198	12 935	18 609	12 498	18 437	19 004	16 833	17 777	18 379
Bursaries (employees)									
Catering: Departmental activities	792	141	156	176	176	176	181	199	206
Communication	6 546	6 095	5 118	7 460	5 158	5 646	4 687	4 845	5 018
Computer services	17 812	24 532	17 317	22 821	18 229	23 457	27 371	32 267	33 372
Cons/prof: Business & advisory services	4 071	9 876	13 663	11 091	14 587	15 938	17 675	18 665	19 300
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	3 256	687	77	75	179	575	230	243	251
Contractors	783	25	49	6	162	395	305	323	333
Agency & support/outsourced services	18 008	12 461	2 447	1 406	3 459	3 708	4 067	4 433	4 583
Entertainment	5	3	3	3	3	6	7	8	8
Fleet services (incl. GMT)	-	-	-	53	-	-	-	-	-
Housing									
Inventory: Food and food supplies	54	38	57	43	47	99	113	119	123
Inventory: Fuel, oil and gas	1 542	1 690	1 676	2 295	2 707	3 100	2 959	3 255	3 366
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	(90)	51	27	25	21	25	21	23	23
Inventory: Medical supplies	75	1	494	378	206	179	318	335	345
Inventory: Medicine	104	-	-	-	-	-	-	-	-
Medas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	525	321	275	580	389	339	357	383	396
Inventory: Stationery and printing	3 689	3 694	3 052	3 897	3 897	5 073	4 945	5 294	5 483
Lease payments	14 722	10 670	14 934	13 619	11 703	5 846	5 807	6 137	6 345
Rental and hiring									
Property payments	18 711	20 230	21 838	26 693	26 850	26 353	29 545	34 141	35 309
Transport provided: Departmental activity									
Travel and subsistence	15 378	9 521	13 038	14 311	16 393	16 194	16 115	17 023	17 598
Training and development	601	772	266	1 019	1 388	1 172	709	751	777
Operating expenditure	460	1 886	49 713	13 984	13 717	7 064	7 450	7 876	8 144
Venues and facilities	2 230	112	364	444	-	233	348	368	380
Interest and rent on land	-	-	-	-	-	20	-	-	-
Interest	-	-	-	-	-	20	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	2 165	2 311	1 750	2 510	1 538	2 880	3 157	3 463	3 800
Provinces and municipalities	4	38	33	-	38	38	57	53	49
Provinces	4	38	33	-	38	38	57	53	49
Provincial Revenue Funds									
Provincial agencies and funds	4	38	33	-	38	38	57	53	49
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 161	2 273	1 717	2 510	1 500	2 842	3 100	3 410	3 751
Social benefits	2 134	2 242	1 067	2 510	1 500	2 692	3 100	3 410	3 751
Other transfers to households	27	31	650	-	-	150	-	-	-
Payments for capital assets	2 490	2 642	6 023	4 700	26 884	31 396	15 000	2 600	604
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures									
Machinery and equipment	2 490	2 642	6 023	4 700	26 884	31 396	15 000	2 600	604
Transport equipment	1 605	478	-	1 200	5 108	9 620	4 850	-	-
Other machinery and equipment	885	2 164	6 023	3 500	21 776	21 776	10 150	2 600	604
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	758 000	380	-	41	41	-	-	-
Total	284 066	1 048 878	356 025	344 171	378 202	377 526	397 670	418 060	440 577
Unauth. exp. (1 st charge) not available for spending	-	(758 000)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	284 066	290 878	356 025	344 171	378 202	377 526	397 670	418 060	440 577

Table 7.D: Details of payments and estimates by economic classification - Programme 2: District Health Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	7 792 667	8 815 438	9 398 002	11 213 448	10 275 918	10 316 979	11 532 669	12 436 115	13 613 029
Compensation of employees	5 264 489	5 723 862	6 452 713	7 742 028	7 147 265	7 182 366	8 014 328	8 627 440	9 442 149
Salaries and wages	4 567 894	4 791 636	5 574 349	6 735 564	6 218 121	6 248 658	6 972 202	7 505 657	8 214 724
Social contributions	696 595	932 226	878 364	1 006 464	929 144	933 708	1 042 126	1 121 783	1 227 425
Goods and services	2 528 178	3 091 576	2 945 289	3 471 420	3 128 653	3 134 613	3 518 341	3 808 675	4 170 880
of which									
Administrative fees	158	25	34	56	34	17	24	26	27
Advertising	18 080	12 700	6 008	7 539	6 246	6 257	6 558	6 926	7 161
Assets <R5000	23 487	11 708	13 239	12 500	15 765	29 031	20 207	21 336	22 062
Audit cost: External	3 505	5 188	5 782	9 982	7 626	4 553	4 631	4 890	5 057
Bursaries (employees)	-	-	-	-	-	1	1	1	1
Catering: Departmental activities	14 455	4 418	1 366	1 260	2 663	4 134	4 673	5 141	5 315
Communication	57 244	52 113	43 919	48 309	48 309	44 645	46 215	48 741	50 407
Computer services	42 587	41 717	29 544	43 003	27 623	39 672	46 379	55 402	57 081
Cons/prof: Business & advisory services	115	423	846	1 200	1 105	178	302	319	330
Cons/prof: Infrastructure & planning	215	24	312	-	-	9	17	18	18
Cons/prof: Laboratory services	228 049	351 748	327 513	301 962	370 276	531 064	527 490	550 988	615 067
Cons/prof: Legal cost	1 074	1 160	655	474	474	446	141	149	154
Contractors	38 280	38 485	37 764	46 619	27 760	29 227	35 273	45 014	52 094
Agency & support/outourced services	185 319	195 843	130 836	156 988	75 451	88 118	91 434	97 595	100 913
Entertainment	464	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	860	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	159 534	173 869	99 341	130 776	100 000	73 887	83 795	88 488	91 496
Inventory: Fuel, oil and gas	104 648	105 991	107 293	119 879	120 318	130 300	141 627	155 784	161 081
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	7 336	5 181	4 103	6 929	385	589	552	583	602
Inventory: Medical supplies	318 360	357 957	308 374	411 973	400 000	408 750	395 870	419 812	497 507
Inventory: Medicine	854 840	1 238 324	1 312 341	1 533 457	1 322 853	1 212 863	1 507 593	1 645 087	1 819 073
Medsas inventory interface	324	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	70 417	90 801	112 393	137 696	108 113	89 755	109 519	116 110	120 058
Inventory: Stationery and printing	28 686	27 795	22 719	26 770	26 770	24 910	24 479	26 323	27 222
Lease payments	37 220	30 795	36 802	41 661	37 854	18 354	17 057	18 032	18 649
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	256 724	317 022	320 773	403 848	400 000	361 370	415 236	460 079	476 178
Transport provided: Departmental activity	2 184	960	723	865	698	690	818	864	893
Travel and subsistence	26 706	12 833	13 046	15 713	15 713	20 084	18 640	19 687	20 363
Training and development	9 736	3 647	2 713	3 816	3 816	763	4 144	4 723	4 949
Operating expenditure	27 864	3 697	6 218	6 981	6 981	9 709	8 870	9 380	9 701
Venues and facilities	10 567	7 152	632	304	1 820	5 237	6 796	7 177	7 421
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	282 953	345 058	399 201	334 819	350 004	348 951	345 980	359 207	378 785
Provinces and municipalities	50 883	82 483	124 913	94 173	96 029	96 750	86 293	84 928	89 174
Provinces	390	1 425	1 025	-	1 844	1 544	2 000	2 100	2 205
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	390	1 425	1 025	-	1 844	1 544	2 000	2 100	2 205
Municipalities	50 493	81 058	123 888	94 173	94 185	95 206	84 293	82 828	86 969
Municipalities	50 493	81 058	123 888	94 173	94 185	95 206	84 293	82 828	86 969
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	40	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	210 664	237 438	247 899	216 797	229 081	210 755	223 807	234 889	246 426
Households	21 366	25 137	26 389	23 849	24 894	41 446	35 880	39 390	43 185
Social benefits	21 185	24 603	26 161	22 620	23 649	27 755	35 521	38 996	42 753
Other transfers to households	181	534	228	1 229	1 245	13 691	359	394	432
Payments for capital assets	56 570	28 182	29 921	191 557	274 200	177 488	75 070	85 961	53 623
Buildings and other fixed structures	138	-	-	-	-	-	-	-	-
Buildings	138	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	56 432	28 182	29 921	191 557	274 200	177 488	75 070	85 961	53 623
Transport equipment	31 272	4 634	6 105	82 999	117 906	87 168	44 000	40 000	32 935
Other machinery and equipment	25 160	23 548	23 816	108 558	156 294	90 320	31 070	45 961	20 688
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	82	-	2 985	-	38	40	-	-	-
Total	8 132 272	9 188 678	9 830 109	11 739 824	10 900 160	10 843 458	11 953 719	12 881 283	14 045 437

Table 7.E: Details of payments and estimates by economic classification - Programme 3: Emergency Medical Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	590 257	710 728	753 033	809 271	864 147	865 164	971 966	1 043 610	1 105 738
Compensation of employees	381 733	486 534	521 434	559 234	595 893	592 279	691 586	739 997	791 797
Salaries and wages	327 636	416 576	443 006	486 534	518 427	515 247	601 679	643 797	688 863
Social contributions	54 097	69 958	78 428	72 700	77 466	77 032	89 907	96 200	102 934
Goods and services	208 524	224 194	231 599	250 037	268 254	272 885	280 380	303 613	313 941
of which									
Administrative fees	3	-	-	-	-	-	-	-	-
Advertising	66	15	803	1 456	1 456	16	29	30	31
Assets <R5000	743	375	585	471	656	534	270	285	296
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	167	10	127	82	82	-	-	-	-
Communication	14 865	12 940	9 786	10 158	10 158	9 286	9 911	10 458	10 812
Computer services	11 112	15 040	9 698	11 570	20 471	20 176	25 394	29 930	30 948
Cons/prof: Business & advisory services	-	2	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	62	32	304	141	141	164	296	313	323
Contractors	58 242	66 420	68 421	81 427	80 531	83 577	79 934	84 410	87 279
Agency & support/outourced services	1 361	1 333	433	453	415	472	518	561	584
Entertainment									
Fleet services (incl. GMT)	-	-	-	914	-	-	-	-	-
Housing									
Inventory: Food and food supplies	25	8	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	61 885	54 250	65 480	63 541	80 175	77 538	87 829	96 612	99 897
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	451	3	102	93	93	100	160	169	175
Inventory: Medical supplies	9 246	9 362	8 343	9 346	9 346	8 511	7 975	8 453	8 740
Inventory: Medicine	399	617	238	264	264	455	406	430	445
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	7 257	8 709	8 156	8 132	8 268	10 850	2 258	2 394	2 475
Inventory: Stationery and printing	1 462	1 395	1 398	1 723	1 587	1 399	1 207	1 294	1 338
Lease payments	10 685	9 044	14 348	16 281	10 626	4 498	4 672	4 934	5 102
Rental and hiring									
Property payments	7 778	10 516	11 162	11 753	11 753	13 551	15 420	16 768	17 342
Transport provided: Departmental activity	18 239	29 068	28 003	28 305	28 305	32 946	28 063	29 635	30 642
Travel and subsistence	3 170	4 999	3 266	3 781	3 781	5 354	5 158	5 447	5 632
Training and development	59	-	47	14	14	197	68	72	74
Operating expenditure	1 233	56	899	132	132	3 261	10 812	11 418	11 806
Venues and facilities	14	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	9 171	2 260	2 966	1 100	2 504	3 057	3 922	4 233	4 560
Provinces and municipalities	511	1 232	1 461	-	924	1 432	1 832	1 938	2 040
Provinces	511	1 232	1 461	-	924	1 432	1 832	1 938	2 040
Provincial Revenue Funds									
Provincial agencies and funds	511	1 232	1 461	-	924	1 432	1 832	1 938	2 040
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	8 660	1 028	1 505	1 100	1 580	1 625	2 090	2 295	2 520
Social benefits	762	938	937	99	142	810	1 317	1 446	1 588
Other transfers to households	7 898	90	568	1 001	1 438	815	773	849	932
Payments for capital assets	72 932	69 344	85 781	116 376	168 776	168 776	70 000	30 000	30 000
Buildings and other fixed structures	-	-	19	-	-	-	-	-	-
Buildings	-	-	19	-	-	-	-	-	-
Other fixed structures									
Machinery and equipment	72 932	69 344	85 762	116 376	168 776	168 776	70 000	30 000	30 000
Transport equipment	58 797	62 831	55 586	99 239	143 460	146 043	60 000	30 000	30 000
Other machinery and equipment	14 135	6 513	30 176	17 137	25 316	22 733	10 000	-	-
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	270	-	-	-	-	-	-
Total	672 360	782 332	842 050	926 747	1 035 427	1 036 997	1 045 888	1 077 843	1 140 298

Table 7.F: Details of payments and estimates by economic classification - Programme 4: Provincial Hospital Services

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	4 299 744	4 994 773	5 563 408	6 195 587	6 895 024	6 890 388	7 490 163	8 036 151	8 550 909
Compensation of employees	3 015 350	3 520 810	4 112 995	4 433 228	5 221 180	5 233 460	5 531 354	5 931 894	6 365 528
Salaries and wages	2 624 976	3 065 294	3 575 797	3 856 908	4 542 427	4 553 000	4 812 277	5 160 750	5 538 010
Social contributions	390 374	455 516	537 198	576 320	678 753	680 460	719 077	771 144	827 518
Goods and services	1 284 394	1 473 963	1 450 413	1 762 359	1 673 844	1 656 928	1 958 809	2 104 257	2 185 381
of which									
Administrative fees	14	8	6	10	10	8	8	9	9
Advertising	2 343	526	621	665	665	898	796	841	869
Assets <R5000	12 875	9 372	9 532	11 429	11 429	18 503	15 579	16 451	17 010
Audit cost: External	3 753	5 621	6 524	9 254	9 254	5 073	5 018	5 300	5 479
Bursaries (employees)									
Catering: Departmental activities	485	1	219	223	223	40	58	64	66
Communication	18 837	18 252	18 442	18 824	18 824	20 138	22 355	23 497	24 296
Computer services	18 168	18 560	12 046	13 872	10 623	20 681	26 032	30 690	31 734
Cons/prof: Business & advisory services	-	-	17	26	26	4	4	4	4
Cons/prof: Infrastructure & planning	2	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	216 306	263 354	62 236	197 051	128 230	28 886	187 687	202 701	218 918
Cons/prof: Legal cost	1 793	1 306	2 996	2 234	2 234	1 060	576	608	629
Contractors	53 394	51 606	64 611	77 501	77 501	86 675	95 619	100 974	104 406
Agency & support/outourced services	100 801	106 981	125 980	136 429	133 517	122 263	127 157	135 105	139 698
Entertainment	64	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	363	-	-	-	-	-
Housing									
Inventory: Food and food supplies	23 647	24 409	22 381	26 845	26 845	30 908	29 388	31 034	32 089
Inventory: Fuel, oil and gas	41 854	45 871	56 404	59 064	59 064	64 643	69 746	76 715	79 323
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	3 053	1 382	2 829	1 635	205	83	104	110	114
Inventory: Medical supplies	267 939	328 573	351 433	392 900	392 900	471 914	493 870	523 344	541 138
Inventory: Medicine	274 219	340 897	364 592	414 682	417 238	390 552	420 817	446 120	461 312
Medsas inventory interface	8	-	-	-	-	-	-	-	-
Inventory: Military stores									
Inventory: Other consumables	43 282	57 457	92 994	87 839	76 099	76 499	97 540	103 721	107 247
Inventory: Stationery and printing	14 786	12 076	13 482	14 095	14 095	17 929	18 203	19 575	20 240
Lease payments	15 886	13 095	18 895	21 027	21 027	11 275	10 839	11 446	11 835
Rental and hiring									
Property payments	126 861	140 001	190 527	240 821	240 821	256 722	304 024	340 688	352 505
Transport provided: Departmental activity	496	161	1 464	2 556	-	29	37	39	41
Travel and subsistence	5 034	3 715	3 828	3 526	3 526	6 132	6 166	6 511	6 732
Training and development	4 109	9 332	6 164	5 600	5 600	641	1 699	1 794	1 855
Operating expenditure	34 201	21 405	22 190	23 888	23 888	25 360	25 470	26 898	27 813
Venues and facilities	184	2	-	-	-	12	17	18	19
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	54 630	58 618	71 170	83 885	63 108	61 551	58 726	70 058	74 277
Provinces and municipalities	131	235	318	-	738	713	600	625	640
Provinces	131	235	318	-	738	713	600	625	640
Provincial Revenue Funds									
Provincial agencies and funds	131	235	318	-	738	713	600	625	640
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions	27 103	30 051	32 600	35 692	38 770	36 238	37 742	39 628	41 611
Households	27 396	28 332	38 252	48 193	23 600	24 600	20 384	29 805	32 026
Social benefits	15 908	14 555	18 076	31 807	15 104	15 500	18 957	27 719	29 784
Other transfers to households	11 488	13 777	20 176	16 386	8 496	9 100	1 427	2 086	2 242
Payments for capital assets	24 440	17 884	17 730	86 710	138 158	101 500	19 500	21 980	2 500
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	24 440	17 884	17 730	86 710	138 158	101 500	19 500	21 980	2 500
Transport equipment	8 141	1 165	-	4 200	6 908	3 013	2 000	2 000	-
Other machinery and equipment	16 299	16 719	17 730	82 510	131 250	98 487	17 500	19 980	2 500
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	15	1 917	-	15	15	-	-	-
Total	4 378 814	5 071 290	5 654 225	6 366 182	7 096 305	7 053 454	7 568 389	8 128 189	8 627 686

Table 7.G: Details of payments and estimates by economic classification - Programme 5: Central Hospital Services

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	1 547 758	1 747 565	1 882 846	2 193 724	2 197 498	2 145 870	2 410 552	2 573 886	2 797 709
Compensation of employees	717 374	802 490	942 537	1 115 927	1 157 026	1 143 510	1 228 839	1 316 924	1 467 649
Salaries and wages	635 421	694 413	821 422	970 856	1 006 613	994 733	1 069 090	1 145 771	1 276 854
Social contributions	81 953	108 077	121 115	145 071	150 413	148 777	159 749	171 153	190 795
Goods and services	830 384	945 075	940 309	1 077 797	1 040 472	1 002 360	1 181 713	1 256 962	1 330 060
of which									
Administrative fees	10	2	-	1	1	-	-	-	-
Advertising	735	14	551	854	854	375	342	361	374
Assets <R5000	3 413	350	269	376	376	597	675	713	737
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	801	798	-	190	-	-	-	-	-
Communication	3 298	3 398	3 106	3 760	3 924	3 369	3 672	4 013	4 339
Computer services	299	262	279	300	300	550	778	924	1 343
Cons/prof: Business & advisory services									
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services	49 766	50 079	18 497	43 200	20 860	3 000	-	-	-
Cons/prof: Legal cost	371	918	216	-	-	91	76	80	83
Contractors	5 903	9 406	12 367	13 783	14 588	9 708	9 601	10 138	10 483
Agency & support/outourced services	346 962	374 811	400 850	423 375	422 692	384 747	521 311	550 590	569 310
Entertainment									
Fleet services (incl. GMT)	-	-	-	12	-	2	-	-	-
Housing									
Inventory: Food and food supplies	1 663	1 637	1 835	2 038	2 038	6 125	3 792	4 004	4 140
Inventory: Fuel, oil and gas	18 836	18 729	17 499	20 264	23 219	24 349	25 128	27 641	28 581
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	711	1 787	-	700	-	-	-	-	-
Inventory: Medical supplies	213 386	272 404	245 854	290 570	249 605	297 413	311 348	326 041	352 126
Inventory: Medicine	143 917	162 274	178 007	198 311	225 949	196 031	217 004	229 519	250 488
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	7 653	14 221	13 851	17 795	13 797	15 761	19 741	21 073	21 789
Inventory: Stationery and printing	2 801	2 164	2 126	2 819	2 819	4 470	2 309	2 541	2 822
Lease payments	571	512	430	509	510	2 476	2 789	2 945	3 045
Rental and hiring									
Property payments	23 109	29 703	42 866	56 988	56 975	49 419	59 563	70 692	73 097
Transport provided: Departmental activity	38	48	49	35	30	21	265	280	289
Travel and subsistence	1 391	589	701	798	798	1 653	1 610	1 700	1 758
Training and development	27	-	16	20	38	1 381	1 063	3 024	4 550
Operating expenditure	4 689	969	940	1 099	1 099	822	646	683	706
Venues and facilities	34	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	8 187	2 661	7 817	3 645	3 000	2 126	8 807	9 458	9 789
Provinces and municipalities	1	8	6	-	-	1	7	8	9
Provinces	1	8	6	-	-	1	7	8	9
Provincial Revenue Funds									
Provincial agencies and funds	1	8	6	-	-	1	7	8	9
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	8 186	2 653	7 811	3 645	3 000	2 125	8 800	9 450	9 780
Social benefits	639	612	5 241	2 468	2 040	1 700	6 200	6 800	7 105
Other transfers to households	7 547	2 041	2 570	1 177	960	425	2 600	2 650	2 675
Payments for capital assets	265 276	308 909	212 705	276 613	257 930	250 844	240 000	209 980	146 261
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	265 276	308 909	212 705	276 613	257 930	250 844	240 000	209 980	146 261
Transport equipment	312	-	-	2 800	2 580	-	-	-	-
Other machinery and equipment	264 964	308 909	212 705	273 813	255 350	250 844	240 000	209 980	146 261
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	55	-	-	-	-	-	-
Total	1 821 221	2 059 135	2 103 423	2 473 982	2 458 428	2 398 840	2 659 359	2 793 324	2 953 759

Table 7.H: Details of payments and estimates by economic classification - Programme 6: Health Sciences and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	618 922	727 945	781 961	844 376	836 531	798 289	885 365	950 099	1 013 024
Compensation of employees	528 940	662 000	717 464	779 597	731 630	722 499	783 252	834 757	893 189
Salaries and wages	476 541	602 928	654 839	678 249	636 518	628 290	681 377	726 238	777 074
Social contributions	52 399	59 072	62 625	101 348	95 112	94 209	101 875	108 519	116 115
Goods and services	89 982	65 945	64 497	64 779	104 901	75 790	102 113	115 342	119 835
of which									
Administrative fees	1	1	-	-	-	-	-	-	-
Advertising	4 679	94	117	90	90	39	47	50	51
Assets <R5000	1 238	215	65	206	206	635	145	153	158
Audit cost: External									
Bursaries (employees)	306	331	1 033	2 200	5 200	2 053	4 613	4 871	5 036
Catering: Departmental activities	455	70	167	166	166	306	154	170	176
Communication	1 730	1 573	1 424	1 373	1 373	1 239	1 302	1 373	1 420
Computer services	14 505	14 361	9 130	10 117	23 862	19 917	25 829	30 451	31 486
Cons/prof. Business & advisory services	1 620	-	-	-	-	-	-	-	-
Cons/prof. Infrastructure & planning	-	-	-	-	-	1	3	3	3
Cons/prof. Laboratory services									
Cons/prof. Legal cost	22	7	19	-	75	75	136	143	148
Contractors	336	390	42	50	274	131	207	218	226
Agency & support/outourced services	7 538	15 555	8 059	12 520	8 475	1	-	-	-
Entertainment	98	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	12	-	-	-	-	-
Housing									
Inventory: Food and food supplies	67	1	22	3	3	1	-	-	-
Inventory: Fuel, oil and gas	1 027	1 068	1 164	1 496	1 594	2 144	2 044	2 248	2 325
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	1 128	38	124	150	52	15	15	16	16
Inventory: Medical supplies	101	21	123	32	32	96	177	188	194
Inventory: Medicine	12	-	3	-	-	-	-	-	-
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	1 469	2 332	1 374	1 544	2 464	1 231	1 899	2 010	2 079
Inventory: Stationery and printing	1 620	1 244	1 186	1 633	1 153	1 166	1 751	938	970
Lease payments	9 664	6 570	11 134	11 600	8 725	1 587	1 622	1 713	1 771
Rental and hiring									
Property payments	3 557	3 933	5 674	4 666	4 666	4 311	5 030	5 636	5 843
Transport provided: Departmental activity	303	335	121	175	-	166	183	193	200
Travel and subsistence	13 682	4 880	3 799	5 049	10 149	9 648	26 180	32 256	33 909
Training and development	21 799	11 879	13 544	7 052	22 114	19 693	13 471	14 225	14 709
Operating expenditure	2 060	829	5 926	4 288	13 911	11 072	16 845	18 001	18 613
Venues and facilities	965	218	247	357	317	263	460	486	502
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	56 144	59 843	68 625	82 891	95 308	94 315	107 018	128 301	136 184
Provinces and municipalities	8	14	25	-	6	16	30	32	34
Provinces	8	14	25	-	6	16	30	32	34
Provincial Revenue Funds									
Provincial agencies and funds	8	14	25	-	6	16	30	32	34
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	5 827	6 784	7 637	8 166	8 588	8 588	9 360	9 813	10 730
Social security funds									
Entities receiving funds	5 827	6 784	7 637	8 166	8 588	8 588	9 360	9 813	10 730
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions	5 967	11 357	8 510	14 298	15 414	14 411	15 130	15 886	16 681
Households	44 342	41 688	52 453	60 427	71 300	71 300	82 498	102 570	108 739
Social benefits	239	-	-	1 209	1 426	1 426	1 650	1 743	1 848
Other transfers to households	44 103	41 688	52 453	59 218	69 874	69 874	80 848	100 827	106 891
Payments for capital assets	1 519	5 398	535	6 175	12 748	4 195	5 668	1 190	150
Buildings and other fixed structures	116	-	-	-	-	-	-	-	-
Buildings	116	-	-	-	-	-	-	-	-
Other fixed structures									
Machinery and equipment	1 403	5 398	535	6 175	12 748	4 195	5 668	1 190	150
Transport equipment	961	-	-	1 088	2 295	1 214	1 200	500	150
Other machinery and equipment	442	5 398	535	5 087	10 453	2 981	4 468	690	-
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	16	-	22	-	-	-	-	-	-
Total	676 601	793 186	851 143	933 442	944 587	896 799	998 051	1 079 590	1 149 358

Table 7.1: Details of payments and estimates by economic classification - Programme 7: Health Care Support Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	79	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages									
Social contributions									
Goods and services	79	-	-	-	-	-	-	-	-
of which									
Administrative fees									
Advertising									
Assets <R5000									
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities									
Communication									
Computer services	79	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services									
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors									
Agency & support/outourced services									
Entertainment									
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies									
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables									
Inventory: Stationery and printing									
Lease payments									
Rental and hiring									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence									
Training and development									
Operating expenditure									
Venues and facilities									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	34 130	27 528	10 764	13 971	13 971	13 971	15 170	16 004	18 000
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	34 130	27 528	10 764	13 971	13 971	13 971	15 170	16 004	18 000
Social security funds									
Entities receiving funds	34 130	27 528	10 764	13 971	13 971	13 971	15 170	16 004	18 000
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	-	-	-	-	-	-	-	-	-
Social benefits									
Other transfers to households									
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment									
Other machinery and equipment									
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	34 209	27 528	10 764	13 971	13 971	13 971	15 170	16 004	18 000

Table 7.J: Details of payments and estimates by economic classification - Programme 8: Health Facilities Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	338 010	264 909	258 169	250 840	429 048	484 804	451 628	482 913	514 702
Compensation of employees	5 510	3 448	5 037	5 329	10 500	10 500	28 270	24 239	25 578
Salaries and wages	5 146	3 093	4 661	4 431	9 135	9 135	24 350	21 088	22 253
Social contributions	364	355	376	898	1 365	1 365	3 920	3 151	3 325
Goods and services	332 500	261 461	253 132	245 511	418 548	474 304	423 358	458 674	489 124
of which									
Administrative fees									
Advertising	97	117	100	332	23	16	21	22	23
Assets <R5000	3 434	3 041	11 889	3 376	9 335	25 233	10 417	10 999	11 372
Audit cost: External	-	128	-	-	-	-	-	-	-
Bursaries (employees)									
Catering: Departmental activities	81	23	21	42	-	-	-	-	-
Communication	803	228	333	1 659	11	9	411	511	542
Computer services	12 595	2 872	2 178	3 183	3 575	4 224	4 709	5 370	5 301
Cons/prof: Business & advisory services	-	15 339	721	-	-	6 379	-	-	-
Cons/prof: Infrastructure & planning	36 895	8 754	8 356	-	2 492	3 833	4 494	4 745	4 907
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	45 227	35 221	37 283	33 843	39 999	22 998	25 264	25 623	26 494
Agency & support/outourced services	5 446	1 360	5 938	-	63 469	54 032	88 269	96 213	99 485
Entertainment									
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	5	2	-	35	-	-	-	-	-
Inventory: Fuel, oil and gas	4 423	3 792	532	2 861	1 567	1 046	86	95	98
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	73 688	48 090	41 218	43 682	4 765	5 200	5 393	5 695	5 888
Inventory: Medical supplies	159	73	2 532	-	27	19	63	67	69
Inventory: Medicine	-	(65)	-	-	-	-	-	-	-
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	2 270	197	1 666	4 564	133	117	133	140	145
Inventory: Stationery and printing	54	65	26	44	31	35	209	219	310
Lease payments	-	-	-	-	203	292	652	738	951
Rental and hiring	41 764	59 048	55 796	57 797	66 481	65 698	70 010	73 931	76 445
Property payments	104 367	75 673	75 485	93 142	222 308	280 280	206 375	227 072	249 613
Transport provided: Departmental activity									
Travel and subsistence	787	893	385	611	575	621	710	749	775
Training and development	19	6 194	6 896	129	3 241	4 000	5 845	6 172	6 382
Operating expenditure	299	104	1 577	211	313	272	297	313	324
Venues and facilities	87	312	200	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	326	-	-	-	-	10 000	20 000	20 000	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions	-	-	-	-	-	10 000	20 000	20 000	-
Households	326	-	-	-	-	-	-	-	-
Social benefits	326	-	-	-	-	-	-	-	-
Other transfers to households									
Payments for capital assets	765 222	1 113 340	829 078	1 435 696	1 412 968	1 347 212	1 445 476	1 611 403	1 655 090
Buildings and other fixed structures	635 339	1 005 258	778 730	1 357 938	1 062 128	1 052 128	1 085 471	1 317 862	1 393 458
Buildings	635 339	1 005 258	778 730	1 357 938	1 062 128	1 052 128	1 085 471	1 317 862	1 393 458
Other fixed structures									
Machinery and equipment	129 883	108 082	49 550	77 758	350 840	295 073	360 005	293 541	261 632
Transport equipment	-	163	-	-	-	-	-	-	-
Other machinery and equipment	129 883	107 919	49 550	77 758	350 840	295 073	360 005	293 541	261 632
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets	-	-	798	-	-	11	-	-	-
Software and other intangible assets									
Payments for financial assets									
Total	1 103 558	1 378 249	1 087 247	1 686 536	1 842 016	1 842 016	1 917 104	2 114 316	2 169 792

Table 7.K: Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Current payments	1 876 694	2 275 886	2 802 040	3 478 650	3 486 037	3 486 037	3 772 056	4 304 137	4 855 872
Compensation of employees	822 927	913 527	1 361 820	1 947 803	1 947 165	1 947 165	2 121 207	2 292 617	2 584 643
Salaries and wages	741 978	812 773	1 195 687	1 714 895	1 723 889	1 711 849	1 845 551	1 994 660	2 248 724
Social contributions	80 949	100 754	166 133	232 908	223 276	235 316	275 656	297 957	335 919
Goods and services	1 053 767	1 362 359	1 440 220	1 530 847	1 538 872	1 538 872	1 650 849	2 011 520	2 271 229
of which									
Administrative fees	1	-	-	-	-	-	-	-	-
Advertising	823	51	1 207	2 347	2 347	2 347	2 493	2 794	3 856
Assets <R5000	5 662	1 552	11 226	3 552	3 552	3 552	3 675	4 055	4 833
Audit cost: External	131	128	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	304	430	577	188	188	188	198	225	275
Communication	6 149	4 476	5 077	6 914	7 414	7 414	4 724	4 965	5 985
Computer services	13 033	2 975	2 317	3 483	3 483	3 483	2 736	2 272	2 383
Cons/prof: Business & advisory services	-	15 199	721	41	41	41	-	-	-
Cons/prof: Infrastructure & planning	36 523	6 002	748	-	-	-	-	-	-
Cons/prof: Laboratory services	98 978	221 188	244 323	220 000	292 000	292 000	314 078	394 967	455 967
Cons/prof: Legal cost	-	852	-	100	100	100	108	116	121
Contractors	8 591	11 060	18 816	31 932	25 432	25 432	27 896	37 953	46 759
Agency & support/outourced services	126 687	126 955	108 542	178 839	169 839	169 839	173 328	176 989	179 760
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	28 703	751	31 666	3 316	3 316	3 316	4 246	4 701	5 831
Inventory: Fuel, oil and gas	17 594	17 327	19 302	27 585	28 585	28 585	28 097	29 978	32 121
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	915	1 814	14	9	9	9	4	5	5
Inventory: Medical supplies	628 647	895 323	238 200	211 431	211 542	211 542	252 576	330 351	408 731
Inventory: Medicine	-	-	682 425	745 384	715 262	715 262	759 741	936 308	1 023 337
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	5 754	9 310	12 397	6 014	6 014	6 014	4 696	5 129	5 867
Inventory: Stationery and printing	2 813	2 125	3 748	20 593	2 593	2 593	3 201	3 582	4 857
Lease payments	1 202	1 609	2 039	3 123	3 123	3 123	2 614	2 871	3 181
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	57 373	24 279	34 865	38 413	37 449	37 449	36 137	38 783	40 976
Transport provided: Departmental activity	602	387	424	378	878	878	-	-	-
Travel and subsistence	3 371	1 839	2 189	4 582	3 082	3 082	4 690	5 223	6 309
Training and development	5 220	15 496	15 087	15 511	15 511	15 511	17 382	20 722	27 490
Operating expenditure	4 159	857	4 067	7 042	7 042	7 042	8 147	9 436	12 465
Venues and facilities	532	374	243	70	70	70	82	95	120
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	6 832	2 448	76 479	10 576	10 743	10 743	10 515	12 201	12 201
Provinces and municipalities	11	82	63	36	36	36	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	11	82	63	36	36	36	-	-	-
Municipalities	11	76	59	36	36	36	-	-	-
Municipal agencies and funds	-	6	4	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	68 746	10 515	10 515	10 515	10 515	12 201	12 201
Households	6 821	2 366	7 670	25	192	192	-	-	-
Social benefits	699	466	5 121	25	192	192	-	-	-
Other transfers to households	6 122	1 900	2 549	-	-	-	-	-	-
Payments for capital assets	772 409	912 863	697 213	945 443	956 310	956 310	1 038 278	1 120 696	1 223 158
Buildings and other fixed structures	467 732	660 338	536 345	657 709	657 709	657 709	718 846	763 435	847 580
Buildings	467 732	660 338	536 345	657 709	657 709	657 709	718 846	763 435	847 580
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	304 677	252 525	160 070	287 722	298 589	298 589	319 432	357 261	375 578
Transport equipment	5 261	4 607	5 975	-	10 400	10 400	-	-	-
Other machinery and equipment	299 416	247 918	154 095	287 722	288 189	288 189	319 432	357 261	375 578
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	798	12	12	12	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 655 935	3 191 197	3 575 732	4 434 669	4 453 090	4 453 090	4 820 849	5 437 034	6 091 231

Table 7.L: Payments and estimates by economic classification: Health Professions Training and Development grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	212 038	222 425	231 269	249 917	249 917	249 917	261 860	276 262	292 837
Compensation of employees	122 191	129 922	164 864	249 917	249 917	249 917	261 860	276 262	292 837
Salaries and wages	121 435	127 424	155 763	229 468	229 468	217 428	227 818	240 348	254 769
Social contributions	756	2 498	9 101	20 449	20 449	32 489	34 042	35 914	38 068
Goods and services	89 847	92 503	66 405	-	-	-	-	-	-
of which									
Advertising	150	-	-	-	-	-	-	-	-
Assets <R5000	1 350	-	64	-	-	-	-	-	-
Catering: Departmental activities	3	-	-	-	-	-	-	-	-
Communication	-	226	332	-	-	-	-	-	-
Computer services	150	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	100	-	-	-	-	-	-	-	-
Contractors	3 035	-	-	-	-	-	-	-	-
Agency & support/outsourced services	468	468	1 543	-	-	-	-	-	-
Inventory: Fuel, oil and gas	293	1 331	-	-	-	-	-	-	-
Inventory: Medical supplies	78 434	80 191	44 975	-	-	-	-	-	-
Inventory: Medicine	-	-	9 553	-	-	-	-	-	-
Inventory: Other consumables	-	400	1 494	-	-	-	-	-	-
Inventory: Stationery and printing	715	9	1 683	-	-	-	-	-	-
Lease payments	-	21	12	-	-	-	-	-	-
Transport provided: Departmental activity	-	8	-	-	-	-	-	-	-
Travel and subsistence	522	251	339	-	-	-	-	-	-
Training and development	3 967	9 279	6 306	-	-	-	-	-	-
Operating expenditure	659	319	104	-	-	-	-	-	-
Venues and facilities	1	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	54	-	4 502	-	-	-	-	-	-
Machinery and equipment	54	-	4 502	-	-	-	-	-	-
Other machinery and equipment	54	-	4 502	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	212 092	222 425	235 771	249 917	249 917	249 917	261 860	276 262	292 837

Table 7.M: Payments and estimates by economic classification: Hospital Revitalisation grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	58 842	37 824	35 789	85 213	85 213	85 213	78 949	74 326	74 326
Compensation of employees	5 511	3 448	5 037	10 499	10 499	10 499	11 049	11 628	11 628
Salaries and wages	5 148	3 093	4 661	9 251	9 251	9 251	9 714	10 199	10 199
Social contributions	363	355	376	1 248	1 248	1 248	1 335	1 429	1 429
Goods and services	53 331	34 376	30 752	74 714	74 714	74 714	67 900	62 698	62 698
of which									
Advertising	40	28	88	332	332	332	276	231	231
Assets <R5000	641	984	10 394	919	919	919	851	801	801
Audit cost: External	-	128	-	-	-	-	-	-	-
Catering: Departmental activities	81	23	21	42	42	42	26	25	25
Communication	478	208	21	1 653	1 653	1 653	1 372	1 292	1 292
Computer services	12 595	2 872	2 178	3 038	3 038	3 038	2 218	1 641	1 641
Cons/prof: Business & advisory services	-	15 199	721	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	36 523	6 002	748	-	-	-	-	-	-
Cons/prof: Legal cost	-	7	-	-	-	-	-	-	-
Contractors	1 194	31	4	300	300	300	278	262	262
Agency & support/outsourced services	438	688	2 877	60 534	60 534	60 534	55 564	51 560	51 560
Inventory: Food and food supplies	4	2	-	35	35	35	32	31	31
Inventory: Materials and supplies	-	10	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	2 531	-	-	-	-	-	-
Inventory: Other consumables	1	1	1 631	100	100	100	93	87	87
Inventory: Stationery and printing	47	58	26	8	8	8	7	7	7
Lease payments	75	473	44	70	70	70	65	61	61
Property payments	87	206	409	500	500	500	463	436	436
Travel and subsistence	735	893	385	641	641	641	594	559	559
Training and development	19	6 194	6 896	6 536	6 536	6 536	6 055	5 700	5 700
Operating expenditure	286	57	1 578	6	6	6	6	5	5
Venues and facilities	87	312	200	-	-	-	-	-	-
Transfers and subsidies to	326	-	-	-	-	-	-	-	-
Households	326	-	-	-	-	-	-	-	-
Social benefits	326	-	-	-	-	-	-	-	-
Payments for capital assets	271 236	187 085	261 781	462 485	462 485	462 485	487 656	500 778	586 806
Buildings and other fixed structures	156 284	120 278	217 779	273 170	273 170	273 170	312 295	327 349	396 171
Buildings	156 284	120 278	217 779	273 170	273 170	273 170	312 295	327 349	396 171
Machinery and equipment	114 952	66 807	43 204	189 303	189 303	189 303	175 361	173 429	190 635
Other machinery and equipment	114 952	66 807	43 204	189 303	189 303	189 303	175 361	173 429	190 635
Land and sub-soil assets	-	-	798	12	12	12	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	330 404	224 909	297 570	547 698	547 698	547 698	566 605	575 104	661 132

Table 7.N: Payments and estimates by economic classification: National Tertiary Services grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2011/12	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	722 632	802 230	993 725	1 103 648	1 103 648	1 103 648	1 212 339	1 271 489	1 352 185
Compensation of employees	408 665	410 868	555 536	670 842	670 842	670 842	716 922	744 607	797 047
Salaries and wages	365 595	361 766	490 967	593 616	593 616	593 616	623 723	647 808	693 431
Social contributions	43 070	49 102	64 569	77 226	77 226	77 226	93 199	96 799	103 616
Goods and services	313 967	391 362	438 189	432 806	432 806	432 806	495 417	526 882	555 138
of which									
Administrative fees	1	-	-	-	-	-	-	-	-
Advertising	544	14	375	100	100	100	108	116	125
Assets <R5000	3 399	350	251	250	250	250	270	290	300
Catering: Departmental activities	220	335	-	-	-	-	-	-	-
Communication	2 605	1 923	1 917	1 809	1 809	1 809	2 251	2 395	2 995
Computer services	280	101	114	-	-	-	-	-	-
Cons/prof: Laboratory services	95	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	845	-	100	100	100	108	116	121
Contractors	3 610	9 174	12 304	18 278	18 278	18 278	20 912	21 167	23 167
Agency & support/outsourced services	118 851	124 524	103 199	106 583	106 583	106 583	116 421	123 427	125 400
Inventory: Food and food supplies	879	746	882	1 500	1 500	1 500	2 117	2 237	2 900
Inventory: Fuel, oil and gas	12 498	11 694	14 330	21 982	21 982	21 982	27 302	29 056	31 056
Inventory: Materials and supplies	678	1 787	-	-	-	-	-	-	-
Inventory: Medical supplies	141 343	211 895	143 190	136 890	136 890	136 890	158 598	169 799	180 689
Inventory: Medicine	-	-	125 822	108 861	108 861	108 861	124 377	131 065	138 065
Inventory: Other consumables	3 318	7 572	7 271	3 209	3 209	3 209	3 460	3 716	3 980
Inventory: Stationery and printing	1 745	1 560	1 397	1 110	1 110	1 110	1 197	1 285	1 500
Lease payments	362	417	430	1 850	1 850	1 850	1 995	2 142	2 350
Property payments	19 586	17 496	26 027	28 507	28 507	28 507	34 385	38 012	40 150
Transport provided: Departmental activity	26	33	47	-	-	-	-	-	-
Travel and subsistence	1 120	434	359	960	960	960	1 035	1 112	1 350
Training and development	15	-	-	649	649	649	700	752	780
Operating expenditure	2 759	462	274	168	168	168	181	195	210
Venues and facilities	33	-	-	-	-	-	-	-	-
Transfers and subsidies to	6 489	2 251	6 690	-	-	-	-	-	-
Provinces and municipalities	-	6	1	-	-	-	-	-	-
Municipalities	-	6	1	-	-	-	-	-	-
Municipal agencies and funds	-	6	1	-	-	-	-	-	-
Households	6 489	2 245	6 689	-	-	-	-	-	-
Social benefits	367	345	4 189	-	-	-	-	-	-
Other transfers to households	6 122	1 900	2 500	-	-	-	-	-	-
Payments for capital assets	182 777	180 007	102 102	98 183	98 183	98 183	110 775	144 242	144 242
Machinery and equipment	182 777	180 007	102 102	98 183	98 183	98 183	110 775	144 242	144 242
Other machinery and equipment	182 777	180 007	102 102	98 183	98 183	98 183	110 775	144 242	144 242
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	911 898	984 488	1 102 517	1 201 831	1 201 831	1 201 831	1 323 114	1 415 731	1 496 427

Table 7.O: Payments and estimates by economic classification: Health Infrastructure grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2011/12	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	31 886	592	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	31 886	592	-	-	-	-	-	-	-
of which									
Property payments	31 886	592	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	262 946	359 125	280 449	358 471	358 471	358 471	393 367	416 969	427 845
Buildings and other fixed structures	262 946	359 125	280 449	358 471	358 471	358 471	393 367	416 969	427 845
Buildings	262 946	359 125	280 449	358 471	358 471	358 471	393 367	416 969	427 845
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	294 832	359 717	280 449	358 471	358 471	358 471	393 367	416 969	427 845

Table 7.P: Payments and estimates by economic classification: Comprehensive HIV and AIDS grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	757 620	1 121 476	1 431 225	1 878 912	1 885 763	1 885 763	2 184 908	2 605 060	3 026 524
Compensation of employees	225 589	299 827	552 108	887 449	886 811	886 811	1 106 436	1 201 631	1 400 086
Salaries and wages	197 740	262 306	473 425	772 081	781 075	781 075	962 599	1 045 419	1 218 075
Social contributions	27 849	37 521	78 683	115 368	105 736	105 736	143 837	156 212	182 011
Goods and services	532 031	821 649	879 117	991 463	998 952	998 952	1 078 472	1 403 429	1 626 438
of which									
Advertising	-	-	740	1 791	1 791	1 791	2 109	2 447	3 500
Assets <R5000	-	-	320	2 169	2 169	2 169	2 554	2 964	3 612
Catering: Departmental activities	-	72	553	146	146	146	172	200	250
Communication	-	-	463	935	935	935	1 101	1 278	1 578
Computer services	-	-	-	440	440	440	518	601	642
Cons/prof: Laboratory services	98 783	221 188	244 323	220 000	292 000	292 000	314 078	394 967	455 967
Contractors	-	-	481	9 091	591	591	706	2 423	3 200
Agency & support/outsourced services	(4)	-	165	8 783	783	783	1 343	2 002	2 800
Inventory: Food and food supplies	27 819	-	30 780	1 781	1 781	1 781	2 097	2 433	2 900
Inventory: Fuel, oil and gas	-	-	341	675	675	675	795	922	1 020
Inventory: Materials and supplies	-	-	2	3	3	3	4	5	5
Inventory: Medical supplies	404 980	599 874	44 975	74 541	74 652	74 652	93 978	160 552	228 042
Inventory: Medicine	-	-	547 049	633 498	604 876	604 876	635 364	805 243	885 272
Inventory: Other consumables	-	137	1 246	971	971	971	1 143	1 326	1 800
Inventory: Stationery and printing	-	276	363	19 195	1 195	1 195	1 967	2 230	3 230
Lease payments	-	-	452	445	445	445	524	608	650
Property payments	500	36	2 109	245	245	245	289	335	390
Travel and subsistence	-	4	821	2 599	1 099	1 099	3 061	3 552	4 200
Training and development	-	-	1 879	7 326	7 326	7 326	8 627	10 010	15 010
Operating expenditure	(47)	-	2 015	6 759	6 759	6 759	7 960	9 236	12 250
Venues and facilities	-	62	40	70	70	70	82	95	120
Transfers and subsidies to	(5)	106	69 668	10 515	10 682	10 682	10 515	12 201	12 201
Provinces and municipalities	-	-	3	-	-	-	-	-	-
Municipalities	-	-	3	-	-	-	-	-	-
Municipal agencies and funds	-	-	3	-	-	-	-	-	-
Non-profit institutions	-	-	68 746	10 515	10 515	10 515	10 515	12 201	12 201
Households	(5)	106	919	-	167	167	-	-	-
Social benefits	(5)	106	919	-	167	167	-	-	-
Payments for capital assets	-	-	33	-	10 867	10 867	30 000	34 811	34 811
Machinery and equipment	-	-	33	-	10 867	10 867	30 000	34 811	34 811
Transport equipment	-	-	-	-	10 400	10 400	-	-	-
Other machinery and equipment	-	-	33	-	467	467	30 000	34 811	34 811
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	757 615	1 121 582	1 500 926	1 889 427	1 907 312	1 907 312	2 225 423	2 652 072	3 073 536

Table 7.Q: Payments and estimates by economic classification: 2010 World Cup Health Preparation Strategy grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	-	43	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	43	-	-	-	-	-	-	-
of which									
Assets <R5000	-	22	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	21	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	3 538	-	-	-	-	-	-
Machinery and equipment	-	-	3 538	-	-	-	-	-	-
Other machinery and equipment	-	-	3 538	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	43	3 538	-	-	-	-	-	-

Table 7.R: Payments and estimates by economic classification: Forensic Pathology Services grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	93 676	91 296	107 477	135 185	135 185	135 185	-	-	-
Compensation of employees	60 971	69 462	81 720	103 321	103 321	103 321	-	-	-
Salaries and wages	52 060	58 184	68 316	88 055	88 055	88 055	-	-	-
Social contributions	8 911	11 278	13 404	15 266	15 266	15 266	-	-	-
Goods and services	32 705	21 834	25 757	31 864	31 864	31 864	-	-	-
of which									
Advertising	89	9	4	124	124	124	-	-	-
Assets <R5000	272	196	197	214	214	214	-	-	-
Audit cost: External	131	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	3	-	-	-	-	-	-
Communication	3 066	2 119	2 344	2 517	3 017	3 017	-	-	-
Computer services	8	2	25	5	5	5	-	-	-
Cons/prof: Business & advisory services	-	-	-	41	41	41	-	-	-
Contractors	752	1 855	6 027	4 263	6 263	6 263	-	-	-
Agency & support/outourced services	6 934	1 275	758	2 939	1 939	1 939	-	-	-
Inventory: Food and food supplies	1	3	4	-	-	-	-	-	-
Inventory: Fuel, oil and gas	4 803	4 281	4 631	4 928	5 928	5 928	-	-	-
Inventory: Materials and supplies	237	17	12	6	6	6	-	-	-
Inventory: Medical supplies	3 890	3 363	2 529	-	-	-	-	-	-
Inventory: Medicine	-	-	1	3 025	1 525	1 525	-	-	-
Inventory: Other consumables	2 435	1 200	755	1 734	1 734	1 734	-	-	-
Inventory: Stationery and printing	306	222	279	280	280	280	-	-	-
Lease payments	765	698	1 101	758	758	758	-	-	-
Property payments	5 314	5 949	6 320	9 161	7 661	7 661	-	-	-
Transport provided: Departmental activity	576	346	377	378	878	878	-	-	-
Travel and subsistence	994	257	285	382	382	382	-	-	-
Training and development	1 219	23	6	1 000	1 000	1 000	-	-	-
Operating expenditure	502	19	96	109	109	109	-	-	-
Venues and facilities	411	-	3	-	-	-	-	-	-
Transfers and subsidies to	22	91	121	61	61	61	-	-	-
Provinces and municipalities	11	76	59	36	36	36	-	-	-
Municipalities	11	76	59	36	36	36	-	-	-
Municipalities	11	76	59	36	36	36	-	-	-
Households	11	15	62	25	25	25	-	-	-
Social benefits	11	15	13	25	25	25	-	-	-
Other transfers to households	-	-	49	-	-	-	-	-	-
Payments for capital assets	55 396	186 646	44 808	26 304	26 304	26 304	-	-	-
Buildings and other fixed structures	48 502	180 935	38 117	26 068	26 068	26 068	-	-	-
Buildings	48 502	180 935	38 117	26 068	26 068	26 068	-	-	-
Machinery and equipment	6 894	5 711	6 691	236	236	236	-	-	-
Transport equipment	5 261	4 607	5 975	-	-	-	-	-	-
Other machinery and equipment	1 633	1 104	716	236	236	236	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	149 094	278 033	152 406	161 550	161 550	161 550	-	-	-

Table 7.S: Payments and estimates by economic classification: Social Sector EPWP Incentive Grant to Provinces

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	-	-	2 555	25 775	25 775	25 775	-	-	-
Compensation of employees	-	-	2 555	25 775	25 775	25 775	-	-	-
Salaries and wages	-	-	2 555	22 424	22 424	22 424	-	-	-
Social contributions	-	-	-	3 351	3 351	3 351	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	2 555	25 775	25 775	25 775	-	-	-

Table 7.T: Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	-	-	-	-	536	536	1 000	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	536	536	1 000	-	-
of which									
Property payments	-	-	-	-	536	536	1 000	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	536	536	1 000	-	-

Table 7.U: Payments and estimates by economic classification: National Health Insurance grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	-	-	-	-	-	-	33 000	77 000	110 000
Compensation of employees	-	-	-	-	-	-	24 940	58 489	83 045
Salaries and wages	-	-	-	-	-	-	21 697	50 886	72 250
Social contributions	-	-	-	-	-	-	3 243	7 603	10 795
Goods and services	-	-	-	-	-	-	8 060	18 511	26 955
of which									
Assets <R5000	-	-	-	-	-	-	-	-	120
Communication	-	-	-	-	-	-	-	-	120
Computer services	-	-	-	-	-	-	-	30	100
Contractors	-	-	-	-	-	-	6 000	14 101	20 130
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	45
Inventory: Stationery and printing	-	-	-	-	-	-	30	60	120
Lease payments	-	-	-	-	-	-	30	60	120
Travel and subsistence	-	-	-	-	-	-	-	-	200
Training and development	-	-	-	-	-	-	2 000	4 260	6 000
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	33 000	77 000	110 000

Table 7.V: Payments and estimates by economic classification: Nursing Colleges and Schools grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	16 480	23 896	29 454
Buildings and other fixed structures	-	-	-	-	-	-	13 184	19 117	23 564
Buildings	-	-	-	-	-	-	13 184	19 117	23 564
Machinery and equipment	-	-	-	-	-	-	3 296	4 779	5 890
Other machinery and equipment	-	-	-	-	-	-	3 296	4 779	5 890
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	16 480	23 896	29 454

Table 7.W: Details of payments of infrastructure by category

No. Project name		Municipality/ Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available		MTEF	
			Regional/District/Central Hospital; Clinic; Community Health Centre; Pharmaceutical Depots; Mortuary; etc.	Units (i.e. number of beds or facilities)	Date: Start	Date: Finish						2012/13	2013/14	2014/15	forward estimates
R thousand															
New and replacement assets															
1.	Design and construct new district hospital- Level 1	eThekwini	Hospital - District	450	01 Apr 2015	01 Apr 2018	Hosp Revitalisation	Programme 8	-	1 152 937	410	-	-	10 000	300 000
2.	Design and construct new district hospital- Level 1	eThekwini	Hospital - Regional	1	01 Jun 2012	01 Nov 2014	Hosp Revitalisation	Programme 8	-	1 031 639	18 603	20 000	320 242	320 000	
3.	Re-build greater Edendale Complex	Msunduzi	Regional Hospital	930	01 Mar 2013	01 Mar 2017	Hosp Revitalisation	Programme 8	-	2 755 085	-	30 000	30 000	17 542	
4.	Alterations & additions to existing hospital	Umlathuze	Hospital - Regional	183	01 Sep 2010	01 Apr 2014	Hosp Revitalisation	Programme 8	-	303 605	22 341	120 873	30 361	-	
5.	New staff residence and upgrading of existing staff residence	Umlathuze	Hospital - Regional	183	01 Jan 2014	01 Jul 2017	Hosp Revitalisation	Programme 8	-	225 000	-	-	50 000	50 000	
6.	Ph 2A & 2B: Outpatients, pharmacy, theatres, etc	Hlabisa	District Hospital	308	01 Sep 2016	01 Sep 2018	Hosp Revitalisation	Programme 8	-	528 123	43 725	-	-	-	
7.	New regional & tertiary hospital	eThekwini	Regional- Hospital	850	01 Oct 2010	01 Mar 2011	Hosp Revitalisation	Programme 8	-	1 416 000	-	-	-	-	
8.	Construction of new Level 1 hospital	eThekwini	District Hospital	900	01 Mar 2006	01 Mar 2008	Hosp Revitalisation	Programme 8	-	445 565	400 856	-	-	-	
9.	Psychiatric hospital	Newcastle	Hospital - Specialised	1615	01 Jan 2015	01 Jan 2017	Hosp Revitalisation	Programme 8	-	925 000	1 658	9 487	35 000	-	
10.	New district, regional & TB hospitals	Newcastle	Hospital - Regional	1615	01 Jan 2017	01 Jun 2020	Hosp Revitalisation	Programme 8	-	1 251 558	-	-	-	-	
Other	Various	Various	Various	Several	01 Apr 2011	31 Mar 2014	ES & various C grants	Programme 8	-	6 634 456	-	260 860	543 670	342 851	
Total New and replacement assets									-	16 668 968	487 593	441 220	1 019 273	1 030 393	
Upgrades and additions															
1.	Convert clinic to community health centre	Hibiscus Coast	Clinic	1	01 Sep 2008	01 Apr 2010	Health Infrastructure	Programme 8	-	51 737	31 879	-	-	-	
2.	New OPD, casualty/trauma unit, X-ray and related facilities	Okhahlamba	Hospital - District	173	01 Jan 2011	01 Jan 2014	Equitable share (ES)	Programme 8	-	96 650	6 970	30 000	30 000	20 340	
3.	New OPD/casualty/CSSD/dispensary/X-ray & theatre block	uPhongolo	Hospital - District	150	01 Feb 2009	01 Feb 2011	Health Infrastructure	Programme 8	-	73 263	37 264	3 023	-	-	
4.	General & TB wards	Hibiscus Coast	Hospital - District	300	01 Jul 2012	01 Jul 2015	Health Infrastructure	Programme 8	-	85 000	5 348	1 000	12 000	65 039	
5.	Construction of OPD with X-ray, admin block pharmacy, etc	Maphumulo	Hospital - District	158	01 Oct 2010	01 Oct 2014	ES	Programme 8	-	40 000	-	6 000	20 000	-	
6.	New multi-departmental core block	Hibiscus Coast	Hospital - Regional	334	01 Apr 2007	01 Apr 2010	Health Infrastructure	Programme 8	-	153 097	97 195	-	-	-	
7.	Ph 3B: Admin, kitchen, audio, ARV, staff accommodation	Umqimkulu	District Hospital	208	01 Sep 2010	01 Mar 2015	Hosp Revitalisation	Programme 8	-	110 000	555	45 000	40 865	-	
8.	Upgrade MV & LV electrical reticulation incl. generators, etc	Umlathuze	Hospital - District	506	01 Jan 2011	01 Nov 2012	Hosp Revitalisation	Programme 8	-	76 854	3 421	35 000	15 000	8 837	
9.	New theatre complex, CSSD, and staff/doctors' facility	Umlathuze	Hospital - District	506	01 Oct 2012	01 Oct 2015	Hosp Revitalisation	Programme 8	-	173 752	3 435	40 428	60 000	63 000	
10.	Phase 3A: New pharmacy, stores, maint., lab. and laundry	Umqimkulu	District Hospital	208	01 Dec 2008	01 Sep 2012	Hosp Revitalisation	Programme 8	-	51 330	12 777	9 786	5 257	2 315	
Other	Various	Various	Various	Several	01 Apr 2011	31 Mar 2014	ES & various C grants	Programme 8	-	2 919 804	-	537 781	281 985	331 157	
Total Upgrades and additions									-	3 831 487	198 844	708 018	465 107	490 688	
Rehabilitation, renovations and refurbishments															
1.	Upgrade Accidents & Emergency - Addington	eThekwini	Hospital - Regional	613	30 Sep 2011	30 Jan 2013	Health Infrastructure	Programme 8	-	27 000	50	21 900	1 350	-	
2.	Clinic maintenance & upgrading prog : 2006-2007 Phase 1	Ntambanana	Clinic	1	01 Nov 2010	01 May 2012	Health Infrastructure	Programme 8	-	20 000	1 225	15 370	1 000	-	
3.	Clinic maint & upgrade programme 2006/2007	Mbonambi	Clinic	1	01 Jun 2011	01 Nov 2012	Health Infrastructure	Programme 8	-	15 673	861	11 252	760	-	
4.	Alterations to theatre, X-ray, CSSD etc	uMshwathi	Hospital - District	181	01 Nov 2008	01 Apr 2010	ES	Programme 8	-	19 858	5 553	8 694	452	-	
5.	Relocate accommodation	Ubuhlebezwe	Hospital - District	238	01 Jan 2008	01 Sep 2009	Health Infrastructure	Programme 8	-	34 807	32 150	-	-	-	
6.	Repairs to kitchen roof & ceiling,psychiatric wards,nurse	Nkandla	Hospital - District	125	01 Apr 2012	01 Apr 2013	Health Infrastructure	Programme 8	-	20 500	-	12 000	1 000	-	
7.	Revonation to 20 staff houses	umlalazi	Hospital - District	196	30 Oct 2011	20 Oct 2013	Health Infrastructure	Programme 8	-	27 060	721	12 000	10 260	3 679	
8.	Re-organise pharmacy	Msunduzi	Hospital - District	385	01 Jun 2012	01 Oct 2013	Health Infrastructure	Programme 8	-	15 000	1 401	5 000	7 664	-	
9.	Replacement or renovations to roof - admin block, North Park etc	Msunduzi	Hospital - Spec	361	01 Jun 2012	01 Jun 2013	ES	Programme 8	-	40 400	-	28 100	2 000	-	
10.	Extensive renovations and additions to existing building	Head Office	Nursing College	1	01 Sep 2011	01 Sep 2013	ES	Programme 8	-	40 000	-	19 000	18 000	2 000	
Other	Various	Various	Various	Several	01 Apr 2011	31 Mar 2014	ES & various C grants	Programme 8	-	486 534	-	162 922	84 537	128 330	
Total Rehabilitation, renovations and refurbishments									-	746 832	41 961	296 238	127 023	134 009	
Maintenance and repairs															
1.	Lift maintenance	Msunduzi	Office Accommodation	1	01 Apr 2010	31 Mar 2014	ES	Programme 8	-	5 720	-	880	920	970	
2.	Manage 168 lease agreements for KZN - Health	Msunduzi	Residential Accommodation	168	01 Apr 2010	31 Mar 2014	ES	Programme 8	-	350 000	48 944	50 000	50 000	61 000	
3.	Facilities routine maintenance	Msunduzi	Maintenance	1	01 Apr 2010	31 Mar 2014	ES	Programme 8	-	1 090 501	-	300 849	320 146	329 320	
Other	Various	Various	Various	Several	01 Apr 2012	31 Mar 2015	ES & various C grants	Programme 8	-	68 744	-	68 744	85 629	95 756	
Total Maintenance and repairs									-	1 446 221	48 944	420 473	456 695	487 046	
Infrastructure transfers - current															
Infrastructure transfers - capital															
1.	KZN Children's Hospital	eThekwini	Hospital - Childrens	1	01 Jan 2012	31 Mar 2014	ES	Programme 8	-	50 000	10 000	20 000	20 000	-	
Total Infrastructure transfers - capital									-	50 000	10 000	20 000	20 000	-	
Total Infrastructure									-	22 743 508	787 342	1 885 949	2 088 098	2 142 136	

Table 7.X: Summary of transfers to local government (Municipal Clinics)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
A KZN2000 eThekweni	36 406	42 612	44 540	47 212	47 212	47 282	69 573	73 051	76 703
Total: Ugu Municipalities	1 493	4 207	12 153	6 627	6 627	6 627	-	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	651	1 248	3 493	2 172	2 172	2 172	-	-	-
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	153	771	1 408	919	919	919	-	-	-
B KZN215 Ezinqoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	689	2 188	7 252	3 536	3 536	3 536	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	34 475	12 461	12 461	12 461	3 271	-	-
B KZN221 uMshwathi	-	-	1 480	470	470	470	124	-	-
B KZN222 uMngeni	-	-	3 291	1 346	1 346	1 346	353	-	-
B KZN223 Mpofana	-	-	817	978	978	978	257	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	-	28 887	9 667	9 667	9 667	2 537	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	10 876	14 401	9 120	9 120	9 120	-	-	-
B KZN232 Emnambithi/Ladysmith	-	5 999	10 756	5 465	5 465	5 465	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	-	2 848	2 161	2 262	2 262	2 262	-	-	-
B KZN235 Okhahlamba	-	2 029	1 484	1 393	1 393	1 393	-	-	-
B KZN236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	3 953	7 136	3 650	1 667	1 667	1 667	-	-	-
B KZN241 Endumeni	2 820	3 382	2 077	-	-	-	-	-	-
B KZN242 Nqutu	-	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	-	-	-	-	-	-	-
B KZN245 Umvoti	1 133	3 754	1 573	1 667	1 667	1 667	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	1 385	1 493	1 937	1 937	1 937	-	-	-
B KZN252 Newcastle	-	1 385	1 493	1 265	1 265	1 265	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	672	672	672	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	1 127	1 127	1 127	-	-	-
B KZN261 eDumbe	-	-	-	479	479	479	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	648	648	648	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZN271 Umhlabyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	-	-	-	-	-	-	-	-	-
B KZN274 Hlabisa	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	4 726	9 137	7 320	8 305	8 305	9 026	9 948	9 777	10 266
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	4 086	4 348	4 086	4 886	4 886	4 886	9 311	9 777	10 266
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	4 016	2 461	2 426	2 426	3 147	637	-	-
B KZN285 Mthonjaneni	640	773	773	993	993	993	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	3 891	5 705	5 856	5 717	5 717	5 717	1 501	-	-
B KZN291 Mandeni	707	471	1 527	1 128	1 128	1 128	296	-	-
B KZN292 KwaDukuza	3 184	5 234	4 329	4 589	4 589	4 589	1 205	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
B KZN431 Ingwe	-	-	-	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 Umzimkulu	-	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	24	-	-	-	12	242	-	-	-
Total	50 493	81 058	123 888	94 173	94 185	95 206	84 293	82 828	86 969

VOTE 8

Human Settlements

Operational budget	R 3 300 935 000
MEC remuneration	Nil
Total amount to be appropriated	R 3 300 935 000
Responsible MEC	Mr. R. Pillay, MEC for Public Works and Human Settlements ¹
Administering department	Human Settlements
Accounting officer	Head: Human Settlements

1. Overview

Vision

The vision of the department is: *Innovative champions of change in the housing sector to improve the quality of life for all in KZN.*

Mission statement

The mission statement of the department is: *To create an enabling environment for the development of sustainable human settlements in partnership with stakeholders to improve the quality of life for all in KZN.*

Strategic objectives

Strategic policy direction: By focussing on its role of creating sustainable human settlements throughout the province, the department seeks to align its operations and strategic position with the overall aim of government to achieve accountability and effective service delivery for all citizens of the province in the following areas: create sustainable human settlements and improved quality of household life, and create vibrant, equitable, sustainable rural communities contributing toward food security for all.

The strategic objectives set by the department are:

- Eradication of slums in KwaZulu-Natal.
- Strengthening governance and service delivery.
- Ensuring job creation through housing delivery.
- Accelerating housing delivery in rural areas.
- Accelerate the hostels upgrade and redevelopment programme.
- Creating rental/social housing opportunities.
- Building capacity of housing stakeholders (especially municipalities).
- Promotion of home-ownership.
- Provision of housing for vulnerable groups.
- Provision of incremental housing.
- Implementation of the Financial Services Market programme.

¹ The salary of the MEC of Human Settlements is budgeted for under Vote 14: Public Works.

Core functions

The following core functions have been identified as key for the attainment of the strategic objectives:

- To promote the provision of housing development.
- To promote the provision of affordable housing and essential services.
- To manage, control and maintain the immoveable assets of the department.
- To administer and manage housing subsidies of targeted groups.
- To research, establish, monitor and implement policies within the National Housing Policy Framework.
- To formulate a Provincial Housing Development Plan for the province.
- To facilitate and create housing institutions.
- To provide legal advice on land and environmental issues.
- To administer and co-ordinate the Community Residential Unit (CRU) programme.
- To administer the clearance of slums in KZN.
- To capacitate housing stakeholders.

Legislative mandates

The principal legislative mandates governing the operations of the department are:

- The Constitution of the Republic of South Africa, 1996
- Housing Act, 1997, as amended
- Housing Consumers Protection Measures Act, 1998, as amended
- Rental Housing Act, 1999
- Sectional Titles Act, 1986
- Abolition of Certain Title Conditions Act, 1999
- Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 1998
- Home Loan and Mortgage Disclosure Act, 2000
- Disestablishment of South African Trust Limited Act, 2000
- Constitutional Court judgement, 2000, on the enforceability of social and economic rights
- KwaZulu-Natal Housing Act, 1998, as amended
- Housing Development Schemes for Retired Persons Act, 1988, as amended
- National Building Regulations and Building Standards Act, 1977
- Construction Industry Development Board Act, 2000
- Preferential Procurement Policy Framework Act, 2000
- Housing Consumer Protection Measures Act, 2007
- Social Housing Act, 2008
- Housing Development Agency Act, 2008
- Public Finance Management Act, 1999, as amended, and Treasury Regulations
- Broad Based Black Economic Empowerment Act, 2003
- National Environmental Management Act, 1998, as amended
- Communal Land Rights Act, 2004
- Communal Property Association Act, 1996
- KwaZulu-Natal Planning and Development Act, 2008

- Deeds Registries Act, 1937
- Extension of Security of Tenure Act, 1997
- Land Administration Act, 1995
- Reconstruction and Development Programme Fund Act, 1994
- Municipal Finance Management Act, 2003
- Corruption Act, 1994, as amended
- Expropriation Act, 1951 as repealed by Act No. 63 of 1975
- National Heritage Resource Act, 1999
- Standards Act, 1993
- State Land Disposal Act, 1961

2. Review of the 2011/12 financial year

This section provides a review of 2011/12, outlining the main achievements and progress made during the year, as well as providing a brief discussion on challenges and new developments.

Slums clearance

The department continued with its aim of clearing slums in 2011/12. As at December 2011, 882 houses had been completed under the Informal Settlements Upgrade programme. In addition, the department made strides toward providing strategic planning leadership for the creation of human settlements through developing provincial frameworks, such as the KZN Sustainable Human Settlements Strategy and the KZN Informal Settlements Strategy. It also ensured that all municipalities have a Municipal Sector Plan for housing development within their respective municipalities. This plan forms part of each municipality's Integrated Development Plan (IDP).

Rural housing development programme

The contract for the *Vulindlela* housing project was signed on 29 March 2011 for the construction of 25 000 units in the Msunduzi Municipality. Stage 1 activities, such as site pegging, beneficiary administration, site establishment, etc., as well as construction activities were undertaken. The department reprioritised savings from within Programme 3: Housing Development and Programme 4: Housing Asset Management, Property Management in the 2011/12 Adjustments Estimate to cater for the fast-tracking of this project. The savings emanate from various slow-spending projects, such as the Community Residential Unit (CRU) programme and the Enhanced Extended Discount Benefit Scheme (EEDBS), as explained in greater detail below.

Enhanced people's housing process

This programme, which provides for community/beneficiary involvement in the construction of houses, experienced slow delivery in 2011/12, mainly due to insufficient construction skills in the community. The department acquired more technical staff, facilitators and project monitors who are now working closely with project steering committees and community structures to resolve these challenges. This programme is implemented in partnership with the eThekweni Metro, as well as other municipalities.

Military veterans housing programme

This programme is intended to provide housing assistance to veterans who engaged in liberation military activities. The department did not achieve its plan of building 500 units in 2011/12 in respect of this programme. No units were built during the year, due to the fact that the veterans were unhappy with the standard unit provided in terms of the current subsidy quantum. To this end, the department engaged with the National Department of Human Settlements (NDHS) and the National Department of Military Veterans and a proposal of 45m² fully fitted units was put forward, and is currently being considered.

Affordable rental units

One of the department's aims is to achieve affordable rental housing for people in KZN. The main project in respect of this is the CRU programme, which aims to attain a non-racial, integrated and socially

coherent society for all income groups. The department aimed to construct 4 000 units in 2011/12. However, due to delays in planning processes by the eThekweni Metro, as well as the fact that the CRU policy is currently being revised in order to contain costs within acceptable limits (at the current time there is no subsidy quantum applicable to this programme, making it open to abuse), no new housing units were constructed.

Housing rectification programme

The implementation of the rectification programme for pre-1994 housing stock was delayed due to the fact that the National Home Builders Registration Council (NHBRC) is currently in the process of compiling rectification scoping reports which will indicate exactly what rectification is to be done to what properties. This exercise is expected to be completed by year-end, and rectification is expected to commence fully in 2012/13.

Emergency housing

The department assisted individuals affected by natural disasters and, by December 2011, had constructed 3 025 units. The disasters related to floods in the eThekweni, Amajuba and uThukela districts in January and February 2011.

Inclusionary housing

Inclusionary housing integrates communities and housing in the low to high income brackets. It comprises the Cornubia Land Acquisition project (hereafter referred to as Cornubia) within the eThekweni Metro, which has been identified as one of KZN's (as well as the NDHS) priority projects. Cornubia aims to implement integrated sustainable human settlements, while also contributing to the upgrading and eradication of informal settlements. The planning of Cornubia is based on the principles of sustainable development with higher densities, a wide range and integration of income levels, employment and economic opportunities, provision of schools, clinics and other social facilities, viable non-motorised and public transportation and extensive open spaces.

Cornubia is planned to be implemented in phases, with Phase 1 estimated to yield 5 000 sites. Despite delays at mid-year, the project is now on track, with the first phase of the project running smoothly. To this end, Phase 1A, which is the pilot with 486 sites, has commenced. The department has provided funding for the planning, engineering design and NHBRC enrolment. The department has thus far spent funds primarily on land acquisition, and has also built one show house.

Capacity building programmes

The department invested in various programmes targeted at capacitating stakeholders to ensure their meaningful participation in, and delivery toward the Human Settlements sector, namely the Housing Consumer Education programme, Women and Youth in Human Settlements, the EPWP, the Enhanced People's Housing Process (EPHP) and Municipal Housing Accreditation. However, meaningful impact was not achieved due to limited human resource capacity within the department.

3. Outlook for the 2012/13 financial year

This section looks at the key focus areas of 2012/13, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

Accreditation of aspiring metros

The department will be accelerating the accreditation of six aspiring municipal metros, namely uMhlathuze, Msunduzi, Mnambithi, Newcastle, KwaDukuza and Hibiscus Coast municipalities. The accreditation process will see the opportunity of regionalisation and promotion of strategic district focus, where resources are pooled together to achieve the economies of scope and scale to promote the development of communities in a much more structured and efficient manner.

Disaster management

The department will focus its efforts on addressing and eradicating the backlogs in respect of the housing disaster rehabilitation programme. These backlogs emanate mainly from the fact that funding received, in respect of the Housing Disaster Relief grant, is not adequate to cover the total cost of disasters. In this

regard, the department will undertake an audit of the outstanding disaster rehabilitation projects and develop an action plan to address the backlogs.

Informal settlements upgrade

The department will focus its attention on the 17 municipalities with the highest prevalence of informal settlements in the province, and will prioritise those that are located in areas closest to opportunities that will give rise to the establishment of new settlements, new towns and new economic opportunities, and will focus on finding well-located and appropriate land. It will also prioritise the redress of Apartheid settlements, which put communities on the periphery of urban areas.

Rural housing development programme

In line with the provincial priority of aiming to develop rural areas, the department will continue to accelerate housing delivery in rural areas. By virtue of being built with sub-standard materials, rural households, which are built by their owners in the rural areas, are in the same predicament as households of people living in the informal settlements. Focussed attention will be placed on the packaging of the *Vulindlela* rural housing development project, which is expected to have a yield of 25 000 units over the long-term (housing construction is anticipated to be completed by 2017). The department anticipates building 2 908 units in 2012/13 in respect of this project.

Hostel upgrade and Community Residential Units (CRUs)

The CRU programme aims to attain a non-racial, integrated and socially coherent society for all income groups. The department will prioritise the development of the strategy for hostel upgrades and the establishment of CRUs to enhance access to proper low cost rental housing in a sustainable manner to ensure long-term viability. The department aims to start addressing the backlog from the previous financial year. To this end, it plans to construct 1 934 units in 2012/13.

Inclusionary housing

Cornubia will continue to be rolled out in 2012/13, with 653 sites and 647 houses projected to be procured and constructed, respectively.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 8.1 indicates the sources of funding for Vote 8 for the period 2008/09 to 2014/15.

The budget for 2012/13 is made up of the equitable share of R300.409 million, the Human Settlements Development grant of R2.915 billion and a provincial cash resource of R85.229 million. The aim of the Human Settlements Development grant is to promote the provision of low income housing and essential services. No allocation for the Housing Disaster Relief grant or the EPWP Integrated Grant for Provinces was received over the 2012/13 MTEF.

Table 8.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Provincial allocation	224 107	243 265	267 030	283 444	283 444	283 444	300 409	316 553	335 518
Conditional grants	1 622 053	2 330 448	2 768 502	2 769 871	2 801 547	2 801 547	2 915 297	3 148 736	3 305 541
<i>Human Settlements Development grant</i>	1 622 053	2 180 448	2 634 109	2 769 871	2 769 871	2 769 871	2 915 297	3 148 736	3 305 541
<i>Housing Disaster Relief grant</i>	-	150 000	133 800	-	31 140	31 140	-	-	-
<i>EPWP Integrated Grant for Provinces</i>	-	-	593	-	536	536	-	-	-
Total receipts	1 846 160	2 573 713	3 035 532	3 053 315	3 084 991	3 084 991	3 215 706	3 465 289	3 641 059
Total payments	1 876 146	2 492 647	3 089 237	3 053 315	3 084 991	3 084 991	3 300 935	3 465 289	3 641 059
Surplus/(Deficit) before financing	(29 986)	81 066	(53 705)	-	-	-	(85 229)	-	-
Financing									
<i>of which</i>									
Provincial roll-overs	-	-	77 024	-	-	-	-	-	-
Provincial cash resources	-	-	-	-	-	-	85 229	-	-
Surplus/(deficit) after financing	(29 986)	81 066	23 319	-	-	-	-	-	-

The department ended 2008/09 with an over-spending of R29.986 million as a result of the high demand for housing in the province, and the resultant pressure on the department to increase the rate of service delivery.

The department ended 2009/10 with a surplus of R81.066 million. It should be noted, though, that the conditional grant under-spending in that year was R77.024 million in respect of the Human Settlements Development grant due to the following:

- The agreement between the department and the eThekweni Metro, in respect of the CRU programme not being finalised, owing to internal delays within the Metro.
- Delays in implementing certain priority projects such as Cornubia, Cato Crest and *Emapheleni*, due to the fact that these projects were still in the planning stages with the eThekweni Metro.
- Challenges being experienced, such as delays in land acquisition and the failure of contractors to perform their duties on time, in certain of the Social and Economic Facilities projects, which resulted in delays in the finalisation of certain projects such as Stepmore, *Umziki* and Task Valley.

This 2009/10 under-expenditure of R77.024 million on the Human Settlements Development grant was rolled over to 2010/11, to address spending pressures in respect of Cornubia, such as delays with the planning processes by the eThekweni Metro, as well as delays in the environmental impact assessment (EIA). These challenges have since been resolved, and Phase 1 of Cornubia is on track. The balance of R4.042 million relates to cost-cutting.

The department under-spent its 2010/11 budget by R23.319 million. This was mainly due to the fact that the department had projected to relocate its head office from Durban to Pietermaritzburg. However, the Department of Public Works failed to procure suitable office space during the year on behalf of the department, and the relocation therefore did not go ahead.

Also, in 2010/11, due to slow spending on the Human Settlements Development grant, R80 million was removed from the department by National Treasury and re-allocated to other provinces. The reasons for this slow spending are provided under Section 6.3 below.

During 2010/11, a portion of the Human Settlements Development grant was deducted by National Treasury, and allocated as an Urban Settlements Development grant (USDG) to the eThekweni Metro. National Treasury reduced the department's Human Settlements Development grant allocation over the 2011/12 MTEF by R379.629 million in 2011/12, R435.816 million in 2012/13 and R277.453 million in 2013/14. To this end, these funds have been added to the Municipal Infrastructure Grant (MIG) Cities to form a new USDG, with the eThekweni Metro receiving this funding directly.

In the 2011/12 Adjusted Appropriation, the department was allocated additional funding of R31.140 million in respect of the Housing Disaster Relief grant for repairs to infrastructure damaged by floods during January and February 2011. It also received an additional amount of R536 000 in respect of the EPWP Integrated Grant for Provinces which aims to create temporary work opportunities and a transfer of skills to the unemployed. There are no allocations against the EPWP Integrated Grant for Provinces over the MTEF at this stage.

The amount of R85.229 million against provincial cash resources in 2012/13 relates to the re-allocation of funds from Thubelisha Homes for Ingwavuma Ministerial projects. This is explained in greater detail under Section 4.2 below.

The department is showing a steadily increasing budget over the 2012/13 MTEF period. It must be noted that part of the Human Settlements Development grant over the period, namely R812.473 million in 2012/13, R878.484 million in 2013/14 and R937.633 million in 2014/15, is ring-fenced for spending in eThekweni and the department has allocated this to the development of Cornubia.

4.2 Departmental receipts collection

Table 8.2 provides a summary of the receipts collected by the department.

Table 8.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	338	324	387	375	375	375	412	434	477
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	92	90	46	94	94	94	103	109	109
Sale of capital assets	-	412	302	-	-	200	-	-	-
Transactions in financial assets and liabilities	975	5 729	7 382	667	667	268 636	735	775	853
Total	1 405	6 555	8 117	1 136	1 136	269 305	1 250	1 318	1 439

As is evident from the table, the main source of departmental receipts is *Transactions in financial assets and liabilities*, which comprises receipts collected from previous years' staff debtors in respect of breached bursary contracts, as well as refunds on subsidies from banks and conveyances, mainly due to the death of some housing applicants. This category is difficult to project due to its uncertain nature, hence the fluctuating trend over the seven-year period. The substantial increase in the 2011/12 Revised Estimate relates to an amount of R85.229 million which was received by the department from Thubelisha Homes for Ingwavuma Ministerial projects, as well as an amount of R176.105 million in respect of Wiggins and Bonela Housing projects. These amounts are explained in detail below:

Ingwavuma Ministerial projects

In 2006, the KZN MEC for Human Settlements undertook to provide three *Amakhosi* with housing for their communities in Ingwavuma. Thubelisha Homes was appointed as the implementing agent for these projects. However, it failed to deliver, and the department terminated its services and appointed another service provider in 2008 to complete the projects. Thubelisha Homes has subsequently been liquidated and, as part of the financial reconciliation process, R85.229 million was recovered from the company. Because this amount relates to previous financial years, it had to be paid into the Provincial Revenue Fund. To this end, Provincial Treasury obtained National Treasury's approval to keep the funding of R85.229 million in the province. These funds have been re-allocated to the department in 2012/13.

Wiggins and Bonela Housing projects

The department received R176.105 million in terms of the Wiggins and Bonela Housing project. This project dates back to 1998 and relates to housing board properties which were illegally occupied in the Wiggins and Bonela areas. A strategy with a once-off housing opportunity was provided to eligible people who met the qualifying criteria to access the capital subsidy scheme. A project-linked subsidy approach was created to suit individuals to purchase property with the aid of a developer. Conveyancing work of the housing projects was to be undertaken and 370 properties were registered, during which properties were sold to beneficiaries. Funds in excess of the subsidies were deposited into an investment account held on behalf of the department. To date, the department has accumulated interest of R126.859 million. Discussions are underway to re-allocate this amount back to the department for the construction of an office complex, while guidance has been sought from National Treasury regarding keeping the capital amount of R49.248 million in the province, to be used for housing projects.

Revenue collected in respect of *Sale of goods and services other than capital assets* relates mainly to commission earned on insurance deductions, rental on state property and parking fees, and reflects a steady collection trend over the seven-year period.

The department collected revenue against *Interest, dividends and rent on land* which is mainly attributed to interest received on staff debts, which cannot be accurately predicted.

The collection of revenue against *Sale of capital assets* is in respect of the sale of redundant vehicles which was not budgeted for as it was previously collected by the Department of Transport, which has now decentralised the auctioning of departmental vehicles to individual departments. There is no allocation against this category over the 2012/13 MTEF due to its uncertain nature.

4.3 Donor funding and agency receipts

Table 8.3 illustrates donor funding received by the department over the period 2008/09 to 2014/15, while Table 8.4 illustrates donor funds and agency receipts spent by the department over the same period.

Table 8.3: Details of donor funding

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
R thousand									
Donor funding	604	-	-	-	-	-	-	-	-
Flanders: Housing Pilot Project	604	-	-	-	-	-	-	-	-
Total	604	-	-	-	-	-	-	-	-

Table 8.4: Details of payments and estimates of donor and agency funding

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
R thousand									
Donor funding	-	2 074	618	-	-	-	-	-	-
Flanders: Groutville Project	-	2 074	-	-	-	-	-	-	-
Phase II Roll-out Project	-	-	618	-	-	-	-	-	-
Agency receipt	635	-	-	-	-	-	-	-	-
NDHS: Capacity	635	-	-	-	-	-	-	-	-
Total	635	2 074	618	-	-	-	-	-	-

With regard to donor funding, the department entered into a co-operative agreement with the Flemish (Flanders) government for capacity building at selected municipalities in the province. An initial pilot project successfully commenced in 2004/05, where six municipalities in the midlands region were assisted. The assistance package was based on providing each municipality with a housing demand database, as well as training and equipment to effectively utilise the system. The amount of R604 000 in 2008/09 represents the last receipt in respect of donor funding from the Flemish government, and the amounts reflected in Table 8.4 reflect roll-overs from previous financial years.

The roll-over of R2.074 million from previous financial years for the Groutville Project, which forms part of the Flanders funding, aimed at providing care homes for orphans and vulnerable children in the KwaDukuza Municipality, was spent in full in 2009/10.

The department spent R618 000 on the Phase II Roll-out Project (also part of the Flanders funding) in 2010/11. The department was advised by the Flemish government that the donor funding contract, which expired on 30 November 2010, will not be extended, and no roll-over of funds will be granted. Despite this, the department will continue to implement capacity building programmes over the 2012/13 MTEF, through funds identified within its budget.

The department anticipates no donor funding over the 2012/13 MTEF.

With regard to agency receipts, in 2003/04, the department received funding from the NDHS for capacity building (not visible in Table 8.3). The department was unable to spend the funds over the period 2004/05 to 2006/07 due to capacity constraints. However, this was resolved and, during 2007/08 and 2008/09, the department spent the full amount. No agency receipts are anticipated to be received going forward.

5. Payment summary

Section 5 reflects payments and budgeted estimates in terms of programmes and economic classification. Details are given in *Annexure – Vote 8: Human Settlements*.

5.1 Key assumptions

The key assumptions that underpin the MTEF budget of the department are summarised below:

- The budget and service delivery indicators are based on a subsidy for a minimum of a 40m² house for new projects (i.e. projects approved from 2008/09 onward).

- The National Housing Agency will assist the department in dealing with challenges relating to the availability of suitable land for housing development.
- Inflation related items have been based on CPI projections.
- Provision has been made for an inflationary wage adjustment of 5 per cent for each of the three years of the 2012/13 MTEF, as well as the annual 1.5 per cent pay progression.
- The cost-cutting measures, as reissued by Provincial Treasury in 2012/13, will be adhered to over the 2012/13 MTEF.
- Funding for bulk infrastructure will be provided by the municipalities.

5.2 Additional allocations for the 2010/11 to 2012/13 MTEF

Table 8.5 shows additional funding received by the department over the three MTEF periods: 2010/11, 2011/12 and 2012/13. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of 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 carry-through allocations for the 2010/11 and 2011/12 MTEF periods (i.e. for the financial year 2014/15) are based on the incremental percentage used in the 2012/13 MTEF.

Table 8.5: Summary of additional provincial allocations for 2010/11 to 2012/13 MTEF

R thousand	2010/11	2011/12	2012/13	2013/14	2014/15
2010/11 MTEF period	5 583	6 232	6 888	7 267	7 667
Carry-through of 2009/10 Adjustments Estimate - 2009 wage agreement	5 473	6 117	6 767	7 139	7 568
Policy on Incapacity Leave and Ill Health Retirement (PILIR)	110	115	121	128	135
2011/12 MTEF period		3 797	3 716	3 555	3 768
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement		3 946	3 908	3 796	4 024
National Cabinet decision to cut provinces by 0.3 per cent		(149)	(192)	(241)	(255)
2012/13 MTEF period			87 948	2 855	2 998
Re-allocation of funds returned by Thubelisha Homes			85 229	-	-
2011 wage agreement			2 719	2 855	2 998
Total	5 583	10 029	98 552	13 677	14 433

Over the 2010/11 MTEF period, the department received additional funding for the carry-through costs of the higher than anticipated 2009 wage agreement, as well as for PILIR.

In 2011/12, the department received additional funding for the 2010 wage agreement. Also in the 2011/12 MTEF, National Cabinet took a decision to cut all national votes and the provincial equitable share by 0.3 per cent. The bulk of this equitable share reduction in KZN was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus of the province. The balance was sourced proportionately from all 16 provincial votes. The effect of this on the department is a slight reduction over the entire period.

In 2012/13, the department received additional funding for the carry-through costs of the 2011 wage agreement. It also received R85.229 million in respect of the re-allocation of funds returned by Thubelisha Homes for the completion of the Ingwavuma Ministerial projects, the detail of which is provided under Section 4.2 above.

5.3 Summary by programme and economic classification

The budget structure of Vote 8 conforms to the uniform budget and programme structure prescribed for the Human Settlements sector. The services rendered by this department are categorised under four programmes, as reflected in Table 8.6 below.

Tables 8.6 and 8.7 below provide a summary of the vote's payments and budgeted estimates over the MTEF period, by programme and economic classification, respectively.

Table 8.6: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	103 507	99 805	108 343	124 632	126 132	126 132	123 717	128 883	136 606
2. Housing Needs, Research and Planning	20 761	18 061	18 822	28 368	24 157	24 157	42 993	44 980	47 675
3. Housing Development	1 492 561	2 089 465	2 646 521	2 569 166	2 686 540	2 686 540	2 840 405	3 066 462	3 218 812
4. Housing Asset Management, Property Management	259 317	285 316	315 551	331 149	248 162	248 162	293 820	224 964	237 966
Total	1 876 146	2 492 647	3 089 237	3 053 315	3 084 991	3 084 991	3 300 935	3 465 289	3 641 059
Unauth. exp. (1 st charge) not available for spending	-	-	(9 303)	(9 303)	(9 303)	(9 303)	-	-	-
Baseline available for spending after 1st charge	1 876 146	2 492 647	3 079 934	3 044 012	3 075 688	3 075 688	3 300 935	3 465 289	3 641 059

Table 8.7: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	312 193	298 569	265 272	467 785	369 866	371 181	463 181	435 981	458 270
Compensation of employees	138 797	157 750	174 805	229 100	227 430	227 388	256 592	274 197	292 771
Goods and services	173 396	140 819	90 275	238 685	142 436	143 793	206 589	161 784	165 499
Interest and rent on land	-	-	192	-	-	-	-	-	-
Transfers and subsidies to:	1 521 537	2 147 153	2 784 369	2 547 788	2 692 540	2 687 184	2 819 229	3 024 219	3 177 755
Provinces and municipalities	257 813	210 060	353 589	587 668	213 708	212 225	393 711	462 628	438 958
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 263 724	1 937 093	2 430 780	1 960 120	2 478 832	2 474 959	2 425 518	2 561 591	2 738 797
Payments for capital assets	42 201	46 860	30 293	28 439	13 282	17 323	18 525	5 089	5 034
Buildings and other fixed structures	36 407	43 816	27 477	19 774	5 606	9 609	10 000	-	-
Machinery and equipment	4 541	3 009	2 537	8 665	7 676	7 714	8 525	5 089	5 034
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	900	-	-	-	-	-	-	-	-
Software and other intangible assets	353	35	279	-	-	-	-	-	-
Payments for financial assets	215	65	9 303	9 303	9 303	9 303	-	-	-
Total	1 876 146	2 492 647	3 089 237	3 053 315	3 084 991	3 084 991	3 300 935	3 465 289	3 641 059
Unauth. exp. (1 st charge) not available for spending	-	-	(9 303)	(9 303)	(9 303)	(9 303)	-	-	-
Baseline available for spending after 1st charge	1 876 146	2 492 647	3 079 934	3 044 012	3 075 688	3 075 688	3 300 935	3 465 289	3 641 059

In terms of Section 34(2) of the PFMA, and in line with SCOPA Resolution 19 of 2010, the department is liable for the repayment of over-expenditure from 2006/07 to 2008/09, resulting in a first charge of R18.606 million against the department's budget, split over two years. The first instalment of R9.303 million was implemented against the 2010/11 budget, and the second instalment of the same amount implemented in 2011/12. Both instalment amounts are reflected under Programme 1, against *Payments for financial assets*, and the amounts available for spending in 2010/11 and 2011/12 have been reduced by the first charges.

In 2008/09, the department's organisational structure was reviewed due to an increasing number of formal grievances from employees in respect of their salary levels, and a subsequent order from the Commission for Conciliation, Mediation and Arbitration (CCMA). The phased-in upgrading of 289 posts commenced in 2008, with 67 posts being upgraded between 2008/09 and 2009/10. In 2010/11, the remaining 222 posts were upgraded.

In 2011/12, the department was in the process of reviewing its organisational structure once again due to the decentralisation of offices to district municipalities. However, approval for the revised structure needs to be obtained from the Office of the Premier and the Department of Public Service and Administration (DPSA). This is expected to take place in 2012/13.

The overall increase from 2008/09 to 2010/11 can mainly be attributed to the increase in the Human Settlements Development grant. This increase is mainly evident against Programme 3: Housing Development and the economic category *Transfers and subsidies to: Households*. The allocation of the Housing Disaster Relief grant to the department in 2009/10 and 2010/11 also contributed to the increase

against Programme 3 and *Transfers and subsidies to: Households*. The decrease from 2010/11 to the 2011/12 Main Appropriation is explained by a decrease against Programme 3, due to the Human Settlements Development grant being reduced, and allocated directly to the eThekweni Metro for the USDG, as mentioned above.

The high spending in Programme 1: Administration in 2008/09 was due to once-off payments made for the move of a portion of the head office to Pietermaritzburg, which also partly explains the high spending against *Goods and services* over the same period. These once-off payments partly explain the decrease from 2008/09 to 2009/10 against this programme. Also, the department implemented cost-cutting measures in 2009/10.

The increase against Programme 1 from the 2011/12 Main to the Adjusted Appropriation is the result of savings moved from Programme 2: Housing Needs, Research and Planning, due to changes in the implementation of municipal capacity building programmes, to Programme 1 to cater for the payment of lease costs for both its Durban and Pietermaritzburg offices, as the head office has not yet been centralised. The change in municipal capacity building programmes resulted from the fact that the department had planned to transfer funds to municipalities in order for them to appoint their own housing officials. However, the department subsequently decided that it would be more cost effective to use its own staff, hence the savings. The decrease from the 2011/12 Revised Estimate to 2012/13 is due to the department finalising the payment of unauthorised expenditure from previous financial years in 2011/12. The increase over the 2012/13 MTEF is to cater for wage agreements and inflationary adjustments.

The decrease in Programme 2: Housing Needs, Research and Planning from 2008/09 to 2009/10 is due to a delay in the implementation of capacity building programmes, including training on housing programmes for *Amakhosi* and other traditional leaders due to internal capacity constraints, as well as cost-cutting which placed limitations on the training of staff. The decrease from the 2011/12 Main to the Adjusted Appropriation is the result of delays in the establishment of housing components within municipalities due to a change in the implementation strategy, whereby the department decided to use its own housing officials for implementing capacity building programmes, rather than transferring funds to municipalities. The substantial increase from the 2011/12 Adjusted Appropriation to 2012/13 is to cater for increased staff to be deployed at district level in line with the revised structure of the department.

The increase in Programme 3 from the 2011/12 Main to the Adjusted Appropriation is due to additional funding of R31.140 million in respect of the Housing Disaster Relief grant for repairs to infrastructure damaged by floods in January and February 2011, as well as the fact that funds were reprioritised from other areas within the Vote to Programme 3, to cater for the fast-tracking of the *Vulindlela* rural housing project. The increase over the 2012/13 MTEF relates mainly to the fast-tracking of certain projects, such as Cornubia and *Vulindlela*, as well as an increase in the Human Settlements Development grant.

The increase against Programme 4: Housing Asset Management, Property Management from 2009/10 to 2010/11 is due to higher than anticipated maintenance costs in respect of R293 towns and hostels. The decrease from the 2011/12 Main to Adjusted Appropriation relates to under-expenditure on the EEDBS programme, where transfer of properties to beneficiaries was delayed. This was due to delays in the implementation of the rectification programme as some of the properties could not be transferred in their current state. A delay of rectification of pre-1994 housing stock, resulting from the NHBRC being in the process of compiling rectification scoping reports, and the department over-budgeting for rates and taxes on housing properties, also contributed to the decrease from the 2011/12 Main to Adjusted Appropriation.

The fluctuating trend against Programme 4 over the 2012/13 MTEF relates to the anticipated transfer of properties pertaining to the EEDBS programme, which also explains the same trend against *Goods and services*. Once properties have been transferred to beneficiaries in terms of the EEDBS, maintenance of those properties is no longer the department's responsibility, hence the decrease in *Goods and services*.

The decrease in *Compensation of employees* from the 2011/12 Main to the Adjusted Appropriation is due to savings identified as a result of delays in the filling of vacant posts, partly due to a lack of suitable candidates, as well as the restructuring taking place in the department. These savings were moved to various categories in the vote, which are explained below.

As mentioned above, the department moved a portion of its head office from Durban to Pietermaritzburg in 2008/09. Also, the cost of housing events was high, and the department contributed toward the Govani Mbeki Awards ceremony. These once-off payments account for the decrease against *Goods and services* in 2009/10. The further decrease from 2009/10 to 2010/11 relates mainly to poor spending on the EEDBS programme due to delays in the rehabilitation of housing stock emanating from the department waiting for go-ahead from the NHBRC to commence with some projects. The decrease from the 2011/12 Main to Adjusted Appropriation is mainly due to under-spending on the EEDBS programme, where transfer of properties to beneficiaries was delayed. This was due to delays in the implementation of the rectification programme, as some properties could not be transferred in their current state.

The decrease in *Transfers and subsidies to: Provinces and municipalities* from 2008/09 to 2009/10 relates to slow spending on the CRU programme due to delays in the approval process of projects within municipalities. The decrease from the 2011/12 Main to the Adjusted Appropriation is mainly a result of the CRU policy being revised in order to contain costs within acceptable limits – i.e. at the current time, there is no subsidy quantum applicable to this programme, making it open to abuse, as well as delays in procurement processes by the eThekweni Metro. To this end, savings were identified in the 2011/12 Adjustments Estimate, which were moved to *Transfers and subsidies to: Households* to cater for the fast-tracking of rural housing projects, such as *Vulindlela*.

The increase in 2013/14 against *Transfers and subsidies to: Provinces and municipalities*, and decrease in 2014/15, is explained by the fact that the department entered into an agreement in 2010/11 with the eThekweni Metro which stated that the former would pay for costs associated with the transfer of staff that worked under the R293 areas. In terms of the agreement, this would last for three years. This agreement ends at the end of 2013/14, hence the decrease in 2014/15. This transfer falls under Programme 4: Housing Asset Management, Property Management.

Transfers and subsidies to: Provinces and municipalities also includes the payment of motor vehicle licences, in line with a change in the SCOA classification (previously, motor vehicle licences were budgeted for under *Goods and services*). The prior year figures were restated for comparative purposes.

The increase in *Transfers and subsidies to: Households* from 2008/09 to 2010/11 is due to an increase in the Human Settlements Development grant, to cater for the increased demand for housing in KZN as well as the additional allocation for the Housing Disaster Relief grant. The decrease from 2010/11 to the 2011/12 Main Appropriation is the result of the Human Settlements Development grant being reduced, and allocated directly to the eThekweni Metro for the USDG. The increase from the 2011/12 Main Appropriation to the Revised Estimate pertains to the fast-tracking of the *Vulindlela* rural housing project. The decrease in 2012/13 is mainly due to some housing projects reaching their final stages, such as Riverside Phase 1 in uMgungundlovu, *Shayamoya* Phase 2 in Sisonke and *Sahlumbe* in Uthukela.

The decrease against *Buildings and other fixed structures* from 2010/11 to the 2011/12 Main Appropriation is due to the finalisation of projects, such as Stepmore and *Maguswana* that fall within the Social and Economic Facilities programme, which caters for the provision of facilities such as sports grounds, community halls, etc. The substantial decrease from the 2011/12 Main to the Adjusted Appropriation is ascribed to slow spending due to failure to deliver by the appointed service providers, resulting in slow delivery on the ground. From 2012/13, this programme will be integrated into the total project cost of the implementation of projects, and therefore will form part of *Transfers and subsidies to: Households* under Programme 3. This explains the fact that there is no budget allocation against this category in 2013/14 or 2014/15. There is still an allocation in 2012/13 due to the finalisation of some projects that had already commenced.

The decrease in *Machinery and equipment* from 2008/09 to 2010/11 relates to cost-cutting. *Machinery and equipment* is purchased on a cyclical basis, accounting for the fluctuating trend over the seven years.

The department spent R900 000 in 2008/09 against *Land and subsoil assets* in respect of the purchase of land in Pietermaritzburg for office accommodation.

The spending against *Software and other intangible assets* relates to the purchase of various software packages in 2008/09 to 2010/11.

5.4 Summary of payments and estimates by district municipal area

Table 8.8 presents a summary of the department's spending by district municipal area, excluding administrative costs. It must be noted that the table below is an indication of projects that are envisaged to take place in these district municipal areas.

Table 8.8: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14	2014/15
eThekweni	1 177 649	1 275 208	894 243	986 118	1 114 065
Ugu	67 541	156 185	163 070	228 525	236 119
uMgungundlovu	477 892	432 048	566 721	600 604	640 179
Uthukela	172 594	191 859	130 172	146 428	166 428
Umkhanyathi	98 479	77 951	130 626	93 272	71 404
Amajuba	57 813	38 989	129 782	171 829	193 555
Zululand	118 568	65 065	174 315	174 725	169 094
Umkhanyakude	215 815	135 979	214 334	143 895	133 164
uThungulu	168 437	91 214	212 561	228 208	248 208
Ilembe	193 183	254 731	250 392	234 867	193 057
Sisonke	97 063	82 318	134 310	140 265	140 268
Total	2 845 034	2 801 547	3 000 526	3 148 736	3 305 541

The department spends the largest portion of its service delivery budget in the eThekweni Metro due to the high demand for housing in this region, as eThekweni has the highest population in the province. Some of the major projects which take place in the Metro include Cornubia, *Ethafuleni*, *Ntuzuma*, and *Tambo Plaza*. Most hostels that are being upgraded are also within the Metro. There is also extensive rehabilitation of former R293 townships in the Metro. The second highest portion of spending is in uMgungundlovu, due to the high demand for housing in this region. Projects which are taking place within this region include the *Vulindlela* rural housing project and Riverside Phase 1, among others.

There are a number of noticeable fluctuating trends within various districts. To this end, the spending within each district municipality is based on set housing criteria which take into account a variety of factors, including the need and the size of population in a particular area during certain years, as well as poverty rates in different areas. These factors influence the department's spending patterns in the various districts. The department is in the process of setting up district offices to fast-track delivery on the ground.

5.5 Summary of conditional grant payments and estimates

Tables 8.9 and 8.10 below provide a summary of the conditional grant payments and budgeted estimates over the MTEF period by conditional grant name and economic classification, respectively.

The department had three grants in 2011/12, namely the Human Settlements Development grant, the Housing Disaster Relief grant, and the EPWP Integrated Grant for Provinces.

Note that the historical figures set out in Table 8.9 below reflect actual expenditure per grant, and should not be compared to those reflected in Table 8.1, which represent the actual receipts for each grant.

Details are given in *Annexure – Vote 8: Human Settlements*.

Table 8.9: Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Human Settlements Development grant	1 627 137	2 103 423	2 711 234	2 769 871	2 769 871	2 769 871	2 915 297	3 148 736	3 305 541
Housing Disaster Relief grant	-	150 000	133 800	-	31 140	31 140	-	-	-
EPWP Integrated Grant for Provinces	-	-	-	-	536	536	-	-	-
Total	1 627 137	2 253 423	2 845 034	2 769 871	2 801 547	2 801 547	2 915 297	3 148 736	3 305 541

Table 8.10: Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	70 714	67 088	34 915	204 224	104 882	106 365	171 968	128 870	128 869
Compensation of employees	-	-	609	35 000	35 000	35 000	36 925	39 473	41 644
Goods and services	70 714	67 088	34 114	169 224	69 882	71 365	135 043	89 397	87 225
Other	-	-	192	-	-	-	-	-	-
Transfers and subsidies to:	1 520 016	2 142 519	2 782 642	2 542 323	2 687 636	2 682 150	2 729 929	3 019 866	3 176 672
Provinces and municipalities	257 730	209 973	353 525	583 153	212 138	210 655	390 490	459 184	438 834
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	1 262 286	1 932 546	2 429 117	1 959 170	2 475 498	2 471 495	2 339 439	2 560 682	2 737 838
Payments for capital assets	36 407	43 816	27 477	23 324	9 029	13 032	13 400	-	-
Buildings and other fixed structures	36 407	43 816	27 477	19 774	5 529	9 532	10 000	-	-
Machinery and equipment	-	-	-	3 550	3 500	3 500	3 400	-	-
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total	1 627 137	2 253 423	2 845 034	2 769 871	2 801 547	2 801 547	2 915 297	3 148 736	3 305 541

The Human Settlements Development grant, which aims to promote the provision of low income housing, such as *KwaXimba* in Zululand, *KwaMadlala* rural housing project in Ugu, etc., and essential services, is allocated to the department over the seven-year period 2008/09 to 2014/15. The types of programmes that fall within this grant include the CRU programme, rehabilitation of pre-1994 housing stock, the Rural Housing Development programme which caters for the *Vulindlela* rural housing project, and the Integrated Residential Development programme which deals with Cornubia, among others.

From 2009/10 to the 2011/12 Adjusted Appropriation, the department received the Housing Disaster Relief grant, to rehabilitate communities affected by storm damage. This was done in terms of the provisions of the National Housing Programme: Housing Assistance in Emergency Circumstances, which is a National Housing programme that assists individuals under emergency circumstances.

The department received R536 000 in the 2011/12 Adjusted Appropriation relating to the EPWP Integrated Grant for Provinces for the implementation of EPWP projects. This grant aims to create temporary work opportunities and a transfer of skills to the unemployed, with the aim of increasing the ability of people to earn an income once they leave this programme. There is no allocation for this grant over the 2012/13 MTEF.

As of 2010/11, the department started funding *Compensation of employees* from the Human Settlements Development grant, in line with DORA, which allows for a portion (up to 5 per cent) of the conditional grant funding to be used for administrative purposes. This explains the increase against *Compensation of employees* from 2011/12 onward. Also, the department has budgeted to spend a portion of the Human Settlements Development grant on *Machinery and equipment* in 2011/12 and 2012/13, as it will need to purchase furniture and equipment for new employees. This is in respect of new posts anticipated to be filled that will be funded from this grant.

The decrease in *Goods and services* from 2009/10 to 2010/11 relates to poor spending on the EEDBS programme due to delays in the rehabilitation of housing stock emanating from the department waiting for the go-ahead to commence with some projects from the NHBRC. The substantial increase from 2010/11 to the 2011/12 Main Appropriation is due to provision for the administrative portion of the conditional grant to enhance service delivery on housing projects. The decrease from the 2011/12 Main to Adjusted Appropriation pertains mainly to under-spending on the EEDBS programme, as some properties could not be transferred in their current state. The increase from the 2011/12 Adjusted Appropriation to the Revised Estimate is the result of an increase in maintenance costs of properties, which were underestimated in the 2011/12 Adjusted Appropriation. The increase from the 2011/12 Revised Estimate to 2012/13 is due to provision for the administrative portion of the conditional grant.

Current payments: Other pertains to interest paid on overdue accounts. The department did not pay these accounts on time as illegal cession agreements were entered into by service providers implementing the Social and Economic Facilities programme.

The sharp increase against *Transfers and subsidies to: Provinces and municipalities* in the 2012/13 MTEF is due to the fast-tracking of the CRU programme. There was a delay in the implementation of this programme in 2011/12, as explained above, which explains the decrease from the 2011/12 Main to the Adjusted Appropriation. The further decrease from the 2011/12 Adjusted Appropriation to the Revised Estimate is the result of a decrease in the payments of rates and taxes due to over-estimation in the 2011/12 Adjustments Estimate.

The bulk of the Human Settlements Development grant is allocated to *Transfers and subsidies to: Households*. The increase from 2008/09 to 2010/11 is to cater for the increased demand for housing in KZN. The increase from the 2011/12 Main to the Adjusted Appropriation is due to the additional allocation of R31.140 million for the Housing Disaster Relief grant, as well as the fast-tracking of the *Vulindlela* rural housing project. The decrease from the 2011/12 Revised Estimate to 2012/13 is the result of the department allocating more of its budget to *Transfers and subsidies to: Provinces and municipalities* for the fast-tracking of the CRU programme. The increase from 2012/13 to 2014/15 relates to the increase in the Human Settlements Development grant allocation.

Buildings and other fixed structures comprises the Social and Economic Facilities programme. The asset constructed is owned by the department, until handed over to the municipality and transferred to its asset register. The decrease from the 2011/12 Main to Adjusted Appropriation is due to failure to deliver by the appointed service providers, resulting in slow delivery on the ground. The increase from the 2011/12 Adjusted Appropriation to the Revised Estimate pertains to under-estimation on spending on the Social and Economic Facilities programme. From 2012/13, this programme will be integrated into the total project cost of the implementation of projects, and therefore will form part of *Transfers and subsidies to: Households* under Programme 3. This explains the fact that there is no budget allocation in the two outer years of the MTEF. There is still an allocation in 2012/13 due to the finalisation of some projects.

5.6 Summary of infrastructure payments and estimates

Table 8.11 presents a summary of infrastructure payments and estimates by infrastructure category.

The Human Settlements Development grant infrastructure allocation takes into account the new SCOA definitions, whereby expenditure on transfers relating to housing projects must be classified as *Transfers and subsidies to: Households*, as these assets are transferred to the beneficiaries upon completion. These projects are still capital by nature, and therefore continue to be classified as *Infrastructure transfers: Capital*. These transfers are included under *Infrastructure transfers: Capital* in the table below, in order to provide a full view of all infrastructure spending undertaken by the department. It should be noted that the bulk of the infrastructure allocation is funded by the Human Settlements Development grant.

Table 8.11: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
New and replacement assets	36 407	43 816	27 477	19 774	5 606	9 609	10 000	-	-
Existing infrastructure assets	86 304	67 230	34 000	26 303	26 033	29 458	190 941	115 517	123 669
Upgrades and additions									
Rehabilitation, renovations and refurbishments									
Maintenance and repairs	86 304	67 230	34 000	26 303	26 033	29 458	190 941	115 517	123 669
Infrastructure transfers	1 398 019	1 993 269	2 731 383	2 344 443	2 670 736	2 666 733	2 673 134	2 944 193	3 040 757
Current	-	-	60 000	-	60 000	60 000	60 000	-	-
Capital	1 398 019	1 993 269	2 671 383	2 344 443	2 610 736	2 606 733	2 613 134	2 944 193	3 040 757
<i>Capital infrastructure</i>	<i>1 434 426</i>	<i>2 037 085</i>	<i>2 698 860</i>	<i>2 364 217</i>	<i>2 616 342</i>	<i>2 616 342</i>	<i>2 623 134</i>	<i>2 944 193</i>	<i>3 040 757</i>
<i>Current infrastructure</i>	<i>86 304</i>	<i>67 230</i>	<i>94 000</i>	<i>26 303</i>	<i>86 033</i>	<i>89 458</i>	<i>250 941</i>	<i>115 517</i>	<i>123 669</i>
Total	1 520 730	2 104 315	2 792 860	2 390 520	2 702 375	2 705 800	2 874 075	3 059 710	3 164 426

Over the seven-year period, spending on infrastructure grows year-on-year, with the exception of 2011/12, where there is a substantial drop from 2010/11 to the 2011/12 Main Appropriation. This is the result of the Human Settlements Development grant being reduced and allocated directly to the eThekwin Metro for the USDG.

The category *New and replacement assets* relates to the Social and Economic Facilities programme (Human Settlements Development grant). The asset constructed is owned by the department until handed over to the municipality and transferred to its asset register. Going forward, the Social and Economic Facilities programme will be integrated into the total project cost of the implementation of projects, forming part of *Infrastructure transfers: Capital*, hence there is no allocation against the former category in 2013/14 or 2014/15. The 2012/13 amount pertains to the finalisation of some of the projects under this programme.

Maintenance and repairs relates to maintenance of housing properties and the EEDBS programme. The decrease from 2008/09 to 2009/10 is due to delays in the rehabilitation of pre-1994 stock which is to be transferred in terms of the EEDBS programme, as mentioned above. The decrease in 2010/11 relates to poor spending on the EEDBS programme due to delays in the rehabilitation of housing stock emanating from the department waiting for the go-ahead to commence with some projects from the NHBRC. The increase from the 2011/12 Revised Estimate to 2012/13 relates to the fast-tracking of rectification of pre-1994 housing stock. The fluctuating trend from 2012/13 to 2014/15 pertains to the transfer of properties to individuals in terms of the EEDBS programme, leading to a reduction in maintenance costs.

As mentioned above, *Infrastructure transfers: Capital* comprises the bulk of the Human Settlements Development grant allocation. The increase from the 2011/12 Main to the Adjusted Appropriation relates to the fast-tracking of the *Vulindlela* rural housing project, as well as the introduction of the Housing Disaster Relief grant. The increase from the 2011/12 Revised Estimate to 2012/13 is a result of the fast-tracking of the CRU programme. The increase over the 2012/13 MTEF relates to an increase in the Human Settlements Development grant in 2013/14 and 2014/15. Projects which will be fast-tracked over this period include the CRU programme, Cornubia, and *Vulindlela* rural housing project, among others.

The amounts of R60 million in 2010/11, the 2011/12 Adjusted Appropriation and 2012/13 under *Infrastructure transfers: Current* are in respect of transfers to the eThekwin Metro for maintenance to pre-1994 housing stock, as per an agreement between the department and the Metro. Currently, there is no allocation in 2013/14 or 2014/15. However, this will be reviewed on an ongoing basis.

5.7 Summary of Public Private Partnerships – Nil

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.9 Transfers to other entities – Nil

5.10 Transfers to local government

Tables 8.12 and 8.13 below illustrate departmental transfers to local government by category and by grant type, respectively. Details of these transfers are presented in the *Annexure – Vote 8: Human Settlements*.

Transfers to municipalities relate to the CRU programme (categories A and B), municipal rates and taxes (categories A, B and C), capacity building (category B), maintenance of R293 hostels (category A), EEDBS (category A) and the maintenance of R293 hostels (categories A and B).

Table 8.12: Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Category A	248 821	170 879	336 412	507 153	140 395	139 335	334 921	338 293	311 967
Category B	8 777	39 094	17 113	80 505	73 198	72 775	58 670	124 217	126 867
Category C	132	-	-	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
Total	257 730	209 973	353 525	587 658	213 593	212 110	393 591	462 510	438 834

Table 8.13: Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Capacity building	2.4 Research	-	-	-	4 505	-	-	-	-	-
Trans of R293 staff	3.1 Admin.	-	-	-	-	1 455	1 455	3 111	3 326	-
CRU programme	3.4 Social & Rental Int.	125 000	43 000	128 000	375 553	65 098	65 098	203 240	344 606	316 104
Municipal rates and taxes	4.3 Housing Prop. Main.	20 700	44 303	15 525	34 000	17 000	15 517	20 000	21 381	21 381
Maintenance of R293 hostels & EEDBS	4.3 Prp Main & 4.2 Sale	112 030	122 670	210 000	173 600	130 040	130 040	167 240	93 197	101 349
Total		257 730	209 973	353 525	587 658	213 593	212 110	393 591	462 510	438 834

Although the payment of motor vehicle licences now falls under *Transfers and subsidies to: Provinces and municipalities*, in line with changes in the SCOA classification, these funds will not be transferred to any municipality, and therefore Tables 8.12 and 8.13 above exclude transfers in respect of motor vehicle licence fees.

Capacity building aims to capacitate housing stakeholders in various aspects of housing delivery. There is no allocation against this category over the 2012/13 MTEF due to a change in the implementation strategy. To this end, the department has decided to appoint its own housing officials to run with this programme, rather than to transfer funds to municipalities for them to appoint their own housing officials.

The CRU programme is geared toward providing a coherent approach to dealing with different forms of public residential accommodation. It enables the department to provide secure and stable rental tenure for lower income persons in good locations, and forms the basis for transition to the formal housing market. The decrease from 2008/09 to 2009/10 is due to delays in the approval process of projects within municipalities. The substantial increase from 2010/11 to the 2011/12 Main Appropriation is a result of increased emphasis being placed on this programme. The decrease from the 2011/12 Main to the Adjusted Appropriation is mainly a result of the CRU policy being revised in order to contain costs within acceptable limits – i.e. at the current time, there is no subsidy quantum applicable to this programme, making it open to abuse, as well as delays in procurement processes by the eThekweni Metro. The increase in budget over the 2012/13 MTEF is due to the department addressing the backlog that developed over the last few years.

The department provides for municipal rates and taxes for the eThekweni Metro, Ugu, uMgungundlovu, Uthukela, Umzinyathi, Amajuba and uThungulu municipalities. These rates are not covered by the Devolution of Property Rate Funds Grant to Provinces housed under the Department of Public Works, as these properties are housing stock, awaiting final transfer to various municipalities or individuals. The reduction in rates and taxes in 2010/11 is explained by the fact that, in 2009/10, the department paid arrear rates and taxes to the Msunduzi Municipality. The reduction from the 2011/12 Adjusted Appropriation to the Revised Estimate is due to over-estimation on rates and taxes during the year.

The department also provided for the maintenance of R293 hostels in eThekweni, as well as the EEDBS over the seven-year period under review. Maintenance of R293 hostels refers to hostels that were owned by the post-1994 KZN administration. These hostels should have been transferred to municipalities but, because some of the hostel structures needed to be upgraded before the municipality could take them over, not all of them were transferred, hence the fluctuating trend. The department therefore continues to maintain them until such time as transfer has taken place. From the 2011/12 Adjusted Appropriation, the department also budgeted for costs associated with the transfer of staff that worked under the R293 areas to the municipality. In terms of the agreement entered into with the eThekweni Metro, the department will transfer personnel costs of the transferred officials for a period of three years. Once the three years are complete, eThekweni will budget for the personnel costs.

5.11 Transfers and subsidies

Table 8.14 below provides a summary of transfers and subsidies per programme.

Table 8.14: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	571	943	872	500	705	705	610	653	688
Provinces and municipalities	83	87	57	-	105	105	110	118	124
Motor vehicle licences	83	87	57	-	105	105	110	118	124
Households	488	856	815	500	600	600	500	535	564
Social benefits	488	856	815	500	600	600	500	535	564
2. Housing, Needs, Research & Planning	-	146	-	4 505	-	-	-	-	-
Provinces and municipalities	-	-	-	4 505	-	-	-	-	-
Capacity building	-	-	-	4 505	-	-	-	-	-
Households	-	146	-	-	-	-	-	-	-
Social benefits	-	146	-	-	-	-	-	-	-
3. Housing Development	1 387 459	1 975 725	2 557 241	2 334 833	2 541 186	2 537 313	2 627 918	2 905 288	3 053 942
Provinces and municipalities	125 000	43 000	128 007	375 563	65 108	65 108	203 240	344 606	316 104
CRU programme	125 000	43 000	128 000	375 553	65 098	65 098	203 240	344 606	316 104
Claims against the state	-	-	7	10	10	10	-	-	-
Households	1 262 459	1 932 725	2 429 234	1 959 270	2 476 078	2 472 205	2 424 678	2 560 682	2 737 838
Vulindlela, Cornubia, Shallcross, etc.	1 262 286	1 782 546	2 294 811	1 959 170	2 444 358	2 440 355	2 424 678	2 560 682	2 737 838
Housing Disaster Relief grant	-	150 000	133 800	-	31 140	31 140	-	-	-
Social benefits	173	179	623	100	580	710	-	-	-
4. Housing Asset Management, Property Management	133 507	170 339	226 256	207 950	150 649	149 166	190 701	118 278	123 125
Provinces and municipalities	132 730	166 973	225 525	207 600	148 495	147 012	190 351	117 904	122 730
Main. of R293 prop. and EEDBS	112 030	122 670	210 000	173 600	130 040	130 040	167 240	93 197	101 349
Rates and taxes	20 700	44 303	15 525	34 000	17 000	15 517	20 000	21 381	21 381
Transfer of staff to eThekweni Metro	-	-	-	-	1 455	1 455	3 111	3 326	-
Households	777	3 366	731	350	2 154	2 154	350	374	395
Social benefits	777	3 366	731	350	2 154	2 154	350	374	395
Total	1 521 537	2 147 153	2 784 369	2 547 788	2 692 540	2 687 184	2 819 229	3 024 219	3 177 755

The expenditure against *Provinces and municipalities* in Programme 1 relates to the payment of motor vehicle licence fees. The amounts against *Households* pertain to staff exit costs.

Spending against *Provinces and municipalities* against Programme 2 in 2011/12 relates to capacity building programmes for housing stakeholders in various areas of the province. This has since been revised due to the change in the implementation strategy, as explained above. The amount of R146 000 against *Households* against this programme in 2009/10 pertains to staff exit costs.

Provinces and municipalities in Programmes 3 pertains to the Human Settlements Development grant, such as the CRU programme, as well as claims against the state.

Spending on *Households* in Programme 3 relates mainly to the Human Settlements Development grant (*Vulindlela*, Shallcross, Cornubia, etc), the Housing Disaster Relief grant, and staff exits.

The amounts shown under *Provinces and municipalities* against Programme 4 pertain to the Maintenance of R293 properties, the EEDBS programme and rates and taxes, as well as the transfer of staff to the eThekweni Metro. All of these fall under the Human Settlements Development grant.

6. Programme description

The services rendered by this department are categorised under four programmes, which conform to the uniform budget and programme structure for the Human Settlements sector. The payments and budgeted estimates for each of these programmes are summarised below, details of which are presented in the *Annexure to Vote 8 – Human Settlements*.

6.1 Programme 1: Administration

The purpose of this programme is to identify and eliminate bottle-necks, as well as continuously improve the flow of financial, administrative and management information. The strategic objectives of this programme are to strengthen governance and service delivery.

The programme provides for only one sub-programme, namely Corporate Services. Tables 8.15 and 8.16 reflect a summary of payments and estimates for the period 2008/09 to 2014/15.

Table 8.15: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Corporate Services	103 507	99 805	108 343	124 632	126 132	126 132	123 717	128 883	136 606
Total	103 507	99 805	108 343	124 632	126 132	126 132	123 717	128 883	136 606
Unauth. exp. (1 st charge) not available for spending	-	-	(9 303)	(9 303)	(9 303)	(9 303)	-	-	-
Baseline available for spending after 1st charge	103 507	99 805	99 040	115 329	116 829	116 829	123 717	128 883	136 606

Table 8.16: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	100 037	96 704	96 025	111 634	113 454	113 454	120 622	125 562	133 270
Compensation of employees	41 579	47 614	54 634	60 762	60 762	60 762	70 762	75 629	79 785
Goods and services	58 458	49 090	41 391	50 872	52 692	52 692	49 860	49 933	53 485
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	571	943	872	500	705	705	610	653	688
Provinces and municipalities	83	87	57	-	105	105	110	118	124
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	488	856	815	500	600	600	500	535	564
Payments for capital assets	2 868	2 133	2 143	3 195	2 670	2 670	2 485	2 668	2 648
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 909	2 133	1 864	3 195	2 670	2 670	2 485	2 668	2 648
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	900	-	-	-	-	-	-	-	-
Software and other intangible assets	59	-	279	-	-	-	-	-	-
Payments for financial assets	31	25	9 303	9 303	9 303	9 303	-	-	-
Total	103 507	99 805	108 343	124 632	126 132	126 132	123 717	128 883	136 606
Unauth. exp. (1 st charge) not available for spending	-	-	(9 303)	(9 303)	(9 303)	(9 303)	-	-	-
Baseline available for spending after 1st charge	103 507	99 805	99 040	115 329	116 829	116 829	123 717	128 883	136 606

In terms of Section 34(2) of the PFMA, and SCOPA Resolution 19 of 2010, the department is liable for the repayment of previous year's over-expenditure, resulting in a first charge of R18.606 million against the department's budget. The first instalment of R9.303 million was implemented against the 2010/11 budget, and the second instalment implemented in 2011/12. The first charge is allocated under this programme, against *Payments for financial assets*, and the amounts available for spending in 2010/11 and 2011/12 have been reduced by the instalment amounts.

The overall decrease from 2008/09 to 2009/10 is attributable to cost-cutting in 2009/10, as well as once-off spending in 2008/09 in respect of a portion of the head office moving from Durban to Pietermaritzburg (also contributing to the decrease against *Goods and services*). The increase from the 2011/12 Main to Adjusted Appropriation is due to higher lease costs emanating from the fact that the department projected to centralise its head office in Pietermaritzburg but, due to a lack of office space, this did not occur (this reason also accounts for the increase against *Goods and services*). The overall decrease from the 2011/12 Revised Estimate to 2012/13 is due to the final payment of the first charge having taken place in 2011/12. The increase from 2012/13 onward is to cater for wage agreements and inflationary increases, which explains the increase against *Compensation of employees*.

The increase against *Compensation of employees* from 2008/09 to the 2011/12 Main Appropriation can be ascribed to the higher than anticipated wage agreements, inflationary adjustments and the filling of posts.

The decrease in *Goods and services* from the 2011/12 Revised Estimate to 2012/13 is mainly due to the fact that the department is planning to centralise its Head office in Pietermaritzburg, which will lead to a decrease in lease payments and other property related costs.

Transfers and subsidies to: Provinces and municipalities pertains to motor vehicle licences, as mentioned in detail above.

The fluctuating trend against *Transfers and subsidies to: Households* over the seven-year period relates to staff exit costs.

Machinery and equipment fluctuates over the seven-years due to the cyclical nature of this category.

The once-off amount against *Land and subsoil assets* in 2008/09 relates to purchase of land in Pietermaritzburg for office accommodation.

The 2008/09 amount against *Software and other intangible assets* relates to software purchased for the security of office buildings, such as for the operation of security cameras. The department also purchased a Human Resource Connect system in 2010/11 for the Human Resource component. The purpose of this system is to act as a link between PERSAL and the new Integrated Financial Management System (IFMS) which is being implemented over the next five years to replace PERSAL, BAS and HARDCAT.

The amount under *Payments for financial assets* in 2010/11 and 2011/12 relates to the implementation of the first charge, as explained above. This category also includes the write-off of staff debts in terms of the departmental write-off policy in 2008/09 and 2009/10.

6.2 Programme 2: Housing Needs, Research and Planning

The purpose of this programme is to develop tools to guide the department's investment decisions and to provide policy and support to the housing delivery process. In addition, the programme provides for the facilitation and integration of housing sector planning, education of stakeholders in housing sector planning, alignment of the housing budget with the current and future housing needs, and the capacitation of housing stakeholders for housing delivery through mentorship and training.

Programme 2 consists of four sub-programmes, in line with the uniform budget and programme structure of the Human Settlements sector, namely Administration, Policy, Planning and Research.

Tables 8.17 and 8.18 below illustrate payments and budgeted estimates from 2008/09 to 2014/15.

Table 8.17: Summary of payments and estimates - Programme 2: Housing Needs, Research and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Administration	1 102	1 120	1 067	1 451	1 331	1 331	2 130	2 276	2 401
Policy	2 699	3 008	2 918	3 681	3 321	3 321	4 866	5 198	5 487
Planning	10 167	8 130	11 415	11 855	14 181	14 181	29 655	30 729	32 750
Research	6 793	5 803	3 422	11 381	5 324	5 324	6 342	6 777	7 037
Total	20 761	18 061	18 822	28 368	24 157	24 157	42 993	44 980	47 675

Table 8.18: Summary of payments and estimates by economic classification - Programme 2: Housing Needs, Research and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	17 972	17 196	18 154	22 573	22 657	22 657	41 063	43 270	46 090
Compensation of employees	7 885	10 222	10 624	13 115	11 837	11 837	28 288	30 232	31 894
Goods and services	10 087	6 974	7 530	9 458	10 820	10 820	12 775	13 038	14 196
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	146	-	4 505	-	-	-	-	-
Provinces and municipalities	-	-	-	4 505	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	146	-	-	-	-	-	-	-
Payments for capital assets	2 725	719	668	1 290	1 500	1 500	1 930	1 710	1 585
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 431	719	668	1 290	1 500	1 500	1 930	1 710	1 585
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	294	-	-	-	-	-	-	-	-
Payments for financial assets	64	-	-	-	-	-	-	-	-
Total	20 761	18 061	18 822	28 368	24 157	24 157	42 993	44 980	47 675

The decrease in the sub-programme: Administration from 2009/10 to 2010/11 is due to decreased travelling and subsistence costs in that year resulting from cost-cutting. The decrease from the 2011/12 Main to Adjusted Appropriation is the result of delays in the filling of posts emanating from a lack of suitable candidates, as well as the restructuring of the department. The increase over the 2012/13 MTEF is mainly to cater for the filling of vacant posts within this sub-programme.

The fluctuating trend against the sub-programme: Policy from 2008/09 to 2010/11 is due to changes in staff numbers. The decrease from the 2011/12 Main to Adjusted Appropriation is the result of delays in the filling of posts emanating from a lack of suitable candidates, as well as the restructuring of the department.

The decrease from 2008/09 to 2009/10 against the sub-programme: Planning is due to cost-cutting, whereby the purchase of computers and hardware was substantially reduced. Despite cost-cutting, 2010/11 shows a large increase from 2009/10 due to the department paying for outstanding SITA invoices from 2009/10. The increase from the 2011/12 Main to the Adjusted Appropriation is to cater for costs associated with the upgraded e-mail system of the department, thus explaining the increase in *Goods and services*, as well as for the purchase of computer hardware which explains the increase in *Machinery and equipment*. The increase over the 2012/13 MTEF is to cater for additional staff in the planning section who are to be deployed at district level to implement various housing planning functions in line with the revised structure of the department. This explains the substantial increase in *Compensation of employees* over the 2012/13 MTEF.

The decrease against the sub-programme: Research from 2008/09 to 2009/10 is due to a delay in the implementation of capacity building programmes (*Goods and services*) due to internal capacity constraints. The further decrease from 2009/10 to 2010/11 is the result of cost-cutting. The decrease from the 2011/12 Main to the Adjusted Appropriation relates to delays in the establishment of housing components within municipalities due to a change in the implementation strategy, as mentioned previously. This also explains the decrease in *Transfers and subsidies to: Provinces and municipalities*.

With regard to *Compensation of employees*, provision has been made for the filling of vacant posts, as well as for anticipated inflationary increases. The decrease from the 2011/12 Main to Adjusted Appropriation is due to delays in the filling of posts resulting from no suitable candidates being found, as well as the restructuring of the department.

The fluctuating trend against *Machinery and equipment* over the seven-year period relates to cost-cutting (specifically in 2009/10 and 2010/11), and the fact that the department purchases machinery and equipment on a cyclical basis.

Spending on *Software and other intangible assets* in 2008/09 relates to the purchase of project management software to assist project managers in the management of housing projects.

Service delivery measures – Programme 2: Housing Needs, Research and Planning

Table 8.19 below reflects the main service delivery measures pertaining to Programme 2. These have been re-aligned to comply with the generic service delivery measures for the sector, as far as possible. It must be noted that some of the output and performance indicator descriptions have been changed in line with the department's 2012/13 Multi-Year Housing Development Plan (MYHDP).

Table 8.19: Service delivery measures – Programme 2: Housing Needs, Research and Planning

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2011/12	2012/13	2013/14	2014/15
1.1 Provide training to housing consumers	• No. of houses showing improvement in condition and structure	2 597	10 000	10 000	10 000
1.2 <i>Amakhosi</i> training on housing delivery	• No. of <i>Amakhosi</i> trained	38	200	200	200
1.3 Capacitation of municipalities on accreditation	• No. of municipalities capacitated on accreditation	6	6	7	7

6.3 Programme 3: Housing Development

This programme is responsible for the implementation and monitoring of housing delivery within all districts including the eThekweni Metro through various subsidy mechanisms in terms of national and provincial policies. This programme has a number of projects at various stages of implementation within each municipality. It is also expected to achieve certain key strategic objectives of the department through the implementation of projects using various subsidy instruments. The subsidy instruments implemented by the department are: individual, project linked, institutional, consolidation, relocation, disaster management, social housing, rectification, social and economic facilities and rural housing stock.

Programme 3 consists of the Housing Disaster Relief grant and the bulk of the Human Settlements Development grant, the remainder of which falls under Programme 4. The EPWP Integrated Grant for Provinces also falls under this programme.

Tables 8.20 and 8.21 illustrate a summary of payments and budgeted estimates from 2008/09 to 2014/15.

Table 8.20: Summary of payments and estimates - Programme 3: Housing Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Administration	68 868	57 023	54 346	57 194	59 905	59 905	57 896	61 700	65 397
Financial Interventions	176 242	469 317	491 660	457 963	667 263	667 263	528 844	484 835	527 189
Incremental Interventions	782 744	746 834	993 336	894 393	796 852	796 852	1 085 350	1 360 410	1 490 333
Social and Rental Intervention	143 024	147 637	189 992	475 956	134 331	134 331	269 680	395 036	369 034
Rural Intervention	321 683	668 654	917 187	683 660	1 028 189	1 028 189	898 635	764 481	766 859
Total	1 492 561	2 089 465	2 646 521	2 569 166	2 686 540	2 686 540	2 840 405	3 066 462	3 218 812

Table 8.21: Summary of payments and estimates by economic classification - Programme 3: Housing Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Current payments	68 517	69 834	61 803	210 622	136 319	136 189	198 547	160 597	164 261
Compensation of employees	40 371	42 579	49 382	84 846	87 535	87 493	87 858	93 860	99 019
Goods and services	28 146	27 255	12 229	125 776	48 784	48 696	110 689	66 737	65 242
Interest and rent on land	-	-	192	-	-	-	-	-	-
Transfers and subsidies to:	1 387 459	1 975 725	2 557 241	2 334 833	2 541 186	2 537 313	2 627 918	2 905 288	3 053 942
Provinces and municipalities	125 000	43 000	128 007	375 563	65 108	65 108	203 250	344 606	316 104
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 262 459	1 932 725	2 429 234	1 959 270	2 476 078	2 472 205	2 424 668	2 560 682	2 737 838
Payments for capital assets	36 584	43 906	27 477	23 711	9 035	13 038	13 940	577	609
Buildings and other fixed structures	36 407	43 816	27 477	19 774	5 529	9 532	10 000	-	-
Machinery and equipment	177	90	-	3 937	3 506	3 506	3 940	577	609
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	1	-	-	-	-	-	-	-	-
Total	1 492 561	2 089 465	2 646 521	2 569 166	2 686 540	2 686 540	2 840 405	3 066 462	3 218 812

This programme has increased significantly from 2008/09 to 2012/13 due to the increase in the Human Settlements Development grant. The department was allocated the Housing Disaster Relief grant from 2009/10 to 2011/12 only, adding to the increases over these years. The programme is aligned to the departmental infrastructure plan which contains a list of all projects that are to be implemented.

Although not evident in Table 8.20, it is noted that slow spending on the Human Settlements Development grant in 2010/11 led to the removal of R80 million from the department by National Treasury, for re-allocation to other provinces. This amount was removed from the sub-programme: Incremental Interventions and the category *Transfers and subsidies to: Households*. The slow spending was due to several reasons, including the non-resolution of land/legal issues, emanating mainly from disputes over the ownership of land, general under-performance by some implementing agents resulting in the termination of contracts with various implementing agents, namely: the Big Five False Bay, Umzumbe and the Umfolozi Municipalities, delays in the approval of the newly revised business plan for the CRU programme, etc.

The sub-programme: Administration shows a decreasing trend from 2008/09 to 2010/11 due to the decrease in the number of housing projects being launched, as well as cost-cutting.

The substantial increase from 2008/09 to 2009/10 against the sub-programme: Financial Interventions relates to expenditure on land for housing, as well as the Social and Economic Facilities and the Housing Rectification programmes. The Housing Rectification programme relates to the rectification of defects in houses delivered between 15 March 1994 and 31 March 2002. The decrease from the 2011/12 Adjusted Appropriation to 2013/14 is due to the phasing-out of the Social and Economic Facilities programme, which is being incorporated into other programmes, namely project-linked subsidies, institutional subsidies, and rural subsidies. Despite this, there is an increase from 2013/14 to 2014/15 due to the acceleration of housing programmes, namely housing finance linked subsidy programmes.

The increase in the Incremental Interventions sub-programme from the 2011/12 Revised Estimate to 2012/13 onward is to cater for the fast-tracking of certain housing projects, such as *Vulindlela*, as well as an increase in the Human Settlements Development grant allocation in 2013/14 and 2014/15.

The decrease against the sub-programme: Social and Rental Interventions from the 2011/12 Main to Adjusted Appropriation relates to under-spending on the CRU programme due to the fact that the eThekweni Metro failed to spend funds that were transferred to it, because of delays in its procurement processes. In addition, the CRU policy is currently being revised in order to contain costs within acceptable limits. This also explains the decrease against *Transfers and subsidies to: Provinces and municipalities*. The increase over the 2012/13 MTEF is to cater for the fast-tracking of the CRU programme.

The increase in the sub-programme: Rural Interventions in 2009/10 to 2010/11 is due to an increase in the Human Settlements Development grant, resulting from the demand for housing in the province. The large increase in budget from the 2011/12 Main to the Adjusted Appropriation was to cater for the *Vulindlela* rural housing project which was not adequately budgeted for during the year. The funding returned by Thubelisha Homes for the Ingwavuma Ministerial projects also falls under this sub-programme, against the category *Transfers and subsidies to: Households* in 2012/13. The decrease from the 2011/12 Revised Estimate to 2012/13 and from 2012/13 to 2013/14 is due to the completion of certain projects, such as *Sobabili* in Uthukela in 2012/13 and *Rocky Park* in Ilembe in 2013/14.

The increase against *Compensation of employees* from 2008/09 onward can be ascribed to the organisational restructuring and the resultant filling of posts, and the various wage agreements.

The decrease against *Goods and services* from 2008/09 to 2010/11 is due to cost-cutting, whereby project launches were substantially decreased. The decrease in the 2011/12 Adjusted Appropriation is mainly due to difficulties in filling technical posts, leading to a reduction in associated administrative costs, such as subsistence and travel. In addition, the department made provision to hire consultants to assist in the technical side of constructing houses, such as monitoring, quality assurance, etc. However, this was put on hold during the year, pending a review of the proficiency of the chosen consultants. The department is in the process of undergoing a tender process to find suitably qualified professionals who will be able to assist in the implementation and monitoring of housing projects. This will be completed by 2012/13. The increase from the 2011/12 Revised Estimate to 2012/13 relates to an increase in administrative funding from the conditional grant to support various functions in respect of housing delivery, such as NHBC rectification assessments, etc.

The decrease in *Transfers and subsidies to: Provinces and municipalities* from 2008/09 to 2009/10 relates to slow spending on the CRU programme due to delays in the approval process of projects within municipalities. The fluctuating trend in *Transfers and subsidies to: Provinces and municipalities* relates to spending on the CRU programme, as explained above.

Transfers and subsidies to: Households, which shows an increasing trend from 2008/09 to 2014/15, caters for the bulk of the Human Settlements Development grant and the full allocation of the Housing Disaster Relief grant. The type of programmes and their respective projects that fall under this category include the Rural Housing Development programme which caters for the *Vulindlela* rural housing project, and the Integrated Development programme which deals with Cornubia. The bulk of the Human Settlements

Development grant is allocated against this category, as housing units are transferred to beneficiaries upon completion.

Buildings and other fixed structures is mainly associated with the Social and Economic Facilities programme. The substantial decrease from the 2011/12 Main to the Adjusted Appropriation is the result of slow spending on this programme due to failure to deliver by the appointed service providers, resulting in slow delivery on the ground. Going forward, the Social and Economic Facilities programme is being integrated into the total project cost of the implementation of projects, forming part of *Transfers and subsidies to: Households*, hence there is no allocation in 2013/14 or 2014/15. Despite the change in approach, the department has budgeted against *Buildings and other fixed structures* in 2012/13 due to the finalisation of some projects.

The fluctuating *Machinery and equipment* trend over the seven-year period relates to the fact that the department purchases machinery and equipment on a cyclical basis, coupled with the fact that, in 2009/10 and 2010/11, the department implemented cost-cutting measures.

Service delivery measures – Programme 3: Housing Development

Table 8.22 below reflects the main service delivery measures pertaining to Programme 3. These have been aligned to the generic service delivery measures for the sector. Some of the output and performance indicator descriptions have been changed in line with the department's 2012/13 MYHDP.

Table 8.22: Service delivery measures – Programme 3: Housing Development

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2011/12	2012/13	2013/14	2014/15
1.1	Rural Housing Development programme	• No. of houses completed	9 226	13 250	13 900	14 500
1.2	Integrated Development programme	• No. of houses completed	199	1 272	1 804	1 894
1.3	Community Residential Units	• No. of units completed	-	1 934	2 000	2 000
1.4	Provision of institutional subsidies	• No. of units completed	36	132	126	132
1.5	Disaster management (inclusive of <i>Sukuma Sakhe</i>)	• No. of units completed	3 025	2 290	2 700	2 700

6.4 Programme 4: Housing Asset Management, Property Management

This programme is responsible for the management of departmental properties and the maintenance thereof, as well as the implementation and monitoring of the housing projects through the various subsidy mechanisms in terms of national and provincial policy. Further to this, Programme 4 is responsible for the regulation of good relationships between tenants and the landlords.

Programme 4 consists of three sub-programmes, in line with the uniform budget and programme structure of the sector. These are: Administration, Sale and Transfer of Housing Properties and Housing Properties Maintenance. Sale and Transfer of Housing Properties was called the EEDBS prior to 2010/11 but, in order to fall in line with the sector, the name of this sub-programme was changed.

Tables 8.23 and 8.24 give a summary of payments and budgeted estimates pertaining to this programme. The overall MTEF allocation for this programme shows the effects of the implementation of the EEDBS policy, as explained in greater detail below.

Table 8.23: Summary of payments and estimates - Programme 4: Housing Asset Management, Property Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Administration	55 873	64 333	62 693	73 250	73 250	73 250	75 803	80 990	85 840
Sale and Transfer of Housing Properties	96 441	31 340	97 563	23 978	1 739	1 739	7 076	7 076	7 076
Housing Properties Maintenance	107 003	189 643	155 295	233 921	173 173	173 173	210 941	136 898	145 050
Total	259 317	285 316	315 551	331 149	248 162	248 162	293 820	224 964	237 966

Table 8.24: Summary of payments and estimates by economic classification - Programme 4: Housing Asset Man., Property Man.

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	125 667	114 835	89 290	122 956	97 436	98 881	102 949	106 552	114 649
Compensation of employees	48 962	57 335	60 165	70 377	67 296	67 296	69 684	74 476	82 073
Goods and services	76 705	57 500	29 125	52 579	30 140	31 585	33 265	32 076	32 576
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	133 507	170 339	226 256	207 950	150 649	149 166	190 701	118 278	123 125
Provinces and municipalities	132 730	166 973	225 525	207 600	148 495	147 012	190 351	117 904	122 730
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	777	3 366	731	350	2 154	2 154	350	374	395
Payments for capital assets	24	102	5	243	77	115	170	134	192
Buildings and other fixed structures	-	-	-	-	77	77	-	-	-
Machinery and equipment	24	67	5	243	-	38	170	134	192
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	35	-	-	-	-	-	-	-
Payments for financial assets	119	40	-	-	-	-	-	-	-
Total	259 317	285 316	315 551	331 149	248 162	248 162	293 820	224 964	237 966

The increase against the sub-programme: Administration from 2008/09 to 2009/10 relates to the increase in the allowance payable to the Rental Tribunal Members. The members had to put in more hours in order to cover the backlog in respect of rental tribunal cases brought before them. These cases involved disputes between landlords and tenants. The decrease from 2009/10 to 2010/11 is the result of the voluntary severance packages paid to the officials who left the public service in 2009/10. The increases over the 2012/13 MTEF are inflation related.

The decrease against the sub-programme: Sale and Transfer of Housing Properties from 2008/09 to 2009/10 is a result of the cancellation of the contract of the service provider that had been implementing the EEDBS programme throughout KZN, due to a change in strategy. From now on, municipalities will be implementing this programme, and not service providers. The department will assist the municipality with the required capacity, if required. This also partly explains the decrease in *Goods and services* over the same period. The increase from 2009/10 to 2010/11 is a result of a once-off transfer to the eThekweni Metro, for the rehabilitation of former R293 houses, on behalf of the department (this also explains the increase against *Transfers and subsidies to: Provinces and municipalities*). The substantial decrease from the 2011/12 Main to Adjusted Appropriation is a result of a delay in the rectification of housing properties, as the NHBRC is doing an assessment of properties to determine exactly what rectification is to be done to what properties.

The increase against the sub-programme: Housing Properties Maintenance from 2008/09 to 2009/10 relates to the transfer of funds to eThekweni for the maintenance of the KwaDabeka CRU, as well as to cover arrear rates on housing properties that were budgeted to be paid in 2008/09, but were delayed as a result of the late receipt of invoices from the Msunduzi Municipality. This also explains the increase against *Transfers and subsidies to: Provinces and municipalities*. In 2009/10, the department transferred funds to the eThekweni Metro in respect of the maintenance of R293 towns and hostels, as well as making a once-off payment to the Msunduzi Municipality for the payment of arrear rates and taxes from 2008/09 due to the late receipt of invoices. This once-off payment explains the decrease from 2009/10 to 2010/11. The decrease from the 2011/12 Main to the Adjusted Appropriation is a result of a delay in the implementation of the rectification of pre-1994 housing stock, as the NHBRC is currently in the process of compiling rectification scoping reports which will indicate exactly what rectification is to be done to what properties. This also explains the decrease in *Transfers and subsidies to: Provinces and municipalities*. The allocation increases over the 2012/13 MTEF due to the fact that the department will be rectifying the properties in line with the scoping reports from NHBRC.

The decrease from 2009/10 to 2010/11 against *Goods and services* is due to poor spending on the EEDBS programme due to delays in the rehabilitation of housing stock emanating from the department waiting for the go-ahead to commence with some projects from the NHBRC. The decrease from the 2011/12

Main to the Adjusted Appropriation is the result of projected under-expenditure on the EEDBS programme, where transfer of properties to beneficiaries was delayed. This was a result of delays in the implementation of the rectification programme, as some of the properties could not be transferred in their current state. These savings were moved to *Transfers and subsidies to: Households* in Programme 3 to cater for the fast-tracking of the *Vulindlela* rural housing project.

The increase against *Transfers and subsidies to: Provinces and municipalities* from the 2011/12 Revised Estimate to 2012/13 is due to the fact that the department will be rectifying the properties in line with the NHBRC scoping reports. The decrease from 2012/13 to 2013/14 is due to the department anticipating rectifying more pre-1994 housing stock in 2012/13 than in 2013/14, based on the findings of the NHBRC.

The amounts spent against *Transfers and subsidies to: Households* relate to staff exit costs.

The fluctuating trend against *Machinery and equipment* over the seven-year period relates to the fact that the department purchases machinery and equipment on a cyclical basis.

Spending against *Software and other intangible assets* in 2009/10 was for software for the Housing Tribunal Component. This software is a recording system which is used for court proceedings.

Spending against *Payments for financial assets* relates to the write-off of staff debts.

Service delivery measures – Programme 4: Housing Asset Management, Property Management

Table 8.25 reflects the main service delivery measures pertaining to Programme 4. These have been aligned to the generic service delivery measures for the sector. Some of the output and performance indicator descriptions have been changed in line with the department's 2012/13 MYHDP.

Table 8.25: Service delivery measures – Programme 4: Housing Asset Management, Property Management

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
1.1 Rectification of pre-1994 housing stock	• No. of units rectified and/or upgraded	-	1 500	2 000	2 500	
1.2 EEDBS	• No. of residential properties transferred	1 692	2 500	2 200	2 000	
1.3 Maintenance of rental units	• No. of units maintained	2 012	3 500	3 000	2 000	

7. Other programme information

7.1 Personnel numbers and costs

Tables 8.26 and 8.27 below illustrate personnel numbers and estimates pertaining to the Department of Human Settlements over the seven-year period.

In 2011/12, the department engaged in a restructuring process which entailed revising the structure of the department. This new structure is to be implemented over the 2012/13 MTEF. As is evident from Table 8.27, the new structure caters for an increased number of staff in the Human Resource component, as well as an increase in the number of contract workers. It must be noted that, due to financial constraints in the equitable share allocation, the new structure will be implemented in phases, once sign-off from the DPSA and Office of the Premier has been received.

The number of contract workers rises substantially from 2008/09 due to the appointment of Adult Basic Education and Training (ABET) educators. The ABET educators educate officials in the department who meet the necessary criteria. This is a provincial programme aimed at addressing illiteracy within the province. The decrease against the number of contract workers from the 2011/12 Adjusted Appropriation to the Revised Estimate relates to the fact that the department was unable to find contract workers, such as quantity surveyors, with the adequate skills to oversee various aspect of housing projects.

Table 8.26: Personnel numbers and costs per programme

	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
Personnel numbers							
1. Administration	255	247	227	301	246	246	246
2. Housing Needs, Research and Planning	24	36	33	39	66	66	66
3. Housing Development	159	154	151	162	230	230	230
4. Housing Asset Management, Property Management	420	420	385	377	375	375	375
Total	858	857	796	879	917	917	917
Total personnel cost (R thousand)	138 797	157 750	174 805	227 388	256 592	274 197	292 771
Unit cost (R thousand)	162	184	220	259	280	299	319

Table 8.27: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Total for department									
Personnel numbers (head count)	858	857	796	949	879	879	917	917	917
Personnel cost (R thousand)	138 797	157 750	174 805	229 100	227 430	227 388	256 592	274 197	292 771
Human resources component									
Personnel numbers (head count)	48	67	76	57	57	57	82	82	82
Personnel cost (R thousand)	7 513	11 742	12 180	14 140	14 140	14 140	15 472	16 540	17 450
Head count as % of total for department	5.59	7.82	9.55	6.01	6.48	6.48	8.94	8.94	8.94
Personnel cost as % of total for department	5.41	7.44	6.97	6.17	6.22	6.22	6.03	6.03	5.96
Finance component									
Personnel numbers (head count)	108	104	92	106	106	106	95	95	95
Personnel cost (R thousand)	20 111	21 238	24 345	27 477	27 477	27 477	29 807	31 863	33 615
Head count as % of total for department	12.59	12.14	11.56	11.17	12.06	12.06	10.36	10.36	10.36
Personnel cost as % of total for department	14.49	13.46	13.93	11.99	12.08	12.08	11.62	11.62	11.48
Full time workers									
Personnel numbers (head count)	813	796	738	824	754	809	782	782	782
Personnel cost (R thousand)	133 492	147 776	165 651	220 191	218 521	218 479	213 715	226 893	243 000
Head count as % of total for department	94.76	92.88	92.71	86.83	85.78	92.04	85.28	85.28	85.28
Personnel cost as % of total for department	96.18	93.68	94.76	96.11	96.08	96.08	83.29	82.75	83.00
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	45	61	58	125	125	70	135	135	135
Personnel cost (R thousand)	5 305	9 974	9 154	8 909	8 909	8 909	42 877	47 304	49 771
Head count as % of total for department	5.24	7.12	7.29	13.17	14.22	7.96	14.72	14.72	14.72
Personnel cost as % of total for department	3.82	6.32	5.24	3.89	3.92	3.92	16.71	17.25	17.00

7.2 Training

Tables 8.28 and 8.29 give a summary of departmental spending and information on training for the period 2008/09 to 2010/11, estimated spending for 2011/12 and budgeted expenditure for the 2012/13 MTEF. The amounts reflected relate mainly to project management, secretarial, financial management and computer training courses for staff. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. This requirement gives credence to government policy on human resource development. The department is largely abiding by this, exceeding the 1 per cent requirement in most years.

Table 8.29 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

The allocation for general training, such as computer training, secretarial courses, etc. for the department is centralised under Programme 1. There is provision for capacity building in Programme 2. The high spending in 2009/10 relates to capacity building training programmes within Programme 2. The decrease in the allocation from 2009/10 to 2010/11 is due to cost-cutting, whereby the department trained staff internally, rather than using service providers.

The decrease from the 2011/12 Main to Adjusted Appropriation is due to a reduction in the number of external training sessions held by service providers, in order to cut costs.

Table 8.28: Payments and estimates on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	1 184	1 399	393	1 500	521	521	1 300	1 320	1 466
2. Housing Needs, Research and Planning	417	1 564	69	1 330	950	950	1 410	1 507	1 590
3. Housing Development	55	-	-	-	-	-	-	-	-
4. Housing Asset Management, Property Management									
Total	1 656	2 963	462	2 830	1 471	1 471	2 710	2 827	3 056

Table 8.29: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Number of staff	858	857	796	949	949	879	917	917	917
Number of personnel trained	765	845	816	906	906	906	906	906	906
of which									
Male	482	562	503	503	503	503	503	503	503
Female	283	283	313	403	403	403	403	403	403
Number of training opportunities	16	25	17	21	21	21	21	21	21
of which									
Tertiary	5	5	3	3	3	3	3	3	3
Workshops	10	13	6	10	10	10	10	10	10
Seminars	-	5	5	5	5	5	5	5	5
Other	1	2	3	3	3	3	3	3	3
Number of bursaries offered	25	15	13	18	18	18	18	18	18
External	12	7	-	5	5	5	5	5	5
Internal	13	8	13	13	13	13	13	13	13
Number of interns appointed	19	27	4	15	15	15	15	15	15
Number of learnerships appointed	-	-	-	2	2	2	2	2	2
Number of days spent on training	37	38	50	60	60	60	60	60	60

ANNEXURE TO VOTE 8 – HUMAN SETTLEMENTS

Table 8.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	338	324	387	375	375	375	412	434	477
Sale of goods and services produced by dept. (excl. capital assets)	338	324	387	375	375	375	412	434	477
Sales by market establishments									
Administrative fees	155	141	150	-	-	-	-	-	-
Other sales	183	183	237	375	375	375	412	434	477
Of which									
Commission Insurance	156	154	191	324	324	324	356	375	412
House Debtors Admin Fee									
Rental parking open, boarding serv. staff	27	29	46	51	51	51	56	59	65
Other									
Sale of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land	92	90	46	94	94	94	103	109	109
Interest	92	90	46	94	94	94	103	109	109
Dividends									
Rent on land									
Sale of capital assets	-	412	302	-	-	200	-	-	-
Land and subsoil assets									
Other capital assets	-	412	302	-	-	200	-	-	-
Transactions in financial assets and liabilities	975	5 729	7 382	667	667	268 636	735	775	853
Total	1 405	6 555	8 117	1 136	1 136	269 305	1 250	1 318	1 439

Table 8.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	312 193	298 569	265 272	467 785	369 866	371 181	463 181	435 981	458 270
Compensation of employees	138 797	157 750	174 805	229 100	227 430	227 388	256 592	274 197	292 771
Salaries and wages	120 015	135 957	149 648	202 338	201 615	201 573	227 001	241 271	257 492
Social contributions	18 782	21 793	25 157	26 762	25 815	25 815	29 591	32 926	35 279
Goods and services	173 396	140 819	90 275	238 685	142 436	143 793	206 589	161 784	165 499
of which									
Administrative fees	195	145	189	23	328	328	218	230	234
Advertising	9 824	3 533	1 545	1 156	1 907	1 973	1 281	1 254	1 227
Assets <R5000	920	278	161	644	387	387	757	804	874
Audit cost: External	2 086	3 221	3 278	3 800	3 800	3 800	4 180	3 868	4 647
Bursaries (employees)	266	102	123	300	100	100	300	311	337
Catering: Departmental activities	7 528	5 683	436	565	1 270	1 340	36	39	40
Communication	7 239	7 192	5 213	7 445	6 467	6 455	6 573	6 687	7 064
Computer services	4 305	4 456	7 055	5 786	8 258	8 258	9 333	9 422	10 447
Cons/prof: Business & advisory services	32 818	37 249	14 050	135 809	34 237	34 557	103 435	59 237	56 287
Cons/prof: Infrastructure & planning	2	190	1	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	1 806	1 711	911	1 505	3 629	4 366	2 178	2 254	2 416
Contractors	4 102	3 113	177	15	1 267	731	-	-	-
Agency & support/outourced services	1 083	674	687	290	686	807	590	615	665
Entertainment	878	84	31	141	98	94	75	53	66
Fleet services (incl. GMT)	-	-	-	105	-	-	2 930	2 930	3 015
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	6	-	90	90	60	90	98
Inventory: Fuel, oil and gas	-	-	-	-	-	1	-	-	-
Inventory: Learner and teacher supp material	278	122	212	268	305	305	232	239	261
Inventory: Materials and supplies	1 922	1 094	1 728	-	4 505	4 836	5 006	5 713	6 213
Inventory: Medical supplies	-	1	67	4	125	145	117	121	132
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	1	1	-	-	-
Inventory: Other consumables	133	281	263	210	385	627	140	148	158
Inventory: Stationery and printing	2 295	1 211	831	1 341	1 067	1 064	1 428	1 522	1 627
Lease payments	13 373	16 156	18 571	19 449	21 074	20 635	20 094	20 111	20 848
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	50 551	30 928	25 657	38 710	31 785	32 709	27 595	25 373	26 059
Transport provided: Departmental activity	2 868	2 594	16	-	316	316	15	16	17
Travel and subsistence	10 286	7 292	5 544	16 032	15 834	15 353	15 706	16 232	17 928
Training and development	1 656	2 963	462	2 830	1 471	1 471	2 710	2 827	3 056
Operating expenditure	4 662	2 166	556	1 562	1 048	1 048	790	842	891
Venues and facilities	12 320	8 380	2 505	695	1 996	1 996	810	846	892
Interest and rent on land	-	-	192	-	-	-	-	-	-
Interest	-	-	192	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	1 521 537	2 147 153	2 784 369	2 547 788	2 692 540	2 687 184	2 819 229	3 024 219	3 177 755
Provinces and municipalities	257 813	210 060	353 589	587 668	213 708	212 225	393 711	462 628	438 958
Provinces	83	87	64	10	115	115	120	118	124
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	83	87	64	10	115	115	120	118	124
Municipalities	257 730	209 973	353 525	587 658	213 593	212 110	393 591	462 510	438 834
Municipalities	257 730	209 973	353 525	587 658	213 593	212 110	393 591	462 510	438 834
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 263 724	1 937 093	2 430 780	1 960 120	2 478 832	2 474 959	2 425 518	2 561 591	2 738 797
Social benefits	1 438	4 547	2 169	950	3 334	3 464	850	909	959
Other transfers to households	1 262 286	1 932 546	2 428 611	1 959 170	2 475 498	2 471 495	2 424 668	2 560 682	2 737 838
Payments for capital assets	42 201	46 860	30 293	28 439	13 282	17 323	18 525	5 089	5 034
Buildings and other fixed structures	36 407	43 816	27 477	19 774	5 606	9 609	10 000	-	-
Buildings	-	-	-	-	77	77	-	-	-
Other fixed structures	36 407	43 816	27 477	19 774	5 529	9 532	10 000	-	-
Machinery and equipment	4 541	3 009	2 537	8 665	7 676	7 714	8 525	5 089	5 034
Transport equipment	1 167	1 926	1 846	2 100	2 100	2 100	1 970	2 118	2 066
Other machinery and equipment	3 374	1 083	691	6 565	5 576	5 614	6 555	2 971	2 968
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	900	-	-	-	-	-	-	-	-
Software and other intangible assets	353	35	279	-	-	-	-	-	-
Payments for financial assets	215	65	9 303	9 303	9 303	9 303	-	-	-
Total	1 876 146	2 492 647	3 089 237	3 053 315	3 084 991	3 084 991	3 300 935	3 465 289	3 641 059

Table 8.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	100 037	96 704	96 025	111 634	113 454	113 454	120 622	125 562	133 270
Compensation of employees	41 579	47 614	54 634	60 762	60 762	60 762	70 762	75 629	79 785
Salaries and wages	35 578	40 459	46 171	52 102	52 102	52 102	61 252	65 465	69 081
Social contributions	6 001	7 155	8 463	8 660	8 660	8 660	9 510	10 164	10 704
Goods and services	58 458	49 090	41 391	50 872	52 692	52 692	49 860	49 933	53 485
of which									
Administrative fees	195	87	76	7	157	157	70	73	79
Advertising	5 665	905	842	728	1 322	1 322	931	879	934
Assets <R5000	667	79	98	157	157	157	78	80	90
Audit cost: External	2 086	3 221	3 278	3 800	3 800	3 800	4 180	3 868	4 647
Bursaries (employees)	263	102	123	300	100	100	300	311	337
Catering: Departmental activities	1 527	194	209	200	765	765	20	22	22
Communication	5 656	5 321	3 885	5 665	4 765	4 765	4 280	4 338	4 418
Computer services	-	-	144	-	-	-	-	-	-
Cons/prof: Business & advisory services	4 580	1 676	1 767	801	592	592	10	11	11
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	1 306	1 247	541	1 300	2 800	3 101	1 182	1 189	1 332
Contractors	-	333	-	-	206	206	-	-	-
Agency & support/outsourced services	308	358	527	130	411	532	565	588	637
Entertainment	434	69	23	84	79	79	36	10	22
Fleet services (incl. GMT)	-	-	-	105	-	-	2 930	2 930	3 015
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	3	-	56	56	60	90	98
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	147	42	143	195	265	265	178	182	201
Inventory: Materials and supplies	-	34	10	-	-	-	-	-	-
Inventory: Medical supplies	-	-	67	-	122	142	102	105	115
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	13	86	8	90	90	90	57	60	65
Inventory: Stationery and printing	1 845	938	671	932	756	756	922	982	1 055
Lease payments	12 843	15 908	18 219	19 205	20 798	20 356	19 623	19 634	20 277
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	8 553	10 203	8 115	12 255	10 765	10 765	9 578	9 534	10 564
Transport provided: Departmental activity	-	10	16	-	200	200	15	16	17
Travel and subsistence	3 990	2 209	1 733	2 211	2 592	2 592	2 429	2 628	2 939
Training and development	1 184	1 399	393	1 500	521	521	1 300	1 320	1 466
Operating expenditure	4 086	1 783	500	707	423	423	414	442	467
Venues and facilities	3 110	2 886	-	500	950	950	600	641	677
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	571	943	872	500	705	705	610	653	688
Provinces and municipalities	83	87	57	-	105	105	110	118	124
Provinces	83	87	57	-	105	105	110	118	124
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	83	87	57	-	105	105	110	118	124
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	488	856	815	500	600	600	500	535	564
Social benefits	488	856	815	500	600	600	500	535	564
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	2 868	2 133	2 143	3 195	2 670	2 670	2 485	2 668	2 648
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 909	2 133	1 864	3 195	2 670	2 670	2 485	2 668	2 648
Transport equipment	1 167	1 926	1 846	2 100	2 100	2 100	1 970	2 118	2 066
Other machinery and equipment	742	207	18	1 095	570	570	515	550	582
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	900	-	-	-	-	-	-	-	-
Software and other intangible assets	59	-	279	-	-	-	-	-	-
Payments for financial assets	31	25	9 303	9 303	9 303	9 303	-	-	-
Total	103 507	99 805	108 343	124 632	126 132	126 132	123 717	128 883	136 606
Unauth. exp. (1 st charge) not available for spending	-	-	(9 303)	(9 303)	(9 303)	(9 303)	-	-	-
Baseline available for spending after 1st charge	103 507	99 805	99 040	115 329	116 829	116 829	123 717	128 883	136 606

Table 8.D: Details of payments and estimates by economic classification - Programme 2: Housing Needs, Research and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	17 972	17 196	18 154	22 573	22 657	22 657	41 063	43 270	46 090
Compensation of employees	7 885	10 222	10 624	13 115	11 837	11 837	28 288	30 232	31 894
Salaries and wages	6 872	8 875	9 217	11 693	10 653	10 653	24 943	26 658	28 123
Social contributions	1 013	1 347	1 407	1 422	1 184	1 184	3 345	3 574	3 771
Goods and services	10 087	6 974	7 530	9 458	10 820	10 820	12 775	13 038	14 196
of which									
Administrative fees	-	31	14	16	16	16	11	11	-
Advertising	1 059	-	-	50	45	45	90	97	-
Assets <R5000	113	55	23	360	110	110	444	455	501
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	3	-	-	-	-	-	-	-	-
Catering: Departmental activities	270	69	24	322	197	197	-	-	-
Communication	132	233	178	254	249	249	206	219	232
Computer services	4 132	3 895	6 493	5 426	7 609	7 609	8 881	8 928	9 920
Cons/prof: Business & advisory services	448	-	-	-	100	100	-	-	-
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	463	11	-	15	115	115	-	-	-
Agency & support/outourced services	73	15	26	25	25	25	25	27	28
Entertainment	64	6	4	7	7	7	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	1	-	6	6	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	58	15	12	24	24	24	18	19	20
Inventory: Materials and supplies	-	-	-	-	3	3	-	-	-
Inventory: Medical supplies	-	1	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	41	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	18	74	37	74	76	76	109	116	123
Lease payments	92	64	48	40	78	78	35	37	40
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	18	13	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 462	846	601	950	1 010	1 010	1 396	1 461	1 573
Training and development	417	1 564	69	1 330	950	950	1 410	1 507	1 590
Operating expenditure	24	12	-	450	-	-	-	-	-
Venues and facilities	1 200	70	-	115	200	200	150	161	169
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	146	-	4 505	-	-	-	-	-
Provinces and municipalities	-	-	-	4 505	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	4 505	-	-	-	-	-
Municipalities	-	-	-	4 505	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	146	-	-	-	-	-	-	-
Social benefits	-	146	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	2 725	719	668	1 290	1 500	1 500	1 930	1 710	1 585
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 431	719	668	1 290	1 500	1 500	1 930	1 710	1 585
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	2 431	719	668	1 290	1 500	1 500	1 930	1 710	1 585
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	294	-	-	-	-	-	-	-	-
Payments for financial assets	64	-	-	-	-	-	-	-	-
Total	20 761	18 061	18 822	28 368	24 157	24 157	42 993	44 980	47 675

Table 8.E: Details of payments and estimates by economic classification - Programme 3: Housing Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	68 517	69 834	61 803	210 622	136 319	136 189	198 547	160 597	164 261
Compensation of employees	40 371	42 579	49 382	84 846	87 535	87 493	87 858	93 860	99 019
Salaries and wages	35 480	36 979	42 737	77 782	80 256	80 214	81 328	86 880	91 655
Social contributions	4 891	5 600	6 645	7 064	7 279	7 279	6 530	6 980	7 364
Goods and services	28 146	27 255	12 229	125 776	48 784	48 696	110 689	66 737	65 242
of which									
Administrative fees	-	4	88	-	155	155	137	146	155
Advertising	2 718	2 385	703	320	450	518	260	278	293
Assets <R5000	130	135	28	94	37	37	68	73	77
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	4 710	5 045	203	43	308	368	16	17	18
Communication	1 122	1 243	846	1 197	1 123	1 122	1 645	1 636	1 893
Computer services	76	291	341	235	524	524	296	323	347
Cons/prof. Business & advisory services	699	3 716	4 036	110 935	31 749	32 065	96 249	52 000	49 000
Cons/prof. Infrastructure & planning	2	142	1	-	-	-	-	-	-
Cons/prof. Laboratory services									
Cons/prof. Legal cost	208	21	185	30	390	878	130	139	147
Contractors	2 725	2 676	177	-	636	100	-	-	-
Agency & support/outsource services	517	145	109	40	-	-	-	-	-
Entertainment	378	8	2	39	1	2	24	26	27
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	-	-	2	-	28	28	-	-	-
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	58	45	51	17	16	16	3	3	3
Inventory: Materials and supplies	2	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	4	3	3	15	16	17
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	6	20	-	20	-	-	18	19	20
Inventory: Stationery and printing	328	137	45	263	165	165	314	335	355
Lease payments	299	92	266	142	127	125	358	357	443
Rental and hiring									
Property payments	24	9	-	134	177	177	-	-	-
Transport provided: Departmental activity	2 580	2 374	-	-	110	110	-	-	-
Travel and subsistence	4 127	3 473	2 585	11 993	11 552	11 070	10 985	11 186	12 254
Training and development	55	-	-	-	-	-	-	-	-
Operating expenditure	162	254	56	270	483	483	171	183	193
Venues and facilities	7 220	5 040	2 505	-	750	750	-	-	-
Interest and rent on land	-	-	192	-	-	-	-	-	-
Interest	-	-	192	-	-	-	-	-	-
Rent on land									
Transfers and subsidies to	1 387 459	1 975 725	2 557 241	2 334 833	2 541 186	2 537 313	2 627 918	2 905 288	3 053 942
Provinces and municipalities	125 000	43 000	128 007	375 563	65 108	65 108	203 250	344 606	316 104
Provinces	-	-	7	10	10	10	10	-	-
Provincial Revenue Funds									
Provincial agencies and funds	-	-	7	10	10	10	10	-	-
Municipalities	125 000	43 000	128 000	375 553	65 098	65 098	203 240	344 606	316 104
Municipalities	125 000	43 000	128 000	375 553	65 098	65 098	203 240	344 606	316 104
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	1 262 459	1 932 725	2 429 234	1 959 270	2 476 078	2 472 205	2 424 668	2 560 682	2 737 838
Social benefits	173	179	623	100	580	710	-	-	-
Other transfers to households	1 262 286	1 932 546	2 428 611	1 959 170	2 475 498	2 471 495	2 424 668	2 560 682	2 737 838
Payments for capital assets	36 584	43 906	27 477	23 711	9 035	13 038	13 940	577	609
Buildings and other fixed structures	36 407	43 816	27 477	19 774	5 529	9 532	10 000	-	-
Buildings									
Other fixed structures	36 407	43 816	27 477	19 774	5 529	9 532	10 000	-	-
Machinery and equipment	177	90	-	3 937	3 506	3 506	3 940	577	609
Transport equipment									
Other machinery and equipment	177	90	-	3 937	3 506	3 506	3 940	577	609
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	1	-	-	-	-	-	-	-	-
Total	1 492 561	2 089 465	2 646 521	2 569 166	2 686 540	2 686 540	2 840 405	3 066 462	3 218 812

Table 8.F: Details of payments and estimates by economic classification - Programme 4: Housing Asset Man., Property Man.

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	125 667	114 835	89 290	122 956	97 436	98 881	102 949	106 552	114 649
Compensation of employees	48 962	57 335	60 165	70 377	67 296	67 296	69 684	74 476	82 073
Salaries and wages	42 085	49 644	51 523	60 761	58 604	58 604	59 478	62 268	68 633
Social contributions	6 877	7 691	8 642	9 616	8 692	8 692	10 206	12 208	13 440
Goods and services	76 705	57 500	29 125	52 579	30 140	31 585	33 265	32 076	32 576
of which									
Administrative fees	-	23	11	-	-	-	-	-	-
Advertising	382	243	-	58	90	88	-	-	-
Assets <R5000	10	9	12	33	83	83	167	196	206
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	1 021	375	-	-	-	10	-	-	-
Communication	329	395	304	329	330	319	442	494	521
Computer services	97	270	77	125	125	125	156	171	180
Cons/prof: Business & advisory services	27 091	31 857	8 247	24 073	1 796	1 800	7 176	7 226	7 276
Cons/prof: Infrastructure & planning	-	48	-	-	-	-	-	-	-
Cons/prof: Laboratory services									
Cons/prof: Legal cost	292	443	185	175	439	387	866	926	937
Contractors	914	93	-	-	310	310	-	-	-
Agency & support/outourced services	185	156	25	95	250	250	-	-	-
Entertainment	2	1	2	11	11	6	15	17	17
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas	-	-	-	-	-	1	-	-	-
Inventory: Learner and teacher supp material	15	20	6	32	-	-	33	35	37
Inventory: Materials and supplies	1 920	1 060	1 718	-	4 502	4 833	5 006	5 713	6 213
Inventory: Medical supplies									
Inventory: Medicine									
Meddas inventory interface									
Inventory: Military stores	-	-	-	-	1	1	-	-	-
Inventory: Other consumables	73	175	255	100	295	537	65	69	73
Inventory: Stationery and printing	104	62	78	72	70	67	83	89	94
Lease payments	139	92	38	62	71	76	78	83	88
Rental and hiring									
Property payments	41 956	20 703	17 542	26 321	20 843	21 767	18 017	15 839	15 495
Transport provided: Departmental activity	288	210	-	-	6	6	-	-	-
Travel and subsistence	707	764	625	878	680	681	896	957	1 162
Training and development									
Operating expenditure	390	117	-	135	142	142	205	217	231
Venues and facilities	790	384	-	80	96	96	60	44	46
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	133 507	170 339	226 256	207 950	150 649	149 166	190 701	118 278	123 125
Provinces and municipalities	132 730	166 973	225 525	207 600	148 495	147 012	190 351	117 904	122 730
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	132 730	166 973	225 525	207 600	148 495	147 012	190 351	117 904	122 730
Municipalities	132 730	166 973	225 525	207 600	148 495	147 012	190 351	117 904	122 730
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	777	3 366	731	350	2 154	2 154	350	374	395
Social benefits	777	3 366	731	350	2 154	2 154	350	374	395
Other transfers to households									
Payments for capital assets	24	102	5	243	77	115	170	134	192
Buildings and other fixed structures	-	-	-	-	77	77	-	-	-
Buildings	-	-	-	-	77	77	-	-	-
Other fixed structures									
Machinery and equipment	24	67	5	243	-	38	170	134	192
Transport equipment									
Other machinery and equipment	24	67	5	243	-	38	170	134	192
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	35	-	-	-	-	-	-	-
Payments for financial assets	119	40	-	-	-	-	-	-	-
Total	259 317	285 316	315 551	331 149	248 162	248 162	293 820	224 964	237 966

Table 8.G: Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	70 714	67 088	34 915	204 274	104 882	106 365	171 968	128 870	128 869
Compensation of employees	-	-	609	35 000	35 000	35 000	36 925	39 473	41 644
Salaries and wages	-	-	609	35 000	35 000	35 000	36 925	39 473	41 644
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	70 714	67 088	34 114	169 274	69 882	71 365	135 043	89 397	87 225
of which									
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	1 332	638	-	300	300	-	-	-
Assets <R5000	2	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	2 612	203	-	300	300	-	-	-
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof. Business & advisory services	26 815	35 452	12 048	134 913	32 937	32 998	103 325	59 116	56 076
Cons/prof. Infrastructure & planning	-	190	-	-	-	-	-	-	-
Cons/prof. Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof. Legal cost	291	442	170	-	600	687	681	728	728
Contractors	-	1 344	-	-	1 472	1 472	-	-	-
Agency & support/outsourced services	102	38	-	-	150	150	-	-	-
Entertainment	-	3	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	12	-	-	-	-	-	-
Inventory: Materials and supplies	1 914	1 031	1 412	-	4 500	4 833	5 006	5 713	6 213
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	4	4	-	-	50	118	-	-	-
Inventory: Stationery and printing	-	45	-	-	-	-	-	-	-
Lease payments	-	46	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	41 586	20 688	17 550	26 321	20 833	21 767	18 014	15 839	15 379
Transport provided: Departmental activity	-	1 176	-	-	100	100	-	-	-
Travel and subsistence	-	-	30	8 040	8 040	8 040	8 017	8 001	8 829
Training and development	-	-	-	-	-	-	-	-	-
Operating expenditure	-	17	6	-	-	-	-	-	-
Venues and facilities	-	2 668	2 045	-	600	600	-	-	-
Interest and rent on land	-	-	192	-	-	-	-	-	-
Interest	-	-	192	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	1 520 016	2 142 519	2 782 642	2 542 323	2 687 636	2 682 150	2 729 929	3 019 866	3 176 672
Provinces and municipalities	257 730	209 973	353 525	583 153	212 138	210 655	390 490	459 184	438 834
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	257 730	209 973	353 525	583 153	212 138	210 655	390 490	459 184	438 834
Municipalities	257 730	209 973	353 525	583 153	212 138	210 655	390 490	459 184	438 834
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 262 286	1 932 546	2 429 117	1 959 170	2 475 498	2 471 495	2 339 439	2 560 682	2 737 838
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	1 262 286	1 932 546	2 429 117	1 959 170	2 475 498	2 471 495	2 339 439	2 560 682	2 737 838
Payments for capital assets	36 407	43 816	27 477	23 274	9 029	13 032	13 400	-	-
Buildings and other fixed structures	36 407	43 816	27 477	19 774	5 529	9 532	10 000	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	36 407	43 816	27 477	19 774	5 529	9 532	10 000	-	-
Machinery and equipment	-	-	-	3 500	3 500	3 500	3 400	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	3 500	3 500	3 500	3 400	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 627 137	2 253 423	2 845 034	2 769 871	2 801 547	2 801 547	2 915 297	3 148 736	3 305 541

Table 8.H: Payments and estimates by economic classification: Human Settlements Development grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	70 714	67 088	34 915	204 274	104 346	105 829	171 968	128 870	128 869
Compensation of employees	-	-	609	35 000	35 000	35 000	36 925	39 473	41 644
Salaries and wages	-	-	609	35 000	35 000	35 000	36 925	39 473	41 644
Goods and services	70 714	67 088	34 114	169 274	69 346	70 829	135 043	89 397	87 225
of which									
Advertising	-	1 332	638	-	300	300	-	-	-
Assets <R5000	2	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	2 612	203	-	300	300	-	-	-
Cons/prof: Business & advisory services	26 815	35 452	12 048	134 913	32 937	32 998	103 325	59 116	56 076
Cons/prof: Infrastructure & planning	-	190	-	-	-	-	-	-	-
Cons/prof: Legal cost	291	442	170	-	600	687	681	728	728
Contractors	-	1 344	-	-	936	936	-	-	-
Agency & support/outourced services	102	38	-	-	150	150	-	-	-
Entertainment	-	3	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	12	-	-	-	-	-	-
Inventory: Materials and supplies	1 914	1 031	1 412	-	4 500	4 833	5 006	5 713	6 213
Inventory: Other consumables	4	4	-	-	50	118	-	-	-
Inventory: Stationery and printing	-	45	-	-	-	-	-	-	-
Lease payments	-	46	-	-	-	-	-	-	-
Property payments	41 586	20 688	17 550	26 321	20 833	21 767	18 014	15 839	15 379
Transport provided: Departmental activity	-	1 176	-	-	100	100	-	-	-
Travel and subsistence	-	-	30	8 040	8 040	8 040	8 017	8 001	8 829
Operating expenditure	-	17	6	-	-	-	-	-	-
Venues and facilities	-	2 668	2 045	-	600	600	-	-	-
Interest and rent on land	-	-	192	-	-	-	-	-	-
Interest	-	-	192	-	-	-	-	-	-
Transfers and subsidies to	1 520 016	1 992 519	2 648 842	2 542 323	2 656 496	2 651 010	2 729 929	3 019 866	3 176 672
Provinces and municipalities	257 730	209 973	353 525	583 153	212 138	210 655	390 490	459 184	438 834
Municipalities	257 730	209 973	353 525	583 153	212 138	210 655	390 490	459 184	438 834
Municipalities	257 730	209 973	353 525	583 153	212 138	210 655	390 490	459 184	438 834
Households	1 262 286	1 782 546	2 295 317	1 959 170	2 444 358	2 440 355	2 339 439	2 560 682	2 737 838
Other transfers to households	1 262 286	1 782 546	2 295 317	1 959 170	2 444 358	2 440 355	2 339 439	2 560 682	2 737 838
Payments for capital assets	36 407	43 816	27 477	23 274	9 029	13 032	13 400	-	-
Buildings and other fixed structures	36 407	43 816	27 477	19 774	5 529	9 532	10 000	-	-
Other fixed structures	36 407	43 816	27 477	19 774	5 529	9 532	10 000	-	-
Machinery and equipment	-	-	-	3 500	3 500	3 500	3 400	-	-
Other machinery and equipment	-	-	-	3 500	3 500	3 500	3 400	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 627 137	2 103 423	2 711 234	2 769 871	2 769 871	2 769 871	2 915 297	3 148 736	3 305 541

Table 8.I: Payments and estimates by economic classification: Housing Disaster Relief grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	150 000	133 800	-	31 140	31 140	-	-	-
Households	-	150 000	133 800	-	31 140	31 140	-	-	-
Other transfers to households	-	150 000	133 800	-	31 140	31 140	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	150 000	133 800	-	31 140	31 140	-	-	-

Table 8.J: Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	-	-	-	-	536	536	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	536	536	-	-	-
of which									
Contractors	-	-	-	-	536	536	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	536	536	-	-	-

Table 8.K: Details of payments of infrastructure by category

No.	Project name	Municipality/Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available	MTEF forward estimates	
			Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish						2012/13	2013/14	2014/15
R thousand														
New and replacement assets														
1.	Social and Economic Facilities	Uthukela, Amajuba, Umzinyathi, uMgungundlovu, Umkhanyakhude, Zululand, Ugu, Ilembe, eThekwini, Sisonke	Parks, creche facilities, taxi ranks, community halls, etc.	Several	01 Apr 2011	01 Mar 2012	Human Settlements Dev. grant	Programme 3	-	-	-	10 000	-	-
Total New and replacement assets									-	-	-	10 000	-	-
Upgrades and additions									-	-	-	-	-	-
Rehabilitation, renovations and refurbishments									-	-	-	-	-	-
Maintenance and repairs														
1.	Housing Property Maintenance	eThekwini, uMgungundlovu, Zululand	Houses	Several	Ongoing	Ongoing	Human Settlements Dev. grant	Programme 4	-	-	-	190 941	115 517	123 669
Total Maintenance and repairs									-	-	-	190 941	115 517	123 669
Infrastructure transfers - current														
1.	Maint. undertaken to pre-1994 housing stock	eThekwini	Houses	Several	2011/12	End 2012/13	Human Settlements Dev. grant	Programme 4	-	-	-	60 000	-	-
Total Infrastructure transfers - current									-	-	-	60 000	-	-
Infrastructure transfers - capital														
1.	Housing projects incl. Comubia, Vulindlela, Shallcross, Cato Crest etc.	Uthukela, Amajuba, Umzinyathi, uMgungundlovu, Umkhanyakhude, Zululand, Ugu, Ilembe, eThekwini, Sisonke, uThungulu	Houses	Several	Ongoing	Ongoing	Human Settlements Dev. grant	Programme 3	-	-	-	2 613 134	2 944 193	3 040 757
Total Infrastructure transfers - capital									-	-	-	2 613 134	2 944 193	3 040 757
Total Infrastructure									-	-	-	2 874 075	3 059 710	3 164 426

Table 8.L: Summary of transfers to local government

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
A KZN2000 eThekweni	248 821	170 879	336 412	507 153	140 395	139 335	334 921	338 293	311 967
Total: Ugu Municipalities	140	60	27	-	30	49	-	-	-
B KZN211 Vulamehlo	-	-	8	-	-	-	-	-	-
B KZN212 Umdoni	1	48	4	-	30	30	-	-	-
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	7	12	15	-	-	19	-	-	-
C DC21 Ugu District Municipality	132	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	7 955	38 246	8 616	26 000	6 300	6 164	9 000	26 020	25 518
B KZN221 uMshwathi	11	4	87	-	110	107	-	-	-
B KZN222 uMngeni	253	18	56	-	160	161	-	-	-
B KZN223 Mpfana	-	-	-	-	-	-	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	7 690	38 224	8 455	26 000	6 000	5 865	9 000	26 020	25 518
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	1	-	18	-	30	31	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	181	124	58	20 000	70	70	3 960	15 000	15 000
B KZN232 Emnambithi/Ladysmith	107	123	51	-	70	70	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	74	1	7	20 000	-	-	3 960	15 000	15 000
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	4	-	3	643	-	-	3 000	19 000	19 000
B KZN241 Endumeni	-	-	-	-	-	-	-	-	-
B KZN242 Nqutu	-	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	-	643	-	-	-	-	-
B KZN245 Umvoti	4	-	3	-	-	-	3 000	19 000	19 000
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	113	249	17	-	-	-	-	4 197	7 349
B KZN252 Newcastle	113	249	17	-	-	-	-	4 197	7 349
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	10 000	-	-	3 960	15 000	15 000
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	10 000	-	-	3 960	15 000	15 000
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	3 219	-	-	-	-	-
B KZN271 Umhlabyalingana	-	-	-	644	-	-	-	-	-
B KZN272 Jozini	-	-	-	644	-	-	-	-	-
B KZN273 The Big 5 False Bay	-	-	-	644	-	-	-	-	-
B KZN274 Hlabisa	-	-	-	644	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	643	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	516	415	8 392	20 643	1 700	1 394	8 925	15 000	15 000
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	515	414	8 392	20 000	1 700	1 394	8 925	15 000	15 000
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	1	1	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	643	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	65 098	65 098	29 825	30 000	30 000
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	65 098	65 098	29 825	30 000	30 000
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
B KZN431 Ingwe	-	-	-	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 Umzimkulu	-	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	257 730	209 973	353 525	587 658	213 593	212 110	393 591	462 510	438 834

Table 8.M: Transfers to local government - Capacity building

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	643	-	-	-	-	-
B KZN244 Msinga	-	-	-	643	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	3 219	-	-	-	-	-
B KZN271 Umhlabuyalingana	-	-	-	644	-	-	-	-	-
B KZN272 Jozini	-	-	-	644	-	-	-	-	-
B KZN273 The Big 5 False Bay	-	-	-	644	-	-	-	-	-
B KZN274 Hlabisa	-	-	-	644	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	643	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	643	-	-	-	-	-
B KZN286 Nkandla	-	-	-	643	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	-	-	4 505	-	-	-	-	-

Table 8.N: Transfers to local government - Transfer of R293 staff

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni	-	-	-	-	1 455	1 455	3 111	3 326	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	1 455	1 455	3 111	3 326	-

Table 8.O: Transfers to local government - CRU programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni	125 000	43 000	120 000	315 553	-	-	150 570	240 000	212 000
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	10 000	-	-	3 000	14 606	14 104
B KZN225 Msunduzi	-	-	-	10 000	-	-	3 000	14 606	14 104
Total: Uthukela Municipalities	-	-	-	20 000	-	-	3 960	15 000	15 000
B KZN234 Umtshezi	-	-	-	20 000	-	-	3 960	15 000	15 000
Total: Umzinyathi Municipalities	-	-	-	-	-	-	3 000	15 000	15 000
B KZN245 Umvoti	-	-	-	-	-	-	3 000	15 000	15 000
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	10 000	-	-	3 960	15 000	15 000
B KZN263 Abaqulusi	-	-	-	10 000	-	-	3 960	15 000	15 000
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	8 000	20 000	-	-	8 925	15 000	15 000
B KZN282 uMhlathuze	-	-	8 000	20 000	-	-	8 925	15 000	15 000
Total: Ilembe Municipalities	-	-	-	-	65 098	65 098	29 825	30 000	30 000
B KZN292 KwaDukuza	-	-	-	-	65 098	65 098	29 825	30 000	30 000
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	125 000	43 000	128 000	375 553	65 098	65 098	203 240	344 606	316 104

Table 8.P: Transfers to local government - Municipal rates and taxes

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
A KZN2000 eThekweni	11 791	5 209	6 412	18 000	8 900	7 840	14 000	14 967	14 967
Total: Ugu Municipalities	140	60	27	-	30	49	-	-	-
B KZN211 Vulamehlo	-	-	8	-	-	-	-	-	-
B KZN212 Umdoni	1	48	4	-	30	30	-	-	-
B KZN216 Hibiscus Coast	7	12	15	-	-	19	-	-	-
C DC21 Ugu District Municipality	132	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	7 955	38 246	8 616	16 000	6 300	6 164	6 000	6 414	6 414
B KZN221 uMshwathi	11	4	87	-	110	107	-	-	-
B KZN222 uMngeni	253	18	56	-	160	161	-	-	-
B KZN225 Msunduzi	7 690	38 224	8 455	16 000	6 000	5 865	6 000	6 414	6 414
B KZN227 Richmond	1	-	18	-	30	31	-	-	-
Total: Uthukela Municipalities	181	124	58	-	70	70	-	-	-
B KZN232 Emnambithi/Ladysmith	107	123	51	-	70	70	-	-	-
B KZN234 Umtshezi	74	1	7	-	-	-	-	-	-
Total: Umzinyathi Municipalities	4	-	3	-	-	-	-	-	-
B KZN245 Umvoti	4	-	3	-	-	-	-	-	-
Total: Amajuba Municipalities	113	249	17	-	-	-	-	-	-
B KZN252 Newcastle	113	249	17	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	516	415	392	-	1 700	1 394	-	-	-
B KZN282 uMhlathuze	515	414	392	-	1 700	1 394	-	-	-
B KZN285 Mthonjaneni	1	1	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	20 700	44 303	15 525	34 000	17 000	15 517	20 000	21 381	21 381

Table 8.Q: Transfers to local government - Maintenance of R293 Hostels & EEDBS

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
A KZN2000 eThekweni	112 030	122 670	210 000	173 600	130 040	130 040	167 240	80 000	85 000
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	5 000	5 000
B KZN225 Msunduzi	-	-	-	-	-	-	-	5 000	5 000
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	4 000	4 000
B KZN245 Umvoti	-	-	-	-	-	-	-	4 000	4 000
Total: Amajuba Municipalities	-	-	-	-	-	-	-	4 197	7 349
B KZN252 Newcastle	-	-	-	-	-	-	-	4 197	7 349
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	112 030	122 670	210 000	173 600	130 040	130 040	167 240	93 197	101 349

VOTE 9

Community Safety and Liaison

Operational budget	R 161 334 000
MEC remuneration	Nil
Total amount to be appropriated	R 161 334 000
Responsible MEC	Mr. W. Mchunu, MEC for Transport, Community Safety and Liaison ¹
Administering department	Community Safety and Liaison
Accounting officer	Head: Community Safety and Liaison

1. Overview

Vision

The department's vision is to see that: *The people of KwaZulu-Natal live in a safe and secure environment.*

Mission statement

The mission set for the department is: *To be the lead agency in driving the integration of community safety initiatives, towards a crime free KwaZulu-Natal.*

Strategic objectives

Strategic policy direction: By focussing on its role of creating a secure environment in which all South Africans can live, the department seeks to align its operations and strategic position with the overall aim of government to achieve accountability and effective service delivery for all citizens of the province in the following areas: that all people in South Africa are and feel safe, and a long and healthy life for all is achieved.

The strategic objectives set by the department are to:

- Evaluate police service delivery and compliance with national policy standards and make recommendations for redress where required.
- Assess the effectiveness of visible policing in the province.
- Improve South African Police Service (SAPS) efficiency and effectiveness through independent service delivery evaluation and reward.
- Improve public confidence and trust in the police.
- Address service delivery complaints against the police to support the raising of service standards.
- Oversee the establishment and functioning of Community Policing Forums (CPFs) at all police stations in the province.
- Enhance the capacity of community police structures to improve co-operation between the police and the community.
- Promote community dialogue and participation in support of crime prevention initiatives and activities.
- Execute social crime prevention programmes at provincial and local level.

¹ The salary of the MEC for Transport, Community Safety and Liaison is budgeted for under Vote 12: Transport.

- Research and develop social crime prevention responses to community safety priorities.
- Consolidate the community safety network structure.
- Promote the establishment of a victim support network.
- Promote special support programmes for victims.
- Raise the awareness of protective rights among vulnerable groups.
- Promote corporate governance and provide strategic project support.
- Implement the Volunteer Social Crime Prevention Project (VSCPP).

Core functions

The provincial department is responsible for the following functions:

- Promoting democratic accountability and transparency in the police service.
- Promoting good relations and establishing partnerships between the police and communities.
- Directing the SAPS toward effectively addressing provincial needs and priorities.
- Facilitating the development and co-ordination of social crime prevention initiatives.
- Promoting and supporting victim empowerment.

In line with the above, the department created a multi-pronged approach in responding to crime. This approach combines aspects of crime prevention, crime combating, the improvement of socio-economic conditions and the strengthening of human solidarity among citizens. Accordingly, during 2010/11, the department launched the Building a United Front Against Crime (BUFAC) project which is being rolled out through Operation *Hlasela*. Projects that fall under BUFAC include social crime prevention, victim empowerment, community policing, complaints management and special projects.

Legislative mandates

The principal legislative mandates governing the operations of the department are:

- The Constitution of the Republic of South Africa, 1996
- South African Police Service Act, 1995 and regulations
- National Crime Prevention Strategy, 1996 (Revised 1999)
- Firearms Control Act, 2000
- KwaZulu-Natal Commissions Act, 1999
- Domestic Violence Act, 1998
- Child Care Act, 1983
- Maintenance Act, 1998
- Criminal Procedure Act, 1977
- Public Finance Management Act, 1999, as amended, and the Treasury Regulations
- Public Service Act, 1994 and regulations
- Labour Relations Act, 1995
- Basic Conditions of Employment Act, 1997
- Employment Equity Act, 1998
- Skills Development Act, 1998
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000
- Promotion of Administrative Justice Act, 2000

- Promotion of Access to Information Act, 2000
- Preferential Procurement Policy Framework Act, 2001
- KwaZulu-Natal Provincial Supply Chain Management Policy Framework, 2006
- Electronic Communications and Transactions Act, 2002
- Regulation of Interception and Provision of Communication-Related Information Act, 2002
- State Information Technology Agency Act, 1999
- Second-Hand Goods Act, 2009
- National Youth Development Agency Act, 2008
- Criminal Law (Sexual Offences and Related Matters) Amendment Act, 2007
- Older Persons' Act, 2006
- Children's Act, 2005
- Child Justice Act, 2008
- Civilian Secretariat for Police Service Act, 2011

2. Review of the 2011/12 financial year

Section 2 provides a review of 2011/12, outlining the main achievements and the progress made by the department during the year, as well as providing a discussion on challenges and new developments.

Roll-out of Operation Hlasela

Various municipalities were visited during the year with the aim of involving communities in the fight against crime. The visits formed part of educational campaigns on the functioning of the justice system. The department revived the CPF sub-forum in Ladysmith, conducted a crime intervention campaign at Dumbe in respect of murders in the area, hosted a youth crime prevention campaign at KwaMashu, held stock theft branding campaigns in Vryheid and Estcourt, and hosted a crime awareness campaign at Tshelimnyama (outside Pinetown), among others.

Service delivery evaluations

The department had evaluated 26 police stations and verified 20 CPFs by mid-year. One Victim Support Centre was assessed, and two specialised SAPS units were evaluated. Six interventions were conducted to ensure greater effectiveness and efficiency of the SAPS, and one unannounced police station visit was carried out at Hluhluwe.

The department researched service delivery complaints against the SAPS, and liaised with the Office of the Premier, other provincial departments, the SAPS Provincial Commissioner, the Independent Complaints Directorate and other stakeholders for more detailed enquiry into complaints received. Trends in complaints revealed, among others, a lack of feedback to members of the public by the SAPS, failure by the police to timeously respond to community complaints, poor investigations, etc.

Victim empowerment

The department has a programme called Operation *Khuz'umhlola* – meaning to reprimand unacceptable behaviour. This programme aims to protect the widowed, women, children, and other vulnerable groups through educational campaigns.

Protective rights are rights embodied in the Bill of Rights (abuse, violence and sexism). Awareness of protective rights for children was created in partnership with various stakeholders through the utilisation of a comic book and DVD called *Kuyoze Kubenini*. In response to the scourge of human trafficking, the department capacitated targeted groups on human trafficking by showing an educational DVD and providing educational material. Through the Safe Teas programme, support was provided to older persons in terms of the Older Persons' Act. This involved forums and networks to address the challenges of older persons in a holistic and collaborative manner.

Communities-in-Dialogue programme (CiDP)

The department is responsible for promoting good relations and establishing partnerships between the police and communities. Activities during the year included 14 CPF induction workshops for newly elected CPF members, verifying the existence of CPF youth desks throughout KZN, and community consultative meetings on safety in various districts, such as Amajuba, eThekweni and Ugu.

The *Thathulwazi* CPF training programme commenced in 2011, and provided training to youth desk representatives from uThungulu, Sisonke and Ilembe District Municipalities, and the Ndwendwe, Umlazi and Inchanga areas.

Social crime prevention

The training manual, *Making Our Schools Safe* continues to form a central pillar for the school safety capacity building offered by the department. In a response to safety problems encountered, a school safety stakeholder's meeting was held at the uMgungundlovu District Municipality, resulting in a decision to host an awareness campaign at a high school in Edendale.

As part of the Substance Abuse Awareness programme, a meeting involving licensed liquor traders was held. The department has partnered with the SAPS, the Department of Transport (as this department already has a number of projects in place to deter people from abusing alcohol, such as arresting people for drinking and driving) and the Department of Economic Development and Tourism's Liquor Entity to initiate a series of liquor forum meetings promoting responsible trading and consumption of alcohol.

Integrated Youth Development Strategy (IYDS)

The IYDS is a framework for programmes and projects that aim to make communities and young persons safe. It aims to reduce the levels of crime, and fast-track development of youth in KZN, by instilling in all young people respect for, and active commitment to, the principles and values enshrined in the Bill of Rights. The IYDS supports municipalities in implementing social crime prevention programmes at ward level. Furthermore, young people are reached through school safety and substance abuse awareness campaigns and capacity building. Sport is also a strategy the department focuses on to divert youth from delinquent behaviour and promote healthy development and constructive use of leisure time. The IYDS was implemented in Ilembe, uMgungundlovu, eThekweni and Zululand.

Stock theft

Stock theft remained a priority in 2011/12. The areas identified as stock theft hotspots in the province included Ladysmith, Utrecht, Bulwer, Bergville, Ezakheni, Hlobane, Dannhauser, among others.

The department, with the Department of Agriculture, Environmental Affairs and Rural Development, facilitated the branding of stock in Vryheid and Estcourt. A stock theft prevention plan was also developed.

Volunteer Social Crime Prevention Project (VSCPP)

The VSCPP involves the recruitment and deployment of volunteers in order to establish a community engagement mechanism for law enforcement agencies, to drive social crime prevention through visible policing. The VSCPP facilitates community activism against social crime, through activities such as public meetings, consultative forums and early warning activities. During the year, volunteers were deployed in 13 districts (this includes 2 offices within the eThekweni Metro). Of particular significance is the deployment of the volunteers during the 2011 local government elections, to assist with the monitoring of police performance, as well as peace and stability.

Justice Crime Prevention and Security (JCPS) cluster

The JCPS was launched in 2007 to ensure that strategic planners in the criminal justice arena, from different spheres of government, communicate and plan in respect of the maintenance of safety during the period up to the 2010 World Cup and beyond. During the year, the JCPS cluster played a leading role in the release of political prisoners on parole, by working with the Department of Correctional Services. In addition, the JCPS cluster has been working closely with the department in driving the anti-stock theft project.

Taxi violence

The department collaborated with the Department of Transport, and together they launched Operation *Valingozi*, which aims to address road safety issues, with specific emphasis on the taxi industry. This project was conducted in the eThekweni Metro, and various role-players within the transport industry were given a platform to seek solutions to curb conflicts in the industry.

New mandates

There were fundamental developments affecting both the mandate and strategic direction of department. The department derives its mandate from sections 206 and 208 of Chapter 11 of the Constitution. Section 206(3) states that each province is entitled to monitor police conduct, oversee the effectiveness and efficiency of the police service, promote good relations between the police and the community, assess the effectiveness of visible policing, and liaise with the Cabinet member responsible for policing in the province.

Section 208 states that, 'a civilian secretariat for the police service must be established by national legislation to function under the direction of the Cabinet member responsible for policing'. To give effect to this provision of the Constitution, the Civilian Secretariat for Police Service Act was enacted. The commencement date of the Act must still be proclaimed, however, the Act requires the MEC to establish a provincial secretariat for police within 18 months of the commencement of the Act. With this in mind, the department has already started preparations for implementation.

Decentralisation strategy

The department embarked on an interim decentralisation strategy during the year. This strategy aims to integrate all of the services offered by the department at a district level (the department does not currently have district offices), rather than just at Head Office level. The department is aiming to create 13 district offices (this includes two offices within the eThekweni Metro) which will expand its services to more communities. It is currently liaising with other departments, municipalities and the SAPS in order to find temporary office accommodation to house existing staff at the various districts. This is an interim strategy, pending the review of the department's organisational structure.

3. Outlook for the 2012/13 financial year

Section 3 looks at the key focus areas of 2012/13, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

Decentralisation strategy

The department will continue to embark on its decentralisation strategy in 2012/13, aiming to fill all vacant posts. In line with this strategy, the department is aiming to create offices in all 13 districts by year-end.

Volunteer Social Crime Prevention Project (VSCPP)

The department continues to undertake the VSCPP in order to establish a community engagement mechanism for law enforcement agencies, with the key objective being to drive social crime prevention. The intended outcomes of this project are a reduction in social crime, a corresponding reduction in the fear of crime, and the promotion of KZN as a safe place for communities, tourists and businesses. The department is planning to conduct safety patrols across the crime hotspots of KZN, such as pension pay-out points, ATMs and schools.

Justice Crime Prevention and Security (JCPS) cluster

The future operational criminal justice formations, such as the Provincial Integrated Justice Forum (PIJF), will feed into the provincial JCPS cluster for strategic deliberations around issues such as street children, urban decay, and youth diversion from crime, asylum seekers, integrated safety planning and environmental design. During 2012/13, the department aims to strengthen its relationship with sector departments, especially on issues related to stock theft, taxi violence and the prosecution of offenders related to crimes on the roads.

Thathulwazi community police training

The department will continue to implement the *Thathulwazi* community police training programme, which is a unique training programme provided to members of CPFs in KZN. It focuses on enabling CPF members to be effective in their respective CPFs and in the communities. As such, the department will continue to facilitate the formation and maintenance of community safety structures.

Integrated Youth Development Strategy (IYDS)

The department will host a number of workshops and training sessions in 2012/13, such as social crime prevention, drug awareness, etc. The department will also continue using sport as a strategy to divert the youth from delinquent behaviour, and to promote more constructive use of leisure time.

Stock theft

Stock theft cuts across and threatens both the commercial farming sector, as well as the subsistence farming economy. The department will continue to focus on dealing with stock theft by capacitating communities, as well as promoting marking and improved documentation of livestock.

Capacitation of SAPS members

The department has introduced the training of SAPS members in the field of social crime prevention. In this regard, it will be rolling out two types of training during 2012/13, namely gender based violence and social crime prevention for SAPS members.

Civilian Secretariat for Police Service Act

The implementation of the Civilian Secretariat for Police Service Act will have a major impact on the current departmental organisational structure. The department is currently reviewing its organogram and this will only be finalised later in the year. Once the State President has assented to this Act, the department will have 18 months to finalise its implementation. It should be noted that, at this stage, the SAPS is performing a number of functions associated with this Act, and not the department.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 9.1 shows the sources of funding of Vote 9 over the seven-year period 2008/09 to 2014/15. It also compares actual and budgeted receipts against actual and budgeted payments.

Table 9.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2011/12	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Provincial allocation	104 022	127 638	140 744	150 139	150 139	150 139	159 661	169 280	180 251
Conditional grants	-	-	-	-	-	-	1 673	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	-	-	-	-	1 673	-	-
Total receipts	104 022	127 638	140 744	150 139	150 139	150 139	161 334	169 280	180 251
Total payments	109 287	125 272	129 186	150 139	150 139	150 139	161 334	169 280	180 251
Surplus/(Deficit) before financing	(5 265)	2 366	11 558	-	-	-	-	-	-
Financing of which									
Provincial cash resources	5 265	-	-	-	-	-	-	-	-
Surplus/(deficit) after financing	-	2 366	11 558	-	-	-	-	-	-

In 2008/09, the department fully spent its budget of R109.287 million. The original budget appropriation in 2008/09 was R104.022 million. During the year, an additional allocation of R5.265 million was granted for the following:

- R1 million for anti-xenophobia activities.
- R765 000 for the higher than anticipated 2008 wage agreement.
- R2 million for the Youth Summit relating to the International Youth Crime Prevention and Cities Summit that was held in June 2008.

- R500 000 for intervention programmes in Steadville and Bergville to address conflict in the communities.
- R1 million for the 2010 Safety and Security Work-stream in respect of the 2010 World Cup.

In 2009/10, in accordance with the Cabinet-approved Provincial Recovery Plan, the department agreed that it would cut-back its spending by R1.500 million. To this end, the department managed to not only save this amount, but an additional R866 000, thus ending 2009/10 with a total net under-spending of R2.366 million. This under-expenditure is mainly ascribed to cost-cutting.

In order to assist with the provincial overdraft situation in 2010/11, the department was able to absorb the higher than anticipated 2010 wage agreement within its original budget allocation. In addition, the department pledged to reduce spending during the year by R1.500 million. The department continued to implement cost-cutting throughout the year, managing to save approximately R10 million, mainly in respect of *Compensation of employees* due to the non-filling of non-critical vacant posts, *Goods and services*, and *Machinery and equipment* as a result of the department not purchasing six motor vehicles. The balance of the under-expenditure relates to the fact that the full complement of VSCPP volunteers was not achieved due to resignations.

As at the end of December 2011, the department is projecting to have fully spent its budget of R150.139 million. The increase from 2011/12 to 2012/13 is due to additional funding for community safety structures, which is explained in greater detail below. The department also received a new grant of R1.673 million being the Social Sector EPWP Incentive Grant for Provinces. This is only allocated in 2012/13, in line with DORA 2012. The Social Sector EPWP Incentive Grant for Provinces aims to create work opportunities, and the department will be using this funding for social crime prevention volunteers who are employed within the VSCPP.

The department is showing a steady increase in budget over the 2012/13 MTEF.

4.2 Departmental receipts collection

Table 9.2 shows the sources of own revenue collected by the department, which arise principally from commission received from insurance companies for the collection of monthly contributions. This income is classified as *Sale of goods and services other than capital assets*.

Details of departmental receipts are presented in *Annexure – Vote 9: Community Safety and Liaison*.

Table 9.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	43	50	43	50	50	50	52	53	56
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	6	1	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	3	4	61	3	3	15	-	-	-
Total	46	60	105	53	53	65	52	53	56

The department is projecting to collect R65 000 by the end of 2011/12, mainly in respect of commission of insurance under *Sale of goods and services other than capital assets*.

The department is also projecting to collect revenue against *Transactions in financial assets and liabilities* in respect of the recovery of outstanding staff debts in 2011/12. Revenue was also collected against this category in 2008/09, 2009/10 and 2010/11 due to the recovery of staff debts from previous years which is difficult to project, hence the fluctuating trend over the first five years, and no projections being made over the 2012/13 MTEF.

The department collected revenue on *Interest, dividends and rent on land* in 2009/10 and 2010/11 in respect of interest earned on staff debts. No revenue projections have been made for this category over the 2012/13 MTEF, due to its unpredictable nature.

As the department is not a major revenue generator, it has not increased its revenue projections over the three years of the 2012/13 MTEF by 10 per cent year-on-year, but has rather projected revenue collection along more conservative lines.

4.3 Donor funding – Nil

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including the payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 9: Community Safety and Liaison*.

5.1 Key assumptions

The following assumptions and factors were taken into account in finalising the budget allocations:

- Provision was made for the carry-through costs of the 2011 wage agreement and an inflationary wage adjustment of 5 per cent for each of the three years of the 2012/13 MTEF.
- Provision was made for an annual 1.5 per cent pay progression.
- The cost-cutting measures, as reissued by Provincial Treasury in 2012/13, will be adhered to over the 2012/13 MTEF.
- CPI projections were considered when inflation related items were calculated.

5.2 Additional allocations for the 2010/11 to 2012/13 MTEF

Table 9.3 shows additional funding received by the department over the three MTEF periods: 2010/11, 2011/12 and 2012/13. The purpose of 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 carry-through allocations for the 2010/11 and 2011/12 MTEF periods (i.e. for the financial year 2014/15) are based on the incremental percentage used in the 2012/13 MTEF.

Table 9.3: Summary of additional provincial allocations for 2010/11 to 2012/13 MTEF

R thousand	2010/11	2011/12	2012/13	2013/14	2014/15
2010/11 MTEF period	1 162	1 298	1 436	1 587	1 755
Carry-through of 2009/10 Adjustments Estimate - 2009 wage agreement	1 150	1 285	1 422	1 572	1 666
Policy on Incapacity Leave and Ill Health Retirement (PILIR)	12	13	14	15	16
2011/12 MTEF period		932	308	276	293
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement		1 011	409	403	427
National Cabinet decision to cut provinces by 0.3 per cent		(79)	(101)	(127)	(135)
2012/13 MTEF period			2 613	3 643	4 676
Carry-through of 2011 wage agreement			613	643	676
Establishment of community safety structures			2 000	3 000	4 000
Total	1 162	2 230	4 357	5 506	6 724

Over the 2010/11 MTEF, the department received additional funding for the carry-through costs of the higher than anticipated 2009 wage agreement, as well as for implementing PILIR.

The department received additional funding over the 2011/12 MTEF for the carry-through costs of the higher than anticipated 2010 wage agreement. Also in the 2011/12 MTEF, National Cabinet took a

decision to cut all national votes and the provincial equitable share by 0.3 per cent. The bulk of this equitable share reduction in KZN was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus of the province. The balance was sourced proportionately from all 16 provincial votes.

Over the 2012/13 MTEF period, the department received additional funding for the carry-through costs of the higher than anticipated 2011 wage agreement. The department also received additional funding for the establishment of community safety structures which aim to ensure that the nature of crime in KZN is clearly understood and that the operations of the department and the SAPS are effectively and properly directed to ensure that effective counter-measures to crime are implemented.

5.3 Summary by programme and economic classification

Tables 9.4 and 9.5 provide a summary of payments and budgeted estimates by programme and economic classification, respectively, for the period 2008/09 to 2014/15. Overall, there is an increase in the department's budget over the period under review, with no major deviations in budget occurring.

Table 9.4: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	26 795	35 119	33 230	41 080	39 419	39 419	36 981	39 238	41 592
2. Civilian Oversight	12 932	14 537	18 151	20 276	21 028	21 028	40 319	42 507	45 052
3. Crime Prevention and Community Police Relations	69 560	75 616	77 805	88 783	89 692	89 692	84 034	87 535	93 607
Total	109 287	125 272	129 186	150 139	150 139	150 139	161 334	169 280	180 251

Table 9.5: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	109 043	123 485	127 050	148 779	147 791	147 791	160 322	168 179	179 089
Compensation of employees	28 480	32 069	31 591	41 198	33 606	33 606	45 030	48 125	51 007
Goods and services	80 563	91 416	95 459	107 581	114 185	114 185	115 292	120 054	128 082
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	7	359	17	-	474	474	12	12	12
Provinces and municipalities	7	8	10	-	12	12	12	12	12
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	289	289	-	-	-
Households	-	351	7	-	173	173	-	-	-
Payments for capital assets	237	1 329	2 101	1 360	1 874	1 874	1 000	1 089	1 150
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	237	1 329	1 248	1 360	1 874	1 874	1 000	1 089	1 150
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	853	-	-	-	-	-	-
Payments for financial assets	-	99	18	-	-	-	-	-	-
Total	109 287	125 272	129 186	150 139	150 139	150 139	161 334	169 280	180 251

It is noted that the amounts reflected in the 2011/12 Adjusted Appropriation include several post adjustments virements undertaken by the department in the December 2011 IYM report. The department identified savings totalling R4.200 million in *Compensation of employees*, due to the non-filling of vacant posts pending the finalisation of the restructuring of the department. These savings were moved to *Goods and services* to cater for spending pressures in that category. The virements, which are permissible in terms of the PFMA and Treasury Regulations, will be formalised in the department's 2011/12 AFS. These movements are explained in greater detail under Section 6 below.

The increase in Programme 1: Administration from 2008/09 to 2009/10 is mainly due to the higher than anticipated annual wage and inflationary adjustments, as well as an increase in spending on *Goods and services* in respect of creating public awareness through safety campaigns and adverts. The decrease from the 2011/12 Main to the Adjusted Appropriation is due to savings under *Compensation of employees*, as a

result of vacant posts not filled, pending the finalisation of the restructuring of the department. This was moved to *Goods and services* in Programme 2: Community Liaison and Programme 3: Crime Prevention and Community Police Relations for operating costs, such as temporary office accommodation, stationery, printing, etc., associated with the interim decentralisation strategy. The decrease in 2012/13 relates to the movement of the Creating Public Awareness project to Programme 2, as explained in greater detail under Section 6.1 below. The increase from 2012/13 onward reflects the cost of the full structure against *Compensation of employees*.

The substantial increase in Programme 2: Civilian Oversight from the 2011/12 Adjusted Appropriation to 2012/13 can mainly be ascribed to increased emphasis on improving the effectiveness of the SAPS, by training and development of its members on social crime, such as teaching SAPS members how to deal with rape victims, etc., as well as to cater for the Creating Public Awareness project. Both of these projects fall under BUFAC. In addition, in line with the decentralisation strategy, and a more focussed approach to crime fighting, the bulk of the funds for the BUFAC programme were moved to Programme 2, from Programmes 1 and 3. Other projects which fall under BUFAC include the mobilisation of communities, and collaboration with departments, among others. Due to difficulty in extracting figures for prior financial years, comparative figures have not been calculated for the movement of funds in respect of the Creating Public Awareness project.

The increase in Programme 3: Crime Prevention and Community Police Relations from 2008/09 to 2009/10 is mainly due to additional funding for the VSCPP. The rise from 2009/10 to 2010/11 is due to inflationary increases on existing projects, such as operating costs (including uniforms, printing, etc), as well as the carry-through costs of VSCPP funding received in 2008/09. The decrease from the 2011/12 Adjusted Appropriation to 2012/13 is the result of BUFAC projects, such as crime awareness projects, being moved to Programme 2. The department received additional funding over the 2012/13 MTEF for community safety structures. It also received a new conditional grant, namely the Social Sector EPWP Incentive Grant for Provinces in 2012/13 only, as explained above. This programme shows a steady increase in its budget over the MTEF, in line with annual wage agreements and inflationary adjustments.

The increase in *Compensation of employees* from 2008/09 to 2009/10 is the result of the annual wage agreements. The drop from 2009/10 to 2010/11 is mainly due to staff exits. Savings were identified during the 2011/12 Adjustments Estimate in all three programmes due to the non-filling of vacant posts, pending the finalisation of the departmental restructuring. The increase in *Compensation of employees* over the 2012/13 MTEF is ascribed to the department budgeting for the full organisational structure of 126 staff in line with the decentralisation strategy, as well as anticipated inflationary increases.

Goods and services houses the bulk of the department's service delivery expenditure. The increase is due to the department receiving additional funding over the 2012/13 MTEF for community safety structures. It also received the Social Sector EPWP Incentive Grant for Provinces in 2012/13 only, which was placed against this category. This grant will be used to assist in the payment of stipends for VSCPP employees.

The department moved R289 000 from *Compensation of employees* to *Transfers and subsidies to: Non-profit institutions* for the procurement and transfer of a park-home in Umlazi to a non-governmental organisation (NGO) community policing structure in 2011/12.

In the 2011/12 Adjusted Appropriation, the department shifted funds in respect of motor vehicle licences from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities*, in line with an amendment of the SCOA classification, adjusting its figures for the prior years, for comparative purposes.

Transfers and subsidies to: Households is mainly in respect of the payment of staff exit costs.

The fluctuating trend against *Machinery and equipment* from 2008/09 onward relates to the department purchasing vehicles and equipment on a cyclical basis. The substantial increase from 2008/09 to 2009/10 is ascribed to the purchasing of motor vehicles. In 2010/11, the department had to replace its main server.

In 2010/11, the department spent R853 000 for licensing and installation of the new server. This is allocated against *Software and other intangible assets*. The amounts reflected against *Payments for financial assets* in 2009/10 and 2010/11 relate to the write-off of staff debts.

5.4 Summary of payments and estimates by district municipal area

Table 9.6 below summarises the departmental payments within district municipal areas, excluding administrative costs. Spending in district municipal areas by the department is largely made up of the category *Goods and services*, which includes projects and activities in respect of CPFs.

Table 9.6: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14	2014/15
eThekweni	8 736	9 447	11 872	12 532	13 297
Ugu	6 887	7 454	8 137	8 615	9 165
uMgungundlovu	13 303	14 493	10 464	10 668	11 324
Uthukela	7 013	7 601	9 163	9 691	10 300
Umkhanyathi	5 892	6 399	7 207	7 640	8 136
Amajuba	6 479	7 029	9 709	10 264	10 904
Zululand	7 442	8 055	7 149	7 579	8 072
Umkhanyakude	6 321	6 853	9 197	9 727	10 338
uThungulu	7 442	8 055	8 095	8 571	9 115
Ilembe	6 322	6 853	7 402	7 842	8 352
Sisonke	6 512	7 068	6 532	6 934	7 392
Total	82 349	89 307	94 927	100 063	106 395

In 2010/11, the department's work in respect of the SAPS was demarcated in terms of 25 clusters, and not per district municipality. There were major overlaps between the policing and district municipal areas, making it difficult to analyse departmental spending in terms of district municipal areas. In addition, the bulk of service delivery spending took place in the uMgungundlovu District Municipality, where the head office is based.

In 2011/12, the department embarked on a decentralisation strategy which resulted in it having a presence in the eThekweni Metro and the 10 districts. The aim of this re-organisation is to make its services more accessible to the people of KZN, as well as to intensively support and enhance community-based structures for the creation of sustainable safety. The functions being performed are delivered as a basket of services for each district, and these include:

- Evaluating police service delivery in each district.
- Rolling out capacity-building programmes for a range of audiences in each district.
- Delivering programmes to develop young people, such as the Youth Against Crime programme.
- Supporting community based crime prevention structures and initiatives through village committees, neighbourhood watch, etc.

The decentralisation strategy has led to a decrease from 2011/12 to 2012/13 in uMgungundlovu, as projects such as Creating Public Awareness are no longer centralised at head office.

The decrease from 2011/12 to 2012/13 against the Zululand and Sisonke District Municipalities must be looked at in conjunction with concurrent increases in other district municipalities such as Amajuba and Umkhanyakude. These decreases are a result of changes in service delivery targets and the demands of each municipality.

5.5 Summary of conditional grant payments and estimates

Table 9.7 illustrates conditional grant payments and estimates for the period 2008/09 to 2014/15. Details are given in *Annexure – Vote 9: Community Safety and Liaison*.

The department is responsible for the Social Sector EPWP Incentive Grant for Provinces which was only allocated in 2012/13, in line with DORA 2012. The purpose of this grant is to create work opportunities. The department will be using this funding for social crime prevention volunteers who are employed within the VSCPP under Programme 3, and the economic classification *Goods and services*. These funds will assist the department in catering for the payment of stipends of the VSCPP employees.

Table 9.7: Summary of conditional grants payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Social Sector EPWP Incentive Grant for Provinces	-	-	-	-	-	-	1 673	-	-
Total	-	-	-	-	-	-	1 673	-	-

5.6 Summary of infrastructure payments and estimates – Nil

5.7 Summary of Public Private Partnerships – Nil

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.9 Transfers to other entities

Table 9.8 below provides a summary of transfers to other entities. In the 2011/12 Adjusted Appropriation, the department moved R289 000 from *Compensation of employees* to *Transfers and subsidies to: Non-profit institutions* for the procurement and transfer of a park-home in Umlazi to a community policing NGO.

Table 9.8: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Community policing structure	3.2 Com Police Relations	-	-	-	-	289	289	-	-	-
Total		-	-	-	-	289	289	-	-	-

5.10 Transfers to local government

The department makes no transfer payments to local government. Although the payment of motor vehicle licences now falls under *Transfers and subsidies to: Provinces and municipalities*, in line with changes in the SCOA classification, these funds will not be transferred to any municipality, and therefore the table reflecting transfers to local government is excluded.

5.11 Transfers and subsidies

Table 9.9 below provides a summary of transfers and subsidies per programme.

Table 9.9: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	7	359	17	-	153	153	12	12	12
Provinces and municipalities	7	8	10	-	12	12	12	12	12
Motor vehicle licences	7	8	10	-	12	12	12	12	12
Households	-	351	7	-	141	141	-	-	-
Leave gratuity/social benefits	-	351	7	-	141	141	-	-	-
2. Civilian Oversight	-	-	-	-	31	31	-	-	-
Households	-	-	-	-	31	31	-	-	-
Leave gratuity/social benefits	-	-	-	-	31	31	-	-	-
3. Crime Prevention and Community Police Relations	-	-	-	-	290	290	-	-	-
Non-profit institutions	-	-	-	-	289	289	-	-	-
Community policing structure	-	-	-	-	289	289	-	-	-
Households	-	-	-	-	1	1	-	-	-
Donation	-	-	-	-	1	1	-	-	-
Total	7	359	17	-	474	474	12	12	12

Spending against Programme 1 on *Provinces and municipalities* over the seven-year period is in respect of motor vehicle licences which were originally budgeted under *Goods and services* and, due to a change in the SCOA classification, are now paid under *Provinces and municipalities*. This change only occurred in the 2011/12 Adjusted Appropriation, hence spending is not shown under *Provinces and municipalities* in the 2011/12 Main Appropriation. Comparative figures in respect of this have been provided.

Households pertain to the payment of leave gratuities, except for the amount shown under Programme 3, which is for a donation toward a CPF member's funeral.

The spending of R289 000 in Programme 3 against *Non-profit institutions* in the 2011/12 Revised Estimate and Adjusted Appropriation relates to the procurement and transfer of a park-home in Umlazi to a community policing NGO, as mentioned previously.

6. Programme description

The services rendered by this department are categorised under three programmes in line with the newly revised structure for the Safety sector, the details of which are presented more fully below. The payments and budgeted estimates for each programme are summarised in terms of economic classification, details of which are presented in the *Annexure – Vote 9: Community Safety and Liaison*.

6.1 Programme 1: Administration

This programme comprises five sub-programmes, namely Office of the HOD, Financial Management, Corporate Services, Legal and Security. The Ministry is shared with the Department of Transport, who bears the cost of the shared Ministry. The objective of Programme 1 is to provide essential administrative and management support, while the purpose is to provide strategic direction and support, administrative, financial, executive and legal support, and human resource services.

Tables 9.10 and 9.11 give a summary of payments and estimates for the seven-year period up to 2014/15.

Table 9.10: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Office of the HOD	4 019	5 317	3 854	6 376	6 376	6 376	7 118	7 577	8 031
Financial Management	6 967	9 117	9 484	8 874	8 874	8 874	9 514	10 126	10 734
Corporate Services	13 130	17 178	16 636	21 636	20 475	20 475	15 885	16 781	17 788
Legal	1 608	2 104	1 841	2 536	2 036	2 036	2 758	2 935	3 111
Security	1 071	1 403	1 415	1 658	1 658	1 658	1 706	1 819	1 928
Total	26 795	35 119	33 230	41 080	39 419	39 419	36 981	39 238	41 592

Table 9.11: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	26 677	34 634	33 019	40 245	38 431	38 431	36 629	38 816	41 134
Compensation of employees	13 252	14 769	14 270	18 320	14 281	14 281	19 804	21 171	22 441
Goods and services	13 425	19 865	18 749	21 925	24 150	24 150	16 825	17 645	18 693
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	7	359	17	-	153	153	12	12	12
Provinces and municipalities	7	8	10	-	12	12	12	12	12
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	351	7	-	141	141	-	-	-
Payments for capital assets	111	126	176	835	835	835	340	410	446
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	111	126	167	835	835	835	340	410	446
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	9	-	-	-	-	-	-
Payments for financial assets	-	-	18	-	-	-	-	-	-
Total	26 795	35 119	33 230	41 080	39 419	39 419	36 981	39 238	41 592

The overall increase in the sub-programmes: Office of the HOD, Financial Management, Legal and Security from the 2011/12 Adjusted Appropriation to 2014/15 is mainly due to the annual wage agreements, as well as inflationary adjustments.

The decrease in the Office of the HOD, Corporate Services and Legal sub-programmes from 2009/10 to 2010/11 is the result of cost-cutting. The decrease in the sub-programme: Financial Management from 2010/11 to the 2011/12 Main Appropriation is attributed to the same reason.

The decrease in the Corporate Services sub-programme from the 2011/12 Adjusted Appropriation to 2012/13 is a result of the Creating Public Awareness project being moved to Programme 2 in order for the majority of BUFAC projects to be housed under one programme, in line with the decentralisation strategy. Due to the difficulty in extracting figures for the prior financial years, comparative figures have not been calculated for this movement.

The increase against *Compensation of employees* from 2008/09 to 2009/10 is mainly due to the provision for the annual wage agreements. This category shows a decrease from 2009/10 to 2010/11 as a result of staff exits. As mentioned above, the department identified savings against this category in the 2011/12 Adjustments Estimate due to the non-filling of vacant posts, pending the finalisation of the departmental restructuring. The savings were moved to *Goods and services* in Programmes 2 and 3 to cover costs associated with the interim decentralisation strategy. The increase over the 2012/13 MTEF reflects the cost of the full structure of the programme, inclusive of inflationary increases and pay progressions.

As mentioned under Section 5.3 above, the department undertook a post adjustment virement, moving savings of R2.237 million from *Compensation of employees* due to the non-filling of vacant posts pending the finalisation of the restructuring of the department, to *Goods and services* to cater for spending pressures in this category. This virement is permissible in terms of the PFMA and Treasury Regulations, and will be formalised in the department's 2011/12 AFS.

The increase in spending against *Goods and services* from 2008/09 to 2009/10 is mainly to cater for the Creating Public Awareness project. The decrease from the 2011/12 Revised Estimate to 2012/13 is a result of the Creating Public Awareness project being moved to Programme 2, as mentioned previously.

Transfers and subsidies to: Provinces and municipalities reflects the payment of motor vehicle licences which are now paid under *Provinces and municipalities* in line with a change in the SCOA classification. The prior year figures were restated for comparative purposes.

Spending on *Transfers and subsidies to: Households* relates to staff exit costs.

The increase in *Machinery and equipment* from 2010/11 to 2011/12 is due to the purchase of motor vehicles.

In 2010/11, the department spent R9 000 on new software licence fees relating to the installation of a new server. This is allocated against *Software and other intangible assets*.

The amount of R18 000 reflected against *Payments for financial assets* in 2010/11 relates to the write-off of staff debts.

6.2 Programme 2: Civilian Oversight

This programme comprises two sub-programmes, namely Policy and Research and Monitoring and Evaluation, which comply fully with the uniform budget and programme structure of the Safety and Liaison sector.

The purpose of the Policy and Research sub-programme is to conduct research into social crime issues, and to evaluate policies.

The sub-programme: Monitoring and Evaluation performs an oversight function over the SAPS and the Metro Police, principally through the monitoring of police service delivery and the recording and

investigating of complaints against the police. Further purposes include facilitating the implementation of provincial policy and compliance with national standards.

Tables 9.12 and 9.13 below illustrate the summary of payments and estimates relating to Programme 2 presented per sub-programme and economic classification.

Table 9.12: Summary of payments and estimates - Programme 2: Civilian Oversight

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Policy and Research	2 083	1 983	1 972	2 378	2 226	2 226	2 616	2 797	2 965
Monitoring and Evaluation	10 849	12 554	16 179	17 898	18 802	18 802	37 703	39 710	42 087
Total	12 932	14 537	18 151	20 276	21 028	21 028	40 319	42 507	45 052

Table 9.13: Summary of payments and estimates by economic classification - Programme 2: Civilian Oversight

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	12 913	14 423	18 121	20 176	20 883	20 883	40 199	42 347	44 872
Compensation of employees	5 868	6 593	6 900	8 591	7 786	7 786	10 013	10 692	11 328
Goods and services	7 045	7 830	11 221	11 585	13 097	13 097	30 186	31 655	33 544
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	-	31	31	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	31	31	-	-	-
Payments for capital assets	19	27	30	100	114	114	120	160	180
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	19	27	30	100	114	114	120	160	180
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	87	-	-	-	-	-	-	-
Total	12 932	14 537	18 151	20 276	21 028	21 028	40 319	42 507	45 052

The decrease in the sub-programme: Policy and Research from 2008/09 to 2009/10 is due to once-off additional funding for the Youth Summit awareness campaign relating to the International Youth Crime Prevention and Cities Summit in 2008/09. This sub-programme shows steady growth from 2010/11 onward, mainly due to annual wage agreements and inflationary adjustments.

The substantial increase against the sub-programme: Monitoring and Evaluation from the 2011/12 Revised Estimate to 2012/13 is due to funds being moved from Programmes 1 and 3 to Programme 2, to cater for projects under the BUFAC programme in order to create a more focussed approach to crime fighting. This is in line with the decentralisation strategy. Such projects include the Creating Public Awareness project and improving the effectiveness of the SAPS. These reasons also account for the increase over the same period against *Goods and services*. Due to difficulty in extracting figures for the prior financial years, comparative figures have not been calculated for the movement of funds in respect of the Creating Public Awareness project. Creating public awareness aims to inform members of communities of their rights and responsibilities, and the services available to them from the department. The department aims to achieve this through public education programmes, such as the hosting of *izimbizo*. The slight dip in spending in 2010/11 is due to cost-cutting.

The decrease in *Compensation of employees* from the 2011/12 Main to the Adjusted Appropriation is due to savings that were identified as a result of the non-filling of vacant posts, pending the finalisation of the departmental restructuring. The increase over the 2012/13 MTEF is ascribed to the department budgeting for the full complement of staff within this programme, as well as anticipated inflationary increases.

Goods and services shows substantial growth from 2008/09 to 2011/12 due to increased emphasis placed on improving the effectiveness of the SAPS. The substantial increase from the 2011/12 Revised Estimate

to 2012/13 is due to funds being moved from Programmes 1 and 3 to cater for projects under BUFAC, such as Creating Public Awareness and improving the effectiveness of the SAPS, as mentioned above.

As mentioned under Section 5.3 above, the department undertook a post adjustment virement, moving savings of R205 000 from *Compensation of employees* due to the non-filling of vacant posts pending the finalisation of the restructuring of the department, to *Goods and services* to cater for spending pressures in this category. This virement is permissible in terms of the PFMA and Treasury Regulations, and will be formalised in the department's 2011/12 AFS.

The spending of R31 000 against *Transfers and subsidies to: Households* relates to staff exit costs.

The fluctuating trend against *Machinery and equipment* over the seven-year period relates to the fact that the department purchases *Machinery and equipment* on a cyclical basis.

Payments for financial assets pertains to the write-off of staff debts.

Service delivery measures – Programme 2: Civilian Oversight

Table 9.14 illustrates the main service delivery information relating to Programme 2, which have been aligned, as far as possible, to the generic service delivery measures of the sector.

Table 9.14: Service delivery measures – Programme 2: Civilian Oversight

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
1. To conduct research	• No. of research studies conducted	3	2	2	2
2. To monitor SAPS levels of service delivery in KZN	• No. of police stations evaluated	78	78	78	78
3. Operation Hlasela	• No. of Operation Hlasela projects conducted	24	26	26	26

6.3 Programme 3: Crime Prevention and Community Police Relations

This programme comprises three sub-programmes, namely Social Crime Prevention, Community Police Relations and Promotion of Safety.

The purpose of the Crime Prevention and Community Police Relations programme is to facilitate the co-ordination of social crime prevention initiatives, as well as to promote and establish good relations with communities. The establishment of functional and efficient CPFs, to ensure good relations between police and communities, is critical in order to prevent and fight social crimes. An important cost-driver in this programme relates to the implementation and expansion of the VSCPP.

Tables 9.15 and 9.16 give a summary of payments and estimates for the period up to 2014/15.

Table 9.15: Summary of payments and estimates - Programme 3: Crime Prevention and Community Police Relations

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Social Crime Prevention	21 406	5 556	5 866	7 235	7 235	7 235	7 550	8 003	8 483
Community Police Relations	7 094	7 780	8 536	9 787	9 787	9 787	12 403	14 004	15 664
Promotion of Safety	41 060	62 280	63 403	71 761	72 670	72 670	64 081	65 528	69 460
Total	69 560	75 616	77 805	88 783	89 692	89 692	84 034	87 535	93 607

Table 9.16: Summary of payments and estimates by economic classification - Programme 3: Crime Prevention & Comm. Police Relations

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	69 453	74 428	75 910	88 358	88 477	88 477	83 494	87 016	93 083
Compensation of employees	9 360	10 707	10 421	14 287	11 539	11 539	15 213	16 262	17 238
Goods and services	60 093	63 721	65 489	74 071	76 938	76 938	68 281	70 754	75 845
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	-	290	290	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	289	289	-	-	-
Households	-	-	-	-	1	1	-	-	-
Payments for capital assets	107	1 176	1 895	425	925	925	540	519	524
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	107	1 176	1 051	425	925	925	540	519	524
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	844	-	-	-	-	-	-
Payments for financial assets	-	12	-	-	-	-	-	-	-
Total	69 560	75 616	77 805	88 783	89 692	89 692	84 034	87 535	93 607

The high spending in the sub-programme: Social Crime Prevention in 2008/09 was due to once-off payments made in respect of the Youth Summit which aimed at teaching youth to understand and prevent social crime (such as substance abuse, rape, etc.). Thereafter, this sub-programme shows gradual growth, as a result of annual wage agreements and inflationary adjustments.

The sub-programme: Community Police Relations shows steady growth over the period 2008/09 to the 2011/12 Revised Estimate. Over the 2012/13 MTEF, the department receives an additional allocation for the establishment of community safety structures. Community safety structures aim to ensure that the nature of crime in KZN is clearly understood and that the operations of the department and the SAPS are effectively and properly directed to ensure that effective counter-measures to crime are implemented.

The sub-programme: Promotion of Safety mainly relates to spending on the VSCPP, community policing, social crime prevention and victim empowerment. The drop in budget in 2012/13 relates to the fact that BUFAC projects, such as crime awareness projects were moved to Programme 2. This also explains the decrease over the same period against *Goods and services*. Due to difficulty in extracting figures for the prior financial years, comparative figures have not been provided. The department received a new conditional grant in 2012/13, namely the Social Sector EPWP Incentive Grant for Provinces, as mentioned above. This funding is allocated against *Goods and services* in this programme.

The increase against *Compensation of employees* from 2008/09 to 2009/10 is in respect of the department hiring additional contract personnel to manage the implementation and running of the VSCPP. The decrease from the 2011/12 Main to the Adjusted Appropriation is due to savings that were identified due to the non-filling of vacant posts, pending the finalisation of the departmental restructuring. The increase over the 2012/13 MTEF is ascribed to the department budgeting for the full complement of staff within this programme, as well as anticipated inflationary increases.

Goods and services shows a decrease from the 2011/12 Adjusted Appropriation to 2012/13 due to the movement of BUFAC projects to Programme 2, as explained in detail above.

As mentioned under Section 5.3 above, the department undertook a post adjustment virement, moving savings of R1.758 million from *Compensation of employees* due to the non-filling of vacant posts pending the finalisation of the restructuring of the department, to *Goods and services* to cater for spending pressures in this category. This virement is permissible in terms of the PFMA and Treasury Regulations, and will be formalised in the department's 2011/12 AFS.

The spending of R289 000 against *Transfers and subsidies to: Non-profit institutions* in the 2011/12 Adjusted Appropriation relates to the procurement and transfer of a park-home in Umlazi to a community policing NGO.

The R1 000 against *Transfers and subsidies to: Households* in the 2011/12 Adjustments Estimate is in respect of a donation toward a CPF member's funeral.

The substantial increase against *Machinery and equipment* from 2008/09 to 2009/10 is ascribed to the department purchasing motor vehicles. In 2010/11, the department replaced its main server. The fluctuating trend from 2011/12 onward is due to the fact that *Machinery and equipment* is purchased on a cyclical basis.

In 2010/11, the department spent R844 000 against *Software and other intangible assets* for the installation of the new computer server.

The spending of R12 000 reflected against *Payments for financial assets* in 2009/10 relates to the write-off of staff debts.

Service delivery measures – Programme 3: Crime Prevention and Community Police Relations

Table 9.17 illustrates the main service delivery measures relating to Programme 3, which have been aligned, as far as possible, to the generic service delivery measures of the sector.

Table 9.17: Service delivery measures – Programme 3: Crime Prevention and Community Police Relations

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
1. Social crime programmes	• No. of social crime programmes implemented	4	4	4	4	
2. Community Police Relations	• No. of CPF members trained	100	125	125	125	
3. Victim Empowerment	• No. of victim empowerment programmes implemented	4	4	4	4	
4. Volunteer Social Crime Prevention Project	• No. of districts where volunteers are deployed	13	13	13	13	

7. Other programme information

7.1 Personnel numbers and cost

Tables 9.18 and 9.19 below reflect the personnel numbers and estimates pertaining to the department over the seven-year period. Table 9.18 illustrates personnel numbers per programme, while Table 9.18 reflects details of personnel numbers at a departmental level.

As is evident from Table 9.19, the department reduced its staff numbers from 126 to 109 in the 2011/12 Adjusted Appropriation due to vacant posts not being filled, pending the finalisation of the departmental restructuring, as well as staff leaving the department due to retirement or natural attrition. Over the 2012/13 MTEF, the department has budgeted for its full staff complement of 126 employees, hence the increase in *Compensation of employees* over the MTEF period.

The increase in the unit cost of personnel from 2008/09 to 2009/10 is due to the annual salary increase, as well as notch increments.

Table 9.18: Personnel numbers and costs per programme

	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
Personnel numbers							
1. Administration	50	52	53	53	61	61	61
2. Civilian Oversight	18	18	17	18	19	19	19
3. Crime Prevention and Community Police Relations	40	38	38	38	46	46	46
Total	108	108	108	109	126	126	126
Total personnel cost (R thousand)	28 480	32 069	31 591	33 606	45 030	48 125	51 007
Unit cost (R thousand)	264	297	293	308	357	382	405

Table 9.19: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Total for department									
Personnel numbers (head count)	108	108	108	126	109	109	126	126	126
Personnel cost (R thousand)	28 480	32 069	31 591	41 198	33 606	33 606	45 030	48 125	51 007
Human resources component									
Personnel numbers (head count)	6	5	5	6	4	4	6	6	6
Personnel cost (R thousand)	1 714	1 616	1 616	2 678	1 878	1 878	2 678	2 852	3 052
Head count as % of total for department	5.56	4.63	4.63	4.76	3.67	3.67	4.76	4.76	4.76
Personnel cost as % of total for department	6.02	5.04	5.12	6.50	5.59	5.59	5.95	5.93	5.98
Finance component									
Personnel numbers (head count)	18	15	15	17	15	15	17	17	17
Personnel cost (R thousand)	4 259	3 101	3 101	4 883	3 383	3 383	4 883	5 200	5 564
Head count as % of total for department	16.67	13.89	13.89	13.49	13.76	13.76	13.49	13.49	13.49
Personnel cost as % of total for department	14.95	9.67	9.82	11.85	10.07	10.07	10.84	10.81	10.91
Full time workers									
Personnel numbers (head count)	87	82	82	94	77	77	94	94	94
Personnel cost (R thousand)	27 144	30 415	29 631	37 941	30 349	30 349	41 773	44 657	47 297
Head count as % of total for department	80.56	75.93	75.93	74.60	70.64	70.64	74.60	74.60	74.60
Personnel cost as % of total for department	95.31	94.84	93.80	92.09	90.31	90.31	92.77	92.79	92.73
Part-time workers									
Personnel numbers (head count)	7	10	10	15	15	15	15	15	15
Personnel cost (R thousand)	210	528	528	575	575	575	575	611	654
Head count as % of total for department	6	9.26	9.26	11.90	13.76	13.76	11.90	11.90	11.90
Personnel cost as % of total for department	194	488.89	488.89	456.35	527.52	527.52	456.35	485.22	519.18
Contract workers									
Personnel numbers (head count)	14	16	16	17	17	17	17	17	17
Personnel cost (R thousand)	1 126	1 126	1 432	2 682	2 682	2 682	2 682	2 856	3 056
Head count as % of total for department	12.96	14.81	14.81	13.49	15.60	15.60	13.49	13.49	13.49
Personnel cost as % of total for department	3.95	3.51	4.53	6.51	7.98	7.98	5.96	5.94	5.99

7.2 Training

Tables 9.20 and 9.21 below reflect the actual and estimated expenditure on training per programme for the period 2008/09 to 2014/15, as well as the number of people involved in the training for the period. The amounts reflected pertain to capacitating and improving the skills of the staff of the department. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. This requirement gives credence to government policy on human resource development. The department is abiding by this, and in most instances is exceeding the required 1 per cent.

Table 9.21 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

The increase in expenditure on training against Programme 2 from 2010/11 onward is due to the department using a portion of the funds, allocated for improving the effectiveness of the SAPS programme, for capacitating SAPS members. It should be noted that the department does not train SAPS members on the tactical aspect of policing. The training provided is to help members of the SAPS to deal with communities affected by crime. More specifically, SAPS members are taught how to deal with rape victims, and other victims of abuse.

The substantial increase in training from the 2011/12 Revised Estimate to 2012/13 against Programme 3 is due to the department increasing the training programmes for VSCPP members, in order to enhance their effectiveness in crime prevention.

Table 9.20: Payments and estimates on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
1. Administration	303	311	13	600	600	600	437	458	485
2. Civilian Oversight	28	340	458	1 406	1 406	1 406	1 485	1 557	1 650
3. Crime Prevention and Community Police Relations	5	104	33	-	1 632	1 632	5 100	5 800	6 553
Total	336	755	504	2 006	3 638	3 638	7 022	7 815	8 688

Table 9.21: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Number of staff	108	108	108	126	109	109	126	126	126
Number of personnel trained	78	54	100	85	85	85	95	95	95
of which									
Male	28	32	38	35	35	35	40	40	40
Female	50	22	62	50	50	50	55	55	55
Number of training opportunities	18	21	30	18	18	18	19	20	20
of which									
Tertiary	-	-	4	-	-	-	2	2	2
Workshops	7	21	8	14	14	14	13	14	14
Seminars	3	-	3	2	2	2	2	2	2
Other	8	-	15	2	2	2	2	2	2
Number of bursaries offered	21	10	27	10	10	10	12	12	12
External	-	-	-	-	-	-	-	-	-
Internal	21	10	27	10	10	10	12	12	12
Number of interns appointed	13	15	15	15	15	15	15	15	15
Number of learnerships appointed	-	-	-	-	-	-	-	-	-
Number of days spent on training	48	52	80	60	60	60	60	60	60

ANNEXURE – VOTE 9: COMMUNITY SAFETY AND LIAISON

Table 9.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	43	50	43	50	50	50	52	53	56
Sale of goods and services produced by dept. (excl. capital assets)	43	50	43	50	50	50	52	53	56
Sales by market establishments	-	-	-	27	27	27	28	28	30
Administrative fees									
Other sales	43	50	43	23	23	23	24	25	26
Of which									
Administrative fees	-	50	24	-	-	-	-	-	-
Commission of insurance	43	-	19	23	23	23	24	25	26
Sale of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land	-	6	1	-	-	-	-	-	-
Interest	-	6	1	-	-	-	-	-	-
Dividends									
Rent on land									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets									
Other capital assets									
Transactions in financial assets and liabilities	3	4	61	3	3	15	-	-	-
Total	46	60	105	53	53	65	52	53	56

Table 9.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	109 043	123 485	127 050	148 779	147 791	147 791	158 649	168 179	179 089
Compensation of employees	28 480	32 069	31 591	41 198	33 606	33 606	45 030	48 125	51 007
Salaries and wages	25 333	28 628	28 173	35 705	30 085	30 085	43 251	46 223	48 991
Social contributions	3 147	3 441	3 418	5 493	3 521	3 521	1 779	1 902	2 016
Goods and services	80 563	91 416	95 459	107 581	114 185	114 185	113 619	120 054	128 082
of which									
Administrative fees	-	12	4	2	2	2	2	2	2
Advertising	8 753	6 118	2 633	7 668	7 885	7 885	5 573	5 844	6 195
Assets <R5000	86	56	69	189	430	430	198	207	220
Audit cost: External	1 016	1 720	1 561	1 500	1 500	1 500	1 700	1 783	1 890
Bursaries (employees)	62	86	45	120	120	120	127	133	141
Catering: Departmental activities	759	415	-	1 115	4 080	4 080	3 653	3 921	4 238
Communication	1 381	3 023	5 340	4 997	4 646	4 646	5 061	5 308	5 627
Computer services	860	848	544	866	872	872	723	758	803
Cons/prof: Business & advisory services	275	2 359	6 661	3 538	4 800	4 800	3 863	4 096	4 382
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	200	1 221	2 043	500	1 957	1 957	511	536	588
Contractors	8 239	3 473	4 444	3 459	5 281	5 281	4 925	5 164	5 474
Agency & support/outourced services	4 048	6 715	10 150	9 543	11 192	11 192	10 068	10 558	11 191
Entertainment	97	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	646	997	1 085	1 464	2 152	2 152	1 620	1 699	1 802
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	55	61	91	118	116	116	113	119	126
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	383	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	584	2 440	2 681	2 429	1 357	1 357	1 825	1 914	2 029
Inventory: Stationery and printing	1 272	3 046	5 234	6 289	5 012	5 012	9 272	9 859	10 572
Lease payments	2 466	4 555	3 555	3 840	5 570	5 570	4 355	4 567	4 841
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	989	1 375	1 298	1 476	1 276	1 276	1 516	1 590	1 685
Transport provided: Departmental activity	1 482	3 456	2 939	3 405	4 550	4 550	3 299	3 459	3 666
Travel and subsistence	11 444	5 252	4 656	4 642	7 060	7 060	6 805	7 181	7 653
Training and development	336	755	504	2 006	3 638	3 638	7 022	7 815	8 688
Operating expenditure	9 397	27 037	34 055	33 925	30 685	30 685	31 876	33 428	35 433
Venues and facilities	26 116	16 013	5 867	14 490	10 004	10 004	9 512	10 113	10 856
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	7	359	17	-	474	474	12	12	12
Provinces and municipalities	7	8	10	-	12	12	12	12	12
Provinces	7	8	10	-	12	12	12	12	12
Provincial Revenue Funds	7	8	10	-	12	12	12	12	12
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	289	289	-	-	-
Households	-	351	7	-	173	173	-	-	-
Social benefits	-	351	7	-	173	173	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	237	1 329	2 101	1 360	1 874	1 874	1 000	1 089	1 150
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	237	1 329	1 248	1 360	1 874	1 874	1 000	1 089	1 150
Transport equipment	-	1 104	-	645	645	645	-	-	-
Other machinery and equipment	237	225	1 248	715	1 229	1 229	1 000	1 089	1 150
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	853	-	-	-	-	-	-
Payments for financial assets	-	99	18	-	-	-	-	-	-
Total	109 287	125 272	129 186	150 139	150 139	150 139	159 661	169 280	180 251

Table 9.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	26 677	34 634	33 019	40 245	38 431	38 431	36 629	38 816	41 134
Compensation of employees	13 252	14 769	14 270	18 320	14 281	14 281	19 804	21 171	22 441
Salaries and wages	11 686	13 031	12 990	15 572	12 981	12 981	18 540	19 820	21 009
Social contributions	1 566	1 738	1 280	2 748	1 300	1 300	1 264	1 351	1 432
Goods and services	13 425	19 865	18 749	21 925	24 150	24 150	16 825	17 645	18 693
of which									
Administrative fees	-	2	2	2	2	2	2	2	2
Advertising	2 187	4 012	2 337	5 848	6 774	6 774	1 044	1 095	1 161
Assets <R5000	12	48	31	145	145	145	154	161	171
Audit cost: External	1 016	1 720	1 561	1 500	1 500	1 500	1 700	1 783	1 890
Bursaries (employees)	50	82	45	120	120	120	127	133	141
Catering: Departmental activities	93	127	-	73	232	232	78	82	87
Communication	1 004	1 098	822	982	982	982	903	947	1 004
Computer services	860	848	544	866	866	866	723	758	803
Cons/prof: Business & advisory services	13	69	1 910	60	166	166	270	283	300
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	200	663	1 483	500	500	500	511	536	568
Contractors	98	179	1 015	168	168	168	252	264	280
Agency & support/outourced services	846	606	102	488	1 080	1 080	241	253	268
Entertainment	86	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	250	238	267	540	528	528	429	450	478
Housing									
Inventory: Food and food supplies	23	33	51	71	71	71	74	78	83
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies									
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	12	-	-	158	158	-	-	-
Inventory: Stationery and printing	805	1 896	3 042	2 596	2 208	2 208	2 527	2 650	2 809
Lease payments	2 465	4 555	3 555	3 840	4 203	4 203	4 355	4 567	4 841
Rental and hiring									
Property payments	989	1 375	1 298	1 476	1 276	1 276	1 516	1 590	1 685
Transport provided: Departmental activity	8	11	-	-	-	-	-	-	-
Travel and subsistence	1 649	610	263	1 070	753	753	1 249	1 310	1 389
Training and development	303	311	13	600	600	600	437	458	485
Operating expenditure	7	27	1	30	30	30	6	6	6
Venues and facilities	461	1 343	407	950	1 788	1 788	227	239	242
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	7	359	17	-	153	153	12	12	12
Provinces and municipalities	7	8	10	-	12	12	12	12	12
Provinces	7	8	10	-	12	12	12	12	12
Provincial Revenue Funds	7	8	10	-	12	12	12	12	12
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	-	351	7	-	141	141	-	-	-
Social benefits	-	351	7	-	141	141	-	-	-
Other transfers to households									
Payments for capital assets	111	126	176	835	835	835	340	410	446
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	111	126	167	835	835	835	340	410	446
Transport equipment	-	-	-	645	645	645	-	-	-
Other machinery and equipment	111	126	167	190	190	190	340	410	446
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	-	9	-	-	-	-	-	-
Payments for financial assets	-	-	18	-	-	-	-	-	-
Total	26 795	35 119	33 230	41 080	39 419	39 419	36 981	39 238	41 592

Table 9.D: Details of payments and estimates by economic classification - Programme 2: Civilian Oversight

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	12 913	14 423	18 121	20 176	20 883	20 883	40 199	42 347	44 872
Compensation of employees	5 868	6 593	6 900	8 591	7 786	7 786	10 013	10 692	11 328
Salaries and wages	5 221	5 873	6 117	7 560	7 065	7 065	9 835	10 501	11 126
Social contributions	647	720	783	1 031	721	721	178	191	202
Goods and services	7 045	7 830	11 221	11 585	13 097	13 097	30 186	31 655	33 544
of which									
Administrative fees	-	-	2	-	-	-	-	-	-
Advertising	995	518	123	30	131	131	4 504	4 723	5 006
Assets <R5000	8	6	13	30	30	30	44	46	49
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	8	-	-	-	-	-	-	-	-
Catering: Departmental activities	21	31	-	85	824	824	2 204	2 311	2 450
Communication	199	167	208	207	207	207	97	102	108
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	57	200	3 416	2 388	2 669	2 669	2 422	2 540	2 692
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	500	-	-	-	-	-	-	-
Contractors	11	307	502	844	844	844	2 695	2 826	2 996
Agency & support/outourced services	1 655	198	1 534	925	1 089	1 089	3 233	3 390	3 593
Entertainment	1	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	10	9	8	36	31	31	16	17	18
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	86	298	465	1 472	683	683	3 061	3 210	3 403
Lease payments	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	169	150	163	238	298	298	1 977	2 073	2 197
Travel and subsistence	2 250	1 535	2 261	1 528	3 324	3 324	1 939	2 033	2 155
Training and development	28	340	458	1 406	1 406	1 406	1 485	1 557	1 650
Operating expenditure	-	-	-	-	-	-	-	-	-
Venues and facilities	1 547	3 571	2 068	2 396	1 561	1 561	6 509	6 827	7 227
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	-	-	-	31	31	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	31	31	-	-	-
Social benefits	-	-	-	-	31	31	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	19	27	30	100	114	114	120	160	180
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	19	27	30	100	114	114	120	160	180
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	19	27	30	100	114	114	120	160	180
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	87	-	-	-	-	-	-	-
Total	12 932	14 537	18 151	20 276	21 028	21 028	40 319	42 507	45 052

Table 9.E: Details of payments and estimates by economic classification - Programme 3: Crime Prev. and Community Police Relations

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	69 453	74 428	75 910	88 358	88 477	88 477	83 494	87 016	93 083
Compensation of employees	9 360	10 707	10 421	14 287	11 539	11 539	15 213	16 262	17 238
Salaries and wages	8 426	9 724	9 066	12 573	10 039	10 039	14 876	15 902	16 856
Social contributions	934	983	1 355	1 714	1 500	1 500	337	360	382
Goods and services	60 093	63 721	65 489	74 071	76 938	76 938	68 281	70 754	75 845
of which									
Administrative fees	-	10	-	-	-	-	-	-	-
Advertising	5 571	1 588	173	1 790	980	980	25	26	28
Assets <R5000	66	2	25	14	255	255	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	4	4	-	-	-	-	-	-	-
Catering: Departmental activities	645	257	-	957	3 024	3 024	1 371	1 528	1 701
Communication	178	1 758	4 310	3 808	3 457	3 457	4 061	4 259	4 515
Computer services	-	-	-	-	6	6	-	-	-
Cons/prof. Business & advisory services	205	2 090	1 335	1 090	1 965	1 965	1 171	1 273	1 390
Cons/prof. Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof. Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof. Legal cost	-	58	560	-	1 457	1 457	-	-	-
Contractors	8 130	2 987	2 927	2 447	4 269	4 269	1 978	2 074	2 198
Agency & support/outsource services	1 547	5 911	8 514	8 130	9 023	9 023	6 594	6 915	7 330
Entertainment	10	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	396	759	818	924	1 624	1 624	1 191	1 249	1 324
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	22	19	32	11	14	14	23	24	25
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	383	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	584	2 428	2 681	2 429	1 199	1 199	1 825	1 914	2 029
Inventory: Stationery and printing	381	852	1 727	2 221	2 121	2 121	3 684	3 999	4 360
Lease payments	1	-	-	-	1 367	1 367	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	1 305	3 295	2 776	3 167	4 252	4 252	1 322	1 386	1 469
Travel and subsistence	7 545	3 107	2 132	2 044	2 983	2 983	3 617	3 838	4 109
Training and development	5	104	33	-	1 632	1 632	5 100	5 800	6 553
Operating expenditure	9 390	27 010	34 054	33 895	30 655	30 655	33 543	33 422	35 427
Venues and facilities	24 108	11 099	3 392	11 144	6 655	6 655	2 776	3 047	3 387
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	-	-	-	290	290	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	289	289	-	-	-
Households	-	-	-	-	1	1	-	-	-
Social benefits	-	-	-	-	1	1	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	107	1 176	1 895	425	925	925	540	519	524
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	107	1 176	1 051	425	925	925	540	519	524
Transport equipment	-	1 104	-	-	-	-	-	-	-
Other machinery and equipment	107	72	1 051	425	925	925	540	519	524
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	844	-	-	-	-	-	-
Payments for financial assets	-	12	-	-	-	-	-	-	-
Total	69 560	75 616	77 805	88 783	89 692	89 692	84 034	87 535	93 607

Table 9.F: Payments and estimates by economic classification: Conditional grant: Social Sector EPWP Incentive Grant for Provinces

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2011/12	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	-	-	-	-	-	-	1 673	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	1 673	-	-
of which									
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets <R5000	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	-	-	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency & support/outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	-	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating expenditure	-	-	-	-	-	-	1 673	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	1 673	-	-

VOTE 10

The Royal Household

Operational budget	R 59 566 000
MEC remuneration	Nil
Total amount to be appropriated	R 59 566 000
<i>of which:</i>	
Unauthorised expenditure (1 st charge) not available for spending	R 1 800 000
Vote 10 baseline available for spending after 1 st charge	R 57 766 000
Responsible MEC	The Premier, Dr. Z. L. Mkhize¹
Administering department	The Royal Household
Accounting officer	Head: Royal Household

1. Overview

Vision

The vision of the Department of the Royal Household is: *To enhance and promote the status of the Zulu Monarch and to establish the necessary institutional arrangement in support of the Zulu Monarchy and members of the Royal Family.*

Mission statement

The mission of the Department of the Royal Household is: *To create a sustainable, conducive environment for the Zulu Monarch in which to lead, develop and protect the Zulu Nation.*

Strategic objectives

Strategic policy direction: The Royal Household seeks to align its operations and strategic position with the overall direction of government and to serve His Majesty, the King in the following areas: to create decent employment through inclusive economic growth, and to protect and enhance environmental assets and natural resources.

The main strategic objectives of the department are as follows:

- To monitor progress in establishing and running the Royal Trust.
- To identify potential challenges in the implementation of Executive Council directives.
- To identify His Majesty, the King's mandatory responsibilities in terms of legislation.
- To establish His Majesty, the King's mandatory responsibilities in terms of custom/tradition.
- To determine Inter-Governmental Relations (IGR) and other protocol requirements.
- To investigate sustainability strengths and opportunities in respect of each palace.
- To collaborate with other government departments and/or agencies with a view to identifying a role for palaces in income-generating tourism activity.
- To investigate potential twinning opportunities that are likely to yield long-term benefits for palaces.
- To position the palaces as critical heritage sites without compromising traditional/customary protocols.

¹ The salary of the MEC for the Royal Household is budgeted under Vote 1: Office of the Premier.

- To identify Royal Household assets that can play a major role toward the enhancement of the Zulu brand.
- To develop an operational business plan for each farm that belongs to His Majesty, the King.
- To develop and implement a business strategy for the protection and promotion of Nguni cattle.

Core functions

The core functions of the department are as follows:

- To facilitate the smooth introduction and functioning of the Royal Trust.
- The maintenance of the Royal residences and His Majesty, the King's farms.
- To enable His Majesty, the King to participate in various government initiatives as an ambassador to KZN.

Legislative mandate

The mandate of the department is derived from the following pieces of legislation and policy directives:

- The Constitution of the Republic of South Africa, 1996
- KZN Royal Household Trust Act, 2007
- Traditional Leadership and Governance Framework Act, 2003
- KZN Traditional Leadership and Governance Act, 2005
- Municipal Structures Act, 1998
- Municipal Systems Act, 2000
- Municipal Demarcation Act, 1998
- Traditional Leadership and Governance Act, 2005
- Public Finance Management Act, 1999, as amended, and Treasury Regulations
- Skills Development Act, 1998
- Labour Relations Act, 1995
- Employment Equity Act, 1998
- KZN Provincial SCM Policy Framework, 2006
- Remuneration of Public Office Bearers Act, 1998

2. Review of the 2011/12 financial year

Section 2 provides a review of 2011/12, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

The Royal Trust

The Royal Household Trust (hereafter referred to as the Royal Trust) was established in 2009 in terms of the KZN Royal Household Trust Act and has as its objective to administer the following for the benefit of the Monarch and the Royal Household:

- To provide for the Royal Household, including educational needs of His Majesty's children, running costs of the Royal residences, His Majesty's Queens' expenses, etc.
- To develop administrative systems, processes and controls to administer the operations of the Royal Household.
- To ensure the sustainable, financial independence of the Royal Household.
- To market the Royal Trust, and its related activities.

The department focused on the establishment of the Royal Trust in 2011/12, and the Board of the Royal Trust was appointed. Although the Royal Trust is registered formally and therefore established as an entity, the way forward in listing the Royal Trust as a public entity is still undecided. The listing of the Royal Trust places the financial decision making within the scope of the PFMA and relevant prescripts, which contradicts the original intention of the Royal Household Trust Act, which was to give the Royal Trust autonomy in respect of financial management (i.e. revenue generation, etc.). The feasibility of repealing or amending the Royal Trust Act is currently under review.

During the transition period, pending the full establishment of the Royal Trust, the department continued with its routine activities, such as administrative support to His Majesty, the King, maintenance of palaces and farming activities. In the 2011/12 Adjusted Appropriation, R5 million was specifically allocated to the department as seed funding for the establishment (i.e. the set-up and operational costs) of the Royal Trust, in line with a Cabinet resolution.

The transfer of departmental staff to the Royal Trust did not materialise in 2011/12 as anticipated, as a result of the department having to first engage with organised labour. Accordingly funds which were to be transferred to the Royal Trust were shifted back to *Compensation of employees* from *Transfers and subsidies to: Departmental agencies and accounts*, where the salaries of the staff continue to be paid from at this stage. As a result of the non transfer of staff, the Royal Trust was faced with capacity constraints and therefore was not fully functional, and hence the department continued to perform many of the functions that the Royal Trust was anticipated to perform, such as purchasing groceries for His Majesty's Queens, paying for municipal and maintenance costs, etc.

His Majesty, the King's activities

During 2011/12, His Majesty, the King undertook the following:

- Participated in government events and ceremonies, such as the opening of the KZN Provincial Legislature and various events celebrating His Majesty, the King's 40-year reign.
- Hosted major traditional events, such as the Reed Dance, First Fruits and *Amaganu* ceremonies.
- Visited India as a business ambassador to KZN. His Majesty, the King also hosted dignitaries from other countries, such as Prince Charles from the United Kingdom.
- Installed *Amakhosi* both statutorily and customarily.
- Was involved in farming activities, such as plant and animal production.

Renovations to palaces

Maintenance and renovations to the Royal residences commenced in 2011/12, with additional funding which the department received for the rehabilitation and refurbishment of palaces. These projects include total renovation, upgrading and refurbishment, emergency repairs to both the inside and outside of the palaces, as well as providing for water reticulation systems inside each of the palaces, and landscaping. Some of the major renovation projects include the following: extension of a dining room, kitchen revamping, provision of rondavel clusters, paving of driveways, and provision of toilet blocks. In 2011/12, the department commenced the renovations and refurbishment of two palaces, namely KwaKhethomthandayo and KwaDlamahlahla, which are expected to be completed in 2012/13. The department also completed major repairs to two palaces, KwaKhangela and KwaLinduzulu, as a result of storm damages.

3. Outlook for the 2012/13 financial year

Section 3 looks at the key focus areas of 2012/13, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

The Royal Trust

The department will continue to transfer funds to the Royal Trust for operational costs and investment purposes. These include the remuneration of the CEO, his secretary and the five board members, as well as educational needs of His Majesty's children, running costs of the Royal residences, His Majesty's

Queens' expenses, etc. The review of the listing of the Royal Trust will be pursued in order to regularise its operations, while also developing administrative policies, processes and systems to implement controls and streamline activities.

The department, together with the Royal Trust, will continue negotiating with organised labour to finalise the transfer of staff from the department to the Royal Trust and to address challenges in respect of the Royal Trust's organisational structure in order to fill vacant posts. Once negotiations with organised labour have been finalised, staff transfers will be done in a phased-in approach, starting with palace workers in Programme 2: Royal Household Planning and Development. The up-keeping of the palaces as a function which is attached to the Queens will be devolved first. The second phase of the transition will take place over the longer-term (latter part of the MTEF period), with staff, including all farm workers, being moved from Programme 3: His Majesty, the King's Farms, to the Royal Trust. The ultimate objective over the next three to five years will be for the department to only have one budget programme, with two sub-programmes, namely the King's Office Support Services and Royal Trust. The King's Office Support Services sub-programme will cater for only the administrative costs in respect of His Majesty, the King, including the salaries of all support staff to His Majesty, His Majesty's salary, and other associated costs, such as His Majesty's subsistence and travel costs. All costs relating to the remainder of the Royal Family (His Majesty's Queens, school fees, transport, etc.), as well as the maintenance of palaces and all farming activities, will be administered by the Royal Trust, under the sub-programme: Royal Trust.

The focus will also be on identifying strategic areas to market the Royal Trust and its related activities and promote greater participation of the Zulu Monarch, as well as building sustainable relations with public and private stakeholders.

Renovations to palaces

The department's plans will focus on the required renovations and maintenance to all seven of the Royal residences, for which additional funding was provided over the 2011/12 MTEF, ending in 2013/14. In 2012/13, the department will complete the refurbishment of the two palaces, KwaKhethomthandayo and KwaDlamahlahla, and will commence with the upgrade of Ingwavuma, KwaLinduzulu and Enyokeni Palaces.

His Majesty, the King's activities

In 2012/13, His Majesty, the King will continue to participate in government ceremonies and events, install *Amakhosi*, host the First Fruits and Reed Dance ceremonies, among others. His Majesty, the King will also undertake both national and international trips as a business ambassador to KZN, and be involved in crop and animal production.

Feasibility studies of His Majesty, the King's farms

Findings of the feasibility studies on His Majesty, the King's farms showed that none of the farms were commercially viable. To this end, the department informed the Royal Trust for the findings of the feasibility studies and a proposal to purchase a commercially viable farm was put forward. The proposed new farm will be run by the Royal Trust.

4. Receipts and financing

4.1 Summary of receipts

Table 10.1 gives the sources of funding used for Vote 10 over the seven-year period 2008/09 to 2014/15. The table also compares actual and budgeted receipts against actual and budgeted payments.

The department is liable for the repayment of unauthorised expenditure relating to prior years, in line with SCOPA Resolutions 18 of 2009, 20 and 21 of 2010, as explained in further detail in Section 5.3 below.

Table 10.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Provincial allocation	39 356	40 643	45 113	55 028	55 643	55 643	59 566	64 203	55 334
Total receipts	39 356	40 643	45 113	55 028	55 643	55 643	59 566	64 203	55 334
Total payments	47 853	40 407	50 627	55 028	60 643	60 643	59 566	64 203	55 334
Surplus/(Deficit) before financing	(8 497)	236	(5 514)	-	(5 000)	(5 000)	-	-	-
Financing									
of which									
Provincial roll-overs	-	-	236	-	-	-	-	-	-
Provincial cash resources	-	-	1 800	-	5 000	5 000	-	-	-
Surplus/(deficit) after financing	(8 497)	236	(3 478)	-	-	-	-	-	-

The department ended 2008/09 with a deficit after financing of R8.497 million. The over-spending was largely due to the number of under-budgeted official trips undertaken by His Majesty, the King and his entourage. The general upkeep of the Royal residences and the recurrent running costs of the vehicle fleet also had a major impact on spending.

The department ended 2009/10 with an under-spending of R236 000, due to cost-cutting.

In 2010/11, the department had a deficit before financing of R5.514 million, which was financed by a roll-over of R236 000 from 2009/10, and additional funding of R1.800 million allocated in 2010/11 to cater for back-pay in respect of the King's salary which was inadvertently under-paid since 2000/01. After the repayment of the first charge of R3.767 million (see Section 5.3), the department ended the year with a deficit after financing of R3.478 million.

The department is projecting to end 2011/12 with a balanced budget, despite ongoing spending pressures against *Goods and services*. This will be achieved through a number of cost-cutting measures which include, among others, a decrease in the number of ceremonies attended and hosted by His Majesty, the King, as well as a reduction in the number of staff making up the King's entourage. However, the department will have to continue to implement strict cost-cutting measures in order to ensure this. Additional funding of R5 million was allocated in the 2011/12 Adjusted Appropriation as seed funding to establish the Royal Trust, reflected against provincial cash resources.

The budget allocation for the 2012/13 MTEF shows an inflationary linked increase. The decrease in 2014/15 is due to the infrastructure allocation for the renovations to palaces, which comes to an end in 2013/14 in line with project requirements.

4.2 Departmental receipts collection

Table 10.2 below provides a summary of the sources of revenue for the department. Details of the receipts are provided in *Annexure – Vote 10: Royal Household*.

Table 10.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	82	89	81	93	93	100	98	103	109
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	335	-	-	-	-	-	-
Transactions in financial assets and liabilities	5	-	97	-	-	50	-	-	-
Total	87	89	513	93	93	150	98	103	109

The main source of revenue for the department is *Sale of goods and services other than capital assets*, which shows an increasing trend over the seven-year period. The revenue is derived from commission on payroll deductions, such as insurance and garnishee orders. The increase reflected in the 2011/12 Revised Estimate relates to the unanticipated rental income received from employees occupying State houses.

During 2010/11, the department collected once-off revenue on *Sale of capital assets* for the unanticipated sale of redundant vehicles.

In 2008/09, the department collected R5 000 against *Transactions in financial assets and liabilities*, which related to the recovery of staff debts from previous financial years. In 2010/11, the department received R97 000 for the unanticipated recovery of staff debts dating back to 2005/06. During 2011/12, R50 000 was collected against this category, relating to an uncashed cheque for staff exit costs.

4.3 Donor funding - Nil

5. Payment summary

This section summarises payments and budgeted estimates for the vote in terms of programme and economic classification, details of which are given in *Annexure – Vote 10: Royal Household*.

5.1 Key assumptions

Broad assumptions have been made in the setting of priorities, the determining of service levels and allocation of financial resources. These assumptions are as follows:

- Provision was made for the carry-through costs of the 2011 wage agreement and an inflationary wage adjustment of 5 per cent for each year of the 2012/13 MTEF, as well as the annual 1.5 per cent pay progression.
- The formation and listing of the Royal Trust as a public entity will be reviewed during 2012/13.
- Inflation related items have been based on CPI projections.
- The cost-cutting measures, as reissued by Provincial Treasury in 2012/13, will be adhered to by the department over the 2012/13 MTEF.
- The operations of the Royal Trust will be phased in over the next three to five years, and various staff will be transferred to the Royal Trust in a phased-in approach.

5.2 Additional allocation for the 2010/11 to 2012/13 MTEF

Table 10.3 shows additional funding received by the department over the three MTEF periods 2010/11, 2011/12 and 2012/13. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of the 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 carry-through allocations for the 2010/11 and 2011/12 MTEF periods (i.e. for the financial year 2014/15) are based on the incremental percentage used in the 2012/13 MTEF.

Table 10.3: Summary of additional provincial allocations for 2010/11 to 2012/13 MTEF

R thousand	2010/11	2011/12	2012/13	2013/14	2014/15
2010/11 MTEF period	590	658	726	766	808
Carry-through of 2009/10 Adjustments Estimate - 2009 wage agreement	569	636	703	742	786
Policy on Incapacity Leave and Ill Health Retirement (PILIR)	21	22	23	24	26
2011/12 MTEF period		8 814	10 874	12 834	13 604
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement		844	911	884	937
Prov. priorities: Renovations, refurbishment of the Royal residences		8 000	10 000	12 000	12 720
National Cabinet decision to cut provinces by 0.3 per cent		(30)	(37)	(50)	(53)
2012/13 MTEF period			132	138	(12 575)
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement			132	138	145
Prov. priorities: Renovations, refurbishment of the Royal residences			-	-	(12 720)
Total	590	9 472	11 732	13 738	1 837

Over the 2010/11 MTEF, the department received additional funding for the carry-through costs of the higher than anticipated 2009 wage agreement, as well as for PILIR.

Over the 2011/12 MTEF, the department received additional funding for the higher than anticipated 2010 wage agreement, and for renovations and refurbishment of the Royal residences. Also in the 2011/12 MTEF, National Cabinet took a decision to cut all national votes and the provincial equitable share by 0.3 per cent. The bulk of this equitable share reduction in KZN was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus of the province. The balance was sourced proportionately from all 16 provincial votes.

The department received an additional allocation in the 2012/13 MTEF to provide for the carry-through costs of higher than anticipated 2011 wage agreement. The decrease in 2014/15 is due to the removal of the palace renovations funding, in line with project requirements.

5.3 Summary by programme and economic classification

Tables 10.4 and 10.5 below provide a summary of the vote's expenditure and budgeted estimates by programme and economic classification, respectively, for the period 2008/09 to 2014/15.

Table 10.4: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Support Services - His Majesty, the King	27 938	24 323	36 120	39 489	44 955	39 512	35 278	39 870	43 416
2. Royal Household Planning and Development	17 344	13 666	11 964	11 931	12 029	19 037	20 484	20 589	8 949
3. His Majesty, the King's Farms	2 571	2 418	2 543	3 608	3 659	2 094	3 804	3 744	2 969
Total	47 853	40 407	50 627	55 028	60 643	60 643	59 566	64 203	55 334
Unauth. exp. (1 st charge) not available for spending	-	-	(3 767)	(3 767)	(3 767)	(3 767)	(1 800)	(1 800)	(3 394)
Baseline available for spending after 1st charge	47 853	40 407	46 860	51 261	56 876	56 876	57 766	62 403	51 940

Table 10.5: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	45 546	39 352	38 973	19 023	35 008	40 748	33 367	26 872	25 551
Compensation of employees	16 176	16 891	20 238	8 866	21 358	21 358	20 852	13 938	13 474
Goods and services	29 370	22 461	18 735	10 157	13 650	19 390	12 515	12 934	12 077
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	352	262	6 564	22 088	12 218	7 948	12 141	21 149	23 718
Provinces and municipalities	25	26	19	-	7	7	8	9	10
Departmental agencies and accounts	-	-	5 857	22 000	12 000	7 700	12 000	21 000	23 560
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	327	236	688	88	211	241	133	140	148
Payments for capital assets	1 955	647	1 106	10 150	9 650	8 180	12 258	14 382	2 671
Buildings and other fixed structures	-	314	259	8 782	8 782	7 413	10 821	12 866	1 063
Machinery and equipment	1 955	333	763	1 368	868	767	1 437	1 516	1 608
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	84	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	146	3 984	3 767	3 767	3 767	1 800	1 800	3 394
Total	47 853	40 407	50 627	55 028	60 643	60 643	59 566	64 203	55 334
Unauth. exp. (1 st charge) not available for spending	-	-	(3 767)	(3 767)	(3 767)	(3 767)	(1 800)	(1 800)	(3 394)
Baseline available for spending after 1st charge	47 853	40 407	46 860	51 261	56 876	56 876	57 766	62 403	51 940

In terms of Section 34(2) of the PFMA, and in line with SCOPA Resolutions 18 of 2009, 20 and 21 of 2010, the department is liable for the repayment of over-expenditure from 2005/06 to 2008/09, resulting in a first charge against the department's budget of R11.301 million spread over the three-year period 2010/11 to 2012/13. The first and second instalments of R3.767 million were implemented against the 2010/11 and 2011/12 budgets. In 2010/11, the instalment was paid but there was further unauthorised expenditure, which became a further first charge. Due to budget constraints, it was agreed that the department could extend the period i.e., pay the remaining instalments over six years, in line with SCOPA

Resolution 71 of 2011. The remaining instalments of R1.800 million each will be implemented in 2012/13 and 2013/14, and R3.394 million in 2014/15. The first charge to be implemented is allocated under Programme 1, against *Payments for financial assets*, and the amounts available for spending from 2010/11 to 2014/15 have been reduced by the instalment amounts.

The decrease in Programme 1 in 2009/10 relates to cost-cutting. The department reduced spending in Programme 1, against two economic categories, *Goods and services* and *Payments for capital assets*. In 2010/11, the Royal Trust was created, housed under Programme 1, which led to an increase in expenditure against *Transfers and subsidies* due to transfers made to the Royal Trust. The increase in the 2011/12 Adjusted Appropriation relates to the additional allocation of R5 million, as seed funding for the establishment of the Royal Trust and R343 000 for the higher than anticipated 2011 wage agreement. The decrease in the 2011/12 Revised Estimate relates to delays in the transfer of seed funding to the Royal Trust and expenditure which was incorrectly allocated to Programme 2, which will be corrected by journal entry. The decrease in 2012/13 is due to the once-off allocation of R5 million as seed funding in 2011/12. The increase over the 2012/13 MTEF is due to the increase in transfers to the Royal Trust, which is anticipated to become fully functional over the MTEF.

The decrease in Programme 2 in 2009/10 and 2010/11 was due to cost-cutting. In the 2011/12 Adjusted Appropriation, the department received additional funds for the higher than budgeted 2011 wage agreement. The increase in the 2011/12 Revised Estimate is due to the misallocation of expenditure which relates to Programme 1, as mentioned above. This will be corrected by journal entry before year-end. The increase over the 2012/13 MTEF relates to the additional funding allocated for the renovations and maintenance of Royal residences, which comes to an end in 2013/14, in line with project requirements, explaining the decrease in 2014/15.

Spending against Programme 3: His Majesty, the King's Farms shows a relatively steady increase over the seven-year period. The decrease in the 2011/12 Revised Estimate is due to the non-filling of vacant funded posts, in order to effect savings.

The increase in *Compensation of employees* in 2010/11 was mainly in respect of the higher than anticipated 2010 wage agreement, back-pay for His Majesty, the King's salary which was inadvertently under-paid since 2000/01 and R700 000 to cater for the King's salary which was increased in 2010/11 in line with the Remuneration of Public Office Bearers Act. The decrease in *Compensation of employees* in the 2011/12 Main Appropriation was caused by the assumption that some of the employees would be transferred to the Royal Trust. However, the staff were not transferred to the Royal Trust in 2011/12 as anticipated, due to ongoing negotiations with organised labour, hence the increase in the 2011/12 Adjusted Appropriation. It is anticipated that the negotiations will be finalised toward the end of 2012/13, as this is a lengthy process. The decrease in 2013/14 and 2014/15 is due to the phased in transfer of staff to the Royal Trust, assuming finalisation of labour negotiations.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences which are now paid under this category, in line with a change in the SCOA classification. Prior years' figures were restated for comparative purposes. The decrease from 2010/11 is due to the disposal of vehicles.

Transfers to the Royal Trust are reflected against *Transfers and subsidies to: Departmental agencies and accounts*. The increase in the 2011/12 Main Appropriation was based on the assumption that the Royal Trust would be undertaking most of the functions of the Royal Household. In the 2011/12 Adjusted Appropriation, the department shifted R15 million in respect of the Royal Trust from *Transfers and subsidies to: Departmental agencies and accounts*. Of the amount shifted, R12 million was moved to *Compensation of employees*, to cater for the salaries of staff who were to be transferred to the Royal Trust and R3 million to *Goods and services*, due to the fact that the department continues to perform many of the functions that the Royal Trust was anticipated to perform. The Royal Trust also received R5 million for establishment costs, in line with a Cabinet resolution. The low 2011/12 Revised Estimate relates to delays in the transfer of seed funding to the Royal Trust. The process of engaging with organised labour regarding the transfer of staff is likely to be lengthy and to only be resolved in 2012/13. The increase in 2013/14 to 2014/15 is due to the increase in transfers, as the Royal Trust is anticipated to become fully functional.

The amounts reflected against *Transfers and subsidies to: Households* over the seven-year period relate to the payment of staff exit costs. The increase in 2010/11 was due to higher than anticipated staff exits and a severance package paid to a departmental official. The 2011/12 Main Appropriation was reduced, as the department anticipated fewer staff exits from the Vote itself, due to the fact that staff were going to be transferred to the Royal Trust. Any exit costs would therefore be paid for by the Royal Trust, rather than the department.

No expenditure was recorded against *Buildings and other fixed structures* in 2008/09 as the department placed all infrastructure projects on hold in order to remain within budget. The department undertook renovations in 2009/10 in order to repair a dining room at one of the palaces which was damaged by a hail storm. In 2010/11, the department undertook renovations of rondavels at two palaces. In the 2011/12 MTEF, the department's budget was increased in line with a funding request which indicated that the palaces were in dire need of renovations and repairs. The department commenced with the renovations and refurbishment of two palaces, i.e KwaKhethomthandayo and KwaDlamahlahla, in 2011/12. All the renovations, upgrading and refurbishment of palaces are expected to be completed by 2013/14, which is when the funding stream for these projects ends.

The budget for *Machinery and equipment* includes funds for the acquisition of official vehicles and domestic and office equipment. The fluctuating trend is due to the cyclical nature of this expenditure, such as the acquisition of new vehicles for His Majesty, and replacement of vehicles in the Royal fleet.

The amount of R84 000 against *Biological assets* in 2010/11 relates to the purchase of 12 Nguni cattle.

The amounts reflected against *Payments for financial assets* can be ascribed to payments in respect of the first charge. The 2009/10 and a portion of the 2010/11 amount pertains to the write-off of staff debts. In 2010/11, the first instalment of R3.767 million was paid but further unauthorised expenditure was incurred, which became a first charge as well. The second instalment of R3.767 million was implemented in 2011/12. The remaining instalments of R1.800 million each will be implemented in 2012/13 and 2013/14, and R3.394 million in 2014/15.

5.4 Summary of payments and estimates by district municipal area

The spending by the department is concentrated in the Zululand district municipal area, given the fact that the department's prime function is to provide services to the Royal Household.

5.5 Summary of conditional grant payments and estimates – Nil

5.6 Summary of infrastructure payments and estimates

Table 10.6 presents a summary of infrastructure payments and estimates by category for Vote 10. Detailed information on infrastructure is given in the *Annexure – Vote 10: Royal Household*.

Table 10.6: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
New and replacement assets									
Existing infrastructure assets	3 000	1 339	997	11 528	11 528	7 413	14 349	16 588	5 008
Upgrades and additions									
Rehabilitation, renovations and refurbishments	-	314	259	8 782	8 782	7 413	10 821	12 866	1 063
Maintenance and repairs	3 000	1 025	738	2 746	2 746	-	3 528	3 722	3 945
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Current									
Capital									
Capital infrastructure	-	314	259	8 782	8 782	7 413	10 821	12 866	1 063
Current infrastructure	3 000	1 025	738	2 746	2 746	-	3 528	3 722	3 945
Total	3 000	1 339	997	11 528	11 528	7 413	14 349	16 588	5 008

The maintenance and repair work that is undertaken at the royal residences is recorded as *Maintenance and repairs*, whereas capital additions are reflected against *Upgrades and additions* and *Rehabilitation, renovations and refurbishments*.

The department reduced its *Maintenance and repairs* spending in 2010/11, by not commencing with certain maintenance projects to palaces which were not considered urgent, in an attempt to remain within budget.

In 2011/12, the department received additional funds for the upgrading, refurbishment and rehabilitation of palaces allocated against *Rehabilitation, renovations and refurbishments*. The department started the process of renovating and repairing two palaces, i.e. KwaKhethomthandayo and KwaDlamahlahla, which are expected to be completed in 2012/13. The decrease in the 2011/12 Revised Estimate relates to delays in the implementation of certain infrastructure projects, such as the construction of the King's residence at Enyokeni emanating from the fact that His Majesty, the King was not completely satisfied with the infrastructure plan. Although there is no amount recorded against *Maintenance and repairs* in the 2011/12 Revised Estimate, this is likely to change depending on the progress of the projects underway. All the renovations, upgrading and refurbishment of palaces are expected to be completed by 2013/14, which is when the funding stream for these projects ends.

5.7 Summary of Public Private Partnerships – Nil

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.9 Transfers to other entities

Table 10.7 presents the summary of transfer payments made to other entities by Vote 10.

Table 10.7: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
		2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12					
Royal Trust	1.2: Royal Trust	-	-	5 857	22 000	12 000	7 700	12 000	21 000	23 560
Total		-	-	5 857	22 000	12 000	7 700	12 000	21 000	23 560

The Royal Trust was established in 2010/11 as an entity in terms of the KZN Royal Household Trust Act, but the department is still waiting for the Royal Trust to be listed as a public entity in terms of the PFMA. However, the listing of the Royal Trust places the financial decision making within the scope of the PFMA and relevant prescripts, contradicting the original intention of the Royal Trust Act which was to give the Royal Trust autonomy in respect of financial management (revenue generation, etc.). The feasibility of repealing or amending the KZN Royal Household Trust Act is currently under review.

The department will continue to be administered as a Vote in the future, despite the formation of the Royal Trust. In 2010/11 and 2011/12, funds were transferred to the Royal Trust to cater for the set-up costs of the Royal Trust, the remuneration of the Board members, as well as various costs of the Royal Household which were administered by the Royal Trust. This included municipal costs, fuel, food supplies, etc., relating to His Majesty's Queens and other members of the Royal Family. It should be noted that the original purpose of these funds has not changed, but are merely being administered by the Royal Trust.

In the 2011/12 Adjusted Appropriation, according to a Cabinet resolution, the Royal Trust received additional funding of R5 million for establishment costs. The department also shifted R15 million in respect of the Royal Trust from *Departmental agencies and accounts*. Of the amount shifted, R12 million was to *Compensation of employees*, to cater for the salaries of staff who were to be transferred to the Royal Trust and R3 million to *Goods and services*, due to the fact that the department continues to perform many of the functions that the Royal Trust was anticipated to perform. The Royal Trust was

unable to perform these functions as it was not yet fully functional, largely due to capacity constraints, pending negotiations with organised labour and the review of the Royal Trust's organogram. Thereafter, the transfer of staff will commence and the Royal Trust will assume all its functions, hence the increase in the 2013/14 and 2014/15 allocations. To this end, the transfer of palace support staff in Programme 2 is scheduled first and thereafter farm staff from Programme 3. It is anticipated that this process will take three to five years to complete, depending on the progress made with the phased-in approach.

5.10 Transfers to local government

The Royal Household makes no transfer payments to local government. Although the payment of motor vehicle licences now falls under *Transfers and subsidies to: Provinces and municipalities*, in line with changes in the SCOA classification, these funds will not be transferred to any municipality, and therefore the table reflecting transfers to local government is excluded.

5.11 Transfers and subsidies

Table 10.8 below provides a summary of transfers and subsidies per programme.

Table 10.8: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
1. Support Services - His Majesty, the King	175	102	6 357	22 000	12 130	7 749	12 008	21 009	23 570
Provinces and municipalities	25	26	19	-	7	7	8	9	10
Motor vehicle licences	25	26	19	-	7	7	8	9	10
Departmental agencies and accounts	-	-	5 857	22 000	12 000	7 700	12 000	21 000	23 560
Royal Trust	-	-	5 857	22 000	12 000	7 700	12 000	21 000	23 560
Households	150	76	481	-	123	42	-	-	-
Staff exit costs	150	76	481	-	123	42	-	-	-
2. Royal Household Planning and Dev	161	160	192	73	73	184	133	140	148
Households	161	160	192	73	73	184	133	140	148
Staff exit costs	161	160	192	73	73	184	133	140	148
3. His Majesty, the King's Farms	16	-	15	15	15	15	-	-	-
Households	16	-	15	15	15	15	-	-	-
Staff exit costs	16	-	15	15	15	15	-	-	-
Total	352	262	6 564	22 088	12 218	7 948	12 141	21 149	23 718

Provinces and municipalities in Programme 1 reflects the payment of motor vehicle licences. These were previously budgeted for under *Goods and services* but, due to a change in the SCOA classification, are now paid under *Provinces and municipalities*. Prior year figures were restated for comparative purposes. The decrease from 2010/11 is due to the disposal of vehicles.

The large transfers against *Departmental agencies and accounts* in Programme 1 relates to the transfer of funds to the Royal Trust. The decrease in the 2011/12 Adjusted Appropriation is due to the fact that the department continued to perform many of the functions that the Royal Trust was anticipated to perform, as it was not yet fully functional. This resulted in the department shifting R15 million in respect of the Royal Trust from *Departmental agencies and accounts*, with R12 million to *Compensation of employees* and R3 million to *Goods and services*. The Royal Trust also received R5 million for establishment costs, in line with a Cabinet resolution. The low 2011/12 Revised Estimate relates to the delays in the transfer of seed funding to the Royal Trust. The department indicated that the process of engaging with organised labour regarding the transfer of staff is lengthy and likely to be resolved in 2012/13, hence the lower transfers in 2012/13, when compared to 2013/14. The increase in 2013/14 and 2014/15 relates to the increase in transfers to the Royal Trust, which is anticipated to become fully functional over the MTEF.

Households pertains mainly to the payment of leave gratuities and other staff exit costs against all three programmes over the seven-year period, which are difficult to predict. The increase in 2010/11 relates to unanticipated staff exits resulting from natural attrition and a payment of a severance package.

6. Programme description

The services rendered by this department are categorised under three programmes. The expenditure and budgeted estimates for each of these programmes are summarised in terms of sub-programme and economic classification below, details of which are given in the *Annexure – Vote 10: Royal Household*.

6.1 Programme 1: Support Services – His Majesty, the King

The purpose of this programme is to provide administrative and auxiliary services to His Majesty, the King and the Royal Family. It is charged with the responsibility of ensuring that His Majesty, the King and the Royal Family execute the mandate as provided in the legislation. It is also responsible for the development and protection of the Monarchy as a provincial brand.

This programme now consists of two sub-programmes. The sub-programme: King's Office Support Services caters for all costs in respect of His Majesty, the King, such as the salary of His Majesty, the King and all administrative costs. The sub-programme: Royal Trust caters for the operational costs of the Royal Trust, as well as the running costs of the Royal Household, in respect of His Majesty's Queens and the rest of the Royal Family, as well as running costs of the farms over the last part of the MTEF. Tables 10.9 and 10.10 reflect information relating to the programme for the period 2008/09 to 2014/15.

Table 10.9: Summary of payments and estimates - Programme 1: Support Services - His Majesty, the King

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
King's Office Support Services	27 938	24 323	30 263	17 489	32 955	31 712	23 278	18 870	19 856
Royal Trust	-	-	5 857	22 000	12 000	7 800	12 000	21 000	23 560
Total	27 938	24 323	36 120	39 489	44 955	39 512	35 278	39 870	43 416
Unauth. exp. (1 st charge) not available for spending	-	-	(3 767)	(3 767)	(3 767)	(3 767)	(1 800)	(1 800)	(3 394)
Baseline available for spending after 1st charge	27 938	24 323	32 353	35 722	41 188	35 745	33 478	38 070	40 022

Table 10.10: Summary of payments and estimates by economic classification - Programme 1: Support Services - His Majesty, the King

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	26 084	24 221	25 265	12 542	28 378	27 298	20 231	15 754	15 066
Compensation of employees	7 084	7 646	10 482	4 938	17 281	10 829	9 989	4 585	4 859
Goods and services	19 000	16 575	14 783	7 604	11 097	16 469	10 242	11 169	10 207
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	175	102	6 357	22 000	12 130	7 749	12 008	21 009	23 570
Provinces and municipalities	25	26	19	-	7	7	8	9	10
Departmental agencies and accounts	-	-	5 857	22 000	12 000	7 700	12 000	21 000	23 560
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	150	76	481	-	123	42	-	-	-
Payments for capital assets	1 679	-	514	1 180	680	698	1 239	1 307	1 386
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 679	-	514	1 180	680	698	1 239	1 307	1 386
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	3 984	3 767	3 767	3 767	1 800	1 800	3 394
Total	27 938	24 323	36 120	39 489	44 955	39 512	35 278	39 870	43 416
Unauth. exp. (1 st charge) not available for spending	-	-	(3 767)	(3 767)	(3 767)	(3 767)	(1 800)	(1 800)	(3 394)
Baseline available for spending after 1st charge	27 938	24 323	32 353	35 722	41 188	35 745	33 478	38 070	40 022

As mentioned under Section 5.3 above, in terms of Section 34(2) of the PFMA, and in line with SCOPA Resolutions 18 of 2009, 20 of 2010 and 21 of 2010, the department is liable for the repayment of previous year's over-expenditure, resulting in a first charge against the department's budget. The first and second instalments of R3.767 million were implemented against the 2010/11 and 2011/12 budgets. In 2010/11, the instalment was paid but there was further unauthorised expenditure, which became a further first charge. Due to budget constraints, it was agreed that the department could extend the period i.e., pay the remaining instalments over six years, in line with SCOPA Resolution 71 of 2011. The remaining instalments of R1.800 million each will be implemented in 2012/13 and 2013/14, and R3.394 million in

2014/15. The first charge that was implemented was allocated under Programme 1, against *Payments for financial assets*, and the amounts available for spending from 2010/11 to 2014/15 have been reduced by the instalment amounts.

The overall spending reflects a decrease in 2009/10 due to the effects of cost-cutting.

The increase in the sub-programme: King's Office Support Services in 2010/11 is due to the increase in *Compensation of employees*, which was mainly in respect of the higher than anticipated 2010 wage agreement, back-pay for His Majesty, the King's salary which was inadvertently under-paid since 2000/01 and R700 000 to cater for the King's salary which was increased in 2010/11 in line with the Remuneration of Public Office Bearers Act. The decrease in 2011/12 Main Appropriation was caused by the assumption that some of the employees would be transferred to the Royal Trust. The transfer did not take place due to ongoing negotiations with organised labour. The increase in the 2011/12 Adjusted Appropriation was to cater for salaries, as the staff were not transferred to the Royal Trust as anticipated. This accounts for the trends against *Compensation of employees*. The decrease in the 2011/12 Revised Estimate relates to the incorrect allocation of expenditure to Programme 2 instead of this programme. Journals will be processed before the end of the financial year to correct this error. The expenditure of this sub-programme is expected to decrease over the 2012/13 MTEF, as some of the activities of the department are anticipated to be devolved to the Royal Trust.

In 2010/11, the sub-programme: Royal Trust was created. Funds were transferred to the this sub-programme to provide for the operational costs of the Royal Trust, as well as various running costs of the Royal Household. The increase in the 2011/12 Main Appropriation was due to the Royal Trust anticipating to assume all its functions. This did not happen as anticipated due to pending potential amendments to the Royal Trust Act, as well as delays in transfer of staff to the Royal Trust, as mentioned previously. The low 2011/12 Revised Estimate relates to delays in the transfer of seed funding to the Royal Trust. The increase over the 2012/13 MTEF relates to the further phasing in of the running costs of the Royal Household that are to be administered by the Royal Trust.

Transfers and subsidises to: Households relates to the payment of leave gratuities and other staff exit costs, which are unpredictable, hence the fluctuation.

The amounts against *Machinery and equipment* relate to the acquisition of vehicles, domestic and office equipment. The high expenditure in 2008/09 can be ascribed to costs of vehicles required. The department did not spend any funds on *Machinery and equipment* in 2009/10 due to cost-cutting. The decrease from the 2011/12 Main to the Adjusted Appropriation relates to the movement of savings as a result of cost-cutting, to *Goods and services* to cater for spending pressures under this category, such as subsistence and travel costs, higher than anticipated audit fees, etc. *Machinery and equipment* is purchased on a cyclical basis, hence the fluctuating trend over the MTEF.

The repayment of unauthorised expenditure is reflected against *Payments for financial assets*. Also 2010/11 amount includes R217 000 relating to the write-off of staff debts.

Service delivery measures - Programme 1: Support Services – His Majesty, the King

Table 10.11 below shows the service delivery information for Programme 1.

Table 10.11: Service delivery measures - Programme 1: Support Services - His Majesty, the King

Outputs	Performance indicators	Estimated performance				Medium-term targets	
		2011/12	2012/13	2013/14	2014/15		
To support His Majesty, the King in fulfilling his legislative mandate	• No. of <i>Amakhosi</i> installed statutorily	5	5	5	5		
	• No. of <i>Amakhosi</i> installed in terms of custom	5	5	5	5		

6.2 Programme 2: Royal Household Planning and Development

This programme is responsible for the overall infrastructure design and maintenance of the Royal residences, with its core activity being the refurbishment of the palaces. Tables 10.12 and 10.13 reflect payments and estimates for the period 2008/09 to 2014/15.

Table 10.12: Summary of payments and estimates - Programme 2: Royal Household Planning & Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Support Services - His Majesty, the King	17 344	13 666	11 964	11 931	12 029	19 037	20 484	20 589	8 949
Total	17 344	13 666	11 964	11 931	12 029	19 037	20 484	20 589	8 949

Table 10.13: Summary of payments and estimates by economic classification - Programme 2: Royal Household Planning & Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Current payments	17 183	12 713	11 264	2 888	2 986	11 371	9 443	7 491	7 640
Compensation of employees	7 373	7 566	8 384	1 411	1 509	9 260	8 253	6 630	6 728
Goods and services	9 810	5 147	2 880	1 477	1 477	2 111	1 190	861	912
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	161	160	192	73	73	184	133	140	148
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	161	160	192	73	73	184	133	140	148
Payments for capital assets	-	647	508	8 970	8 970	7 482	10 908	12 958	1 161
Buildings and other fixed structures	-	314	259	8 782	8 782	7 413	10 821	12 866	1 063
Machinery and equipment	-	333	249	188	188	69	87	92	98
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	146	-	-	-	-	-	-	-
Total	17 344	13 666	11 964	11 931	12 029	19 037	20 484	20 589	8 949

The decrease in this programme in 2009/10 and 2010/11 was due to cost-cutting. This explains the decrease in spending over the same period in *Goods and services*. In 2010/11, the department also placed certain maintenance projects to the palaces which were not urgent on hold, in an attempt to break-even at year-end. The increase in the Revised Estimate in 2011/12 relates to the department having to continue to perform many of the functions which the Royal Trust was anticipated to perform, as the Royal Trust is not yet fully functional. Also, the incorrect allocation of Programme 1 expenditure to this Programme, as mentioned above, will be corrected by journal entry before the end of the financial year. It is anticipated that the expenditure will decrease over the 2012/13 MTEF, as some of the activities of the department are expected to be devolved to the Royal Trust.

The substantial decrease in *Compensation of employees* from 2010/11 to the 2011/12 Main Appropriation emanated from the planned transfer of staff to the Royal Trust. The transfer was not done due to the on-going negotiations with organised labour. In the 2011/12 Adjusted Appropriation, the slight increase is due to additional funding for the higher than anticipated 2011 wage agreement. The substantial increase in the 2011/12 Revised Estimate is due to the misallocation of expenditure which relates to Programme 1, as mentioned above. This will be corrected by journal entry before year-end. It is anticipated that the staff will be transferred to the Royal Trust over the 2012/13 MTEF. The decrease in 2013/14 and 2014/15 is due to the anticipated phased-in transfer of staff to the Royal Trust.

The amounts reflected against *Transfers and subsidies to: Households* over the seven-year period are in respect of the payment of staff exits and leave gratuities. The 2011/12 Main and Adjusted Appropriation was reduced as the department anticipated fewer staff exits due to the fact that staff were going to be transferred to the Royal Trust.

With regard to *Buildings and other fixed structures*, in 2009/10 and 2010/11 the department undertook renovations and repairs to the Royal residences which were in dire need of upgrading. Further capital

projects were put on hold, in order to avoid over-spending in other areas. The department received additional funding in the 2011/12 MTEF, ring-fenced for the renovations and refurbishment of palaces. In 2011/12, major renovations of two palaces, KwaKhethomthandayo and KwaDlamahlaha, commenced as the department received additional funding for this purpose. The low 2011/12 Revised Estimate is due to delays in the implementation of certain infrastructure projects, such as the construction of the King's residence at Enyokeni emanating from the fact that His Majesty, the King was not completely satisfied with the infrastructure plan. It is anticipated that the department will continue with the renovations of all the palaces over the 2012/13 MTEF, which come to an end in 2013/14 in line with project requirements.

The department purchases *Machinery and equipment* on a cyclical basis, hence the fluctuating trend.

The expenditure against *Payments for financial assets* in 2009/10 relates to the write-off of staff debts.

Service delivery measures – Programme 2: Royal Household Planning and Development

Table 10.14 shows the service delivery information for Programme 2.

Table 10.14: Service delivery measures - Programme 2: Royal Household Planning and Development

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2011/12	2012/13	2013/14	2014/15
Maintenance of the Royal Residences	• No. of maintenance projects	12	12	12	12

6.3 Programme 3: His Majesty, the King's Farms

This programme is responsible for the operation and maintenance of His Majesty, the King's farms. It ensures commercial viability and customary relevance in terms of the farms being able to contribute to poverty alleviation and other responsibilities of His Majesty, the King, in his role as guardian and protector of the vulnerable. Tables 10.15 and 10.16 give a summary of payments and estimates for the period 2008/09 to 2014/15.

Table 10.15: Summary of payments and estimates - Programme 3: His Majesty, the King's Farms

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
His Majesty, the King's Farms	2 571	2 418	2 543	3 608	3 659	2 094	3 804	3 744	2 969
Total	2 571	2 418	2 543	3 608	3 659	2 094	3 804	3 744	2 969

Table 10.16: Summary of payments and estimates by economic classification - Programme 3: His Majesty, the King's Farms

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	2 279	2 418	2 444	3 593	3 644	2 079	3 693	3 627	2 845
Compensation of employees	1 719	1 679	1 372	2 517	2 568	1 269	2 610	2 723	1 887
Goods and services	560	739	1 072	1 076	1 076	810	1 083	904	958
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	16	-	15	15	15	15	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	16	-	15	15	15	15	-	-	-
Payments for capital assets	276	-	84	-	-	-	111	117	124
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	276	-	-	-	-	-	111	117	124
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	84	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 571	2 418	2 543	3 608	3 659	2 094	3 804	3 744	2 969

The decrease in this programme in 2009/10 relates to the non-filling of vacant posts, in order to curtail spending.

In 2009/10 and 2010/11, the department did not fill vacant posts, due to cost-cutting. The increase in the 2011/12 Adjusted Appropriation in *Compensation of employees* was to cater for the higher than anticipated 2011 wage agreement and the filling of vacant posts. The low 2011/12 Revised Estimate is due to the department not filling vacant posts, as the farms have not yet been commercialised. The increase in 2012/13 and 2013/14 relates to the filling of vacant posts as the farms are anticipated to be commercialised. The decrease in 2014/15 relates to the anticipated transfer of staff to the Royal Trust.

The amounts against *Machinery and equipment* relate to the purchase of farming implements.

The amount of R84 000 against *Biological assets* in 2010/11 relates to the purchase of 12 Nguni cattle.

Service delivery measures – Programme 3: His Majesty, the King's Farms

Table 10.17 shows the service delivery for Programme 3: His Majesty, the King's Farms.

Table 10.17: Service delivery measures – Programme 3: His Majesty, the King's Farms					
Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
To facilitate and manage the sustainability of His Majesty, the King's Farms	• No. of animals vaccinated	1 300	1 300	1 300	1 300

7. Other programme information

7.1 Personnel numbers and costs

Tables 10.18 and 10.19 summarise personnel information relating to the department, indicating the number of filled and estimated posts over the seven-year period.

As reflected in the table below, the department is projecting to transfer palace support staff from Programme 2 (2012/13 going forward) and farm workers from Programme 3 (evident only in 2014/15) in a phased in approach to the Royal Trust over the next three to five years, hence the reduction in staff numbers against these two programmes over the MTEF which explains the decrease in average personnel costs over the MTEF. The number of staff anticipated to be transferred to the Royal Trust over the 2012/13 MTEF is shown against Programme 1 (The Royal Trust) in Table 10.18 below.

It should be noted that the Royal Trust Board members are excluded from this table.

Table 10.18: Personnel numbers and costs per programme

	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
Personnel numbers							
1. Support Services - His Majesty, the King	25	27	36	36	37	70	82
Administrative staff of His Majesty, the King	25	27	33	33	33	17	17
The Royal Trust	-	-	3	3	4	53	65
2. Royal Household Planning and Development	97	102	93	93	93	60	55
3. His Majesty, the King's farms	28	21	14	14	15	15	8
Total	150	150	143	143	145	145	145
Total personnel cost (R thousand)	16 176	16 891	20 238	21 358	20 852	13 938	13 474
Unit cost (R thousand)	108	113	142	149	144	96	93

Table 10.19: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Total for department									
Personnel numbers (head count)	150	150	143	143	143	143	145	145	145
Personnel cost (R thousand)	16 176	16 891	20 238	8 866	21 358	21 358	20 852	13 938	14 474
Human resources component									
Personnel numbers (head count)	6	6	6	6	6	-	6	6	6
Personnel cost (R thousand)	1 143	1 229	1 428	1 522	1 522	-	1 735	1 830	1 940
Head count as % of total for department	4.00	4.00	4.20	4.20	4.20	-	4.14	4.14	4.14
Personnel cost as % of total for department	7.07	7.28	7.06	17.17	7.13	-	8.32	13.13	13.40
Finance component									
Personnel numbers (head count)	13	13	13	13	13	-	13	13	13
Personnel cost (R thousand)	2 751	2 851	3 306	3 679	3 679	3 679	3 922	3 922	3 922
Head count as % of total for department	8.67	8.67	9.09	9.09	9.09	-	8.97	8.97	8.97
Personnel cost as % of total for department	17.01	16.88	16.34	41.50	17.23	17.23	18.81	28.14	27.10
Full time workers									
Personnel numbers (head count)	150	150	143	143	143	143	145	145	145
Personnel cost (R thousand)	16 176	16 891	20 238	8 866	21 358	21 358	20 852	13 938	14 474
Head count as % of total for department	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Personnel cost as % of total for department	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-

7.2 Training

Tables 10.20 and 10.21 give a summary of departmental spending and information on training for the period 2008/09 to 2010/11 and budgeted expenditure for the period 2011/12 to 2014/15. Table 10.20 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, as well as details of the number of bursaries and learnerships. The department spent a minimal amount of R5 000 on training in 2008/09. However, no provision has been made for training in 2011/12 and over the 2012/13 MTEF, pending the implementation of the Royal Trust.

Table 10.20: Payments and estimates on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
R thousand									
1. Support Services - His Majesty, the King									
2. Royal Household Planning and Development	5	-	-	-	-	-	-	-	-
3. His Majesty, the King's farms									
Total	5	-	-	-	-	-	-	-	-

Table 10.21: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Number of staff	150	150	143	143	143	143	145	145	145
Number of personnel trained	2	-	-	-	-	-	-	-	-
of which									
Male	1	-	-	-	-	-	-	-	-
Female	1	-	-	-	-	-	-	-	-
Number of training opportunities	-	-	-	-	-	-	-	-	-
of which									
Tertiary									
Workshops									
Seminars									
Other									
Number of bursaries offered	-	-	-	-	-	-	-	-	-
External									
Internal									
Number of interns appointed									
Number of learnerships appointed									
Number of days spent on training									

ANNEXURE – VOTE 10: ROYAL HOUSEHOLD

Table 10.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	82	89	81	93	93	100	98	103	109
Sale of goods and services produced by dept. (excl. capital assets)	82	89	81	93	93	100	98	103	109
Sales by market establishments									
Administrative fees	27	29	-	-	-	-	-	-	-
Other sales	55	60	81	93	93	100	98	103	109
Of which									
Commission on insurance	55	60	81	93	93	100	98	103	109
Sale of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Dividends									
Rent on land									
Sale of capital assets	-	-	335	-	-	-	-	-	-
Land and subsoil assets									
Other capital assets	-	-	335	-	-	-	-	-	-
Transactions in financial assets and liabilities	5	-	97	-	-	50	-	-	-
Total	87	89	513	93	93	150	98	103	109

Table 10.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	45 546	39 352	38 973	19 023	35 008	40 748	33 367	26 872	25 551
Compensation of employees	16 176	16 891	20 238	8 866	21 358	21 358	20 852	13 938	13 474
Salaries and wages	14 162	14 820	17 506	7 020	19 364	18 565	18 915	11 903	11 317
Social contributions	2 014	2 071	2 732	1 846	1 994	2 793	1 937	2 035	2 157
Goods and services	29 370	22 461	18 735	10 157	13 650	19 390	12 515	12 934	12 077
of which									
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	27	66	-	53	53	61	53	56	59
Assets <R5000	321	334	52	6	6	16	7	7	7
Audit cost: External	865	824	245	-	-	1 708	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	140	-	-	13	-	-	-
Communication	1 412	1 086	1 182	1 012	1 012	1 259	1 029	1 194	1 128
Computer services	-	-	242	-	-	86	-	-	-
Cons/prof: Business & advisory services	891	655	1 996	574	574	2 223	596	629	637
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	700	-	-	-
Agency & support/outsourced services	-	-	1 960	-	-	-	-	-	-
Entertainment	3 221	1 302	782	826	826	1 434	868	976	921
Fleet services (incl. GMT)	-	-	-	-	-	1 714	-	-	-
Housing	162	185	-	29	29	-	31	33	35
Inventory: Food and food supplies	991	996	521	6	6	1 325	7	7	7
Inventory: Fuel, oil and gas	203	217	36	-	-	68	-	-	-
Inventory: Learner and teacher supp material	-	-	30	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	904	-	-	576	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	5	212	212	156	219	231	245
Inventory: Stationery and printing	241	404	122	313	313	350	329	467	358
Lease payments	100	124	353	130	130	154	137	165	149
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	5 654	1 335	600	1 487	1 487	1 121	1 200	872	924
Transport provided: Departmental activity	2 104	4 567	2 490	1 484	1 484	497	1 575	1 761	1 830
Travel and subsistence	7 580	8 277	6 695	2 724	6 217	5 608	5 117	5 353	4 543
Training and development	5	-	3	-	-	3	-	-	-
Operating expenditure	523	689	377	828	828	318	825	632	670
Venues and facilities	5 070	1 400	-	473	473	-	522	551	564
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	352	262	6 564	22 088	12 218	7 948	12 141	21 149	23 718
Provinces and municipalities	25	26	19	-	7	7	8	9	10
Provinces	25	26	19	-	7	7	8	9	10
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	25	26	19	-	7	7	8	9	10
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	5 857	22 000	12 000	7 700	12 000	21 000	23 560
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	5 857	22 000	12 000	7 700	12 000	21 000	23 560
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	327	236	688	88	211	241	133	140	148
Social benefits	327	236	688	88	211	241	133	140	148
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 955	647	1 106	10 150	9 650	8 180	12 258	14 382	2 671
Buildings and other fixed structures	-	314	259	8 782	8 782	7 413	10 821	12 866	1 063
Buildings	-	-	259	-	-	-	-	-	-
Other fixed structures	-	314	-	8 782	8 782	7 413	10 821	12 866	1 063
Machinery and equipment	1 955	333	763	1 368	868	767	1 437	1 516	1 608
Transport equipment	1 797	-	-	1 004	-	-	1 054	1 112	1 179
Other machinery and equipment	158	333	763	364	868	767	383	404	429
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	84	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	146	3 984	3 767	3 767	3 767	1 800	1 800	3 394
Total	47 853	40 407	50 627	55 028	60 643	60 643	59 566	64 203	55 334
Unauth. exp. (1 st charge) not available for spending	-	-	(3 767)	(3 767)	(3 767)	(3 767)	(1 800)	(1 800)	(3 394)
Baseline available for spending after 1st charge	47 853	40 407	46 860	51 261	56 876	56 876	57 766	62 403	51 940

Table 10.C: Details of payments and estimates by economic classification - Programme 1: Support Services - His Majesty, the King

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	26 084	24 221	25 265	12 542	28 378	27 298	20 231	15 754	15 066
Compensation of employees	7 084	7 646	10 482	4 938	17 281	10 829	9 989	4 585	4 859
Salaries and wages	6 234	6 786	9 233	3 831	16 086	9 639	8 824	3 365	3 566
Social contributions	850	860	1 249	1 107	1 195	1 190	1 165	1 220	1 293
Goods and services	19 000	16 575	14 783	7 604	11 097	16 469	10 242	11 169	10 207
of which									
Administrative fees									
Advertising	21	60	-	53	53	61	53	56	59
Assets <R5000	6	6	14	6	6	16	7	7	7
Audit cost: External	865	-	245	-	-	1 708	-	-	-
Bursaries (employees)									
Catering: Departmental activities	-	-	140	-	-	13	-	-	-
Communication	1 298	964	1 182	1 012	1 012	1 259	1 029	1 194	1 128
Computer services	-	-	242	-	-	86	-	-	-
Cons/prof: Business & advisory services	891	655	-	574	574	2 223	596	629	637
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	-	-	-	-	-	3	-	-	-
Agency & support/outsourced services	-	-	1 960	-	-	-	-	-	-
Entertainment	1 519	787	782	826	826	1 434	868	976	921
Fleet services (incl. GMT)	-	-	-	-	-	1 714	-	-	-
Housing	22	28	-	29	29	-	31	33	35
Inventory: Food and food supplies	5	6	262	6	6	1 304	7	7	7
Inventory: Fuel, oil and gas	-	-	7	-	-	2	-	-	-
Inventory: Learner and teacher supp material	-	-	30	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	5	-	-	-
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	-	5	-	-	67	-	-	-
Inventory: Stationery and printing	237	399	122	313	313	350	329	467	358
Lease payments	100	124	251	130	130	79	137	165	149
Rental and hiring									
Property payments	2	9	267	10	10	124	10	11	12
Transport provided: Departmental activity	2 104	4 567	2 490	1 484	1 484	497	1 575	1 761	1 830
Travel and subsistence	7 454	8 143	6 457	2 688	6 181	5 397	5 078	5 312	4 500
Training and development	5	-	3	-	-	3	-	-	-
Operating expenditure	-	-	324	-	-	124	-	-	-
Venues and facilities	4 471	827	-	473	473	-	522	551	564
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	175	102	6 357	22 000	12 130	7 749	12 008	21 009	23 570
Provinces and municipalities	25	26	19	-	7	7	8	9	10
Provinces	25	26	19	-	7	7	8	9	10
Provincial Revenue Funds									
Provincial agencies and funds	25	26	19	-	7	7	8	9	10
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	5 857	22 000	12 000	7 700	12 000	21 000	23 560
Social security funds									
Entities receiving funds	-	-	5 857	22 000	12 000	7 700	12 000	21 000	23 560
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	150	76	481	-	123	42	-	-	-
Social benefits	150	76	481	-	123	42	-	-	-
Other transfers to households									
Payments for capital assets	1 679	-	514	1 180	680	698	1 239	1 307	1 386
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	1 679	-	514	1 180	680	698	1 239	1 307	1 386
Transport equipment	1 580	-	-	1 004	-	-	1 054	1 112	1 179
Other machinery and equipment	99	-	514	176	680	698	185	195	207
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	3 984	3 767	3 767	3 767	1 800	1 800	3 394
Total	27 938	24 323	36 120	39 489	44 955	39 512	35 278	39 870	43 416
Unauth. exp. (1 st charge) not available for spending	-	-	(3 767)	(3 767)	(3 767)	(3 767)	(1 800)	(1 800)	(3 394)
Baseline available for spending after 1st charge	27 938	24 323	32 353	35 722	41 188	35 745	33 478	38 070	40 022

Table 10.D: Details of payments and estimates by economic classification - Programme 2: Royal Household Planning and Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	17 183	12 713	11 264	2 888	2 986	11 371	9 443	7 491	7 640
Compensation of employees	7 373	7 566	8 384	1 411	1 509	9 260	8 253	6 630	6 728
Salaries and wages	6 415	6 580	7 065	928	986	7 758	7 745	6 094	6 160
Social contributions	958	986	1 319	483	523	1 502	508	536	568
Goods and services	9 810	5 147	2 880	1 477	1 477	2 111	1 190	861	912
of which									
Administrative fees									
Advertising	6	6	-	-	-	-	-	-	-
Assets <R5000	315	328	38	-	-	-	-	-	-
Audit cost: External	-	824	-	-	-	-	-	-	-
Bursaries (employees)									
Catering: Departmental activities									
Communication	114	122	-	-	-	-	-	-	-
Computer services									
Cons/prof: Business & advisory services	-	-	1 996	-	-	-	-	-	-
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	-	-	-	-	-	697	-	-	-
Agency & support/outourced services									
Entertainment	1 702	515	-	-	-	-	-	-	-
Fleet services (incl. GMT)									
Housing	132	138	-	-	-	-	-	-	-
Inventory: Food and food supplies	986	990	259	-	-	21	-	-	-
Inventory: Fuel, oil and gas	203	217	29	-	-	66	-	-	-
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	-	-	35	-	-	183	-	-	-
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables									
Inventory: Stationery and printing	4	5	-	-	-	-	-	-	-
Lease payments									
Rental and hiring									
Property payments	5 652	1 326	333	1 477	1 477	997	1 190	861	912
Transport provided: Departmental activity									
Travel and subsistence	97	103	158	-	-	147	-	-	-
Training and development									
Operating expenditure	-	-	32	-	-	-	-	-	-
Venues and facilities	599	573	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	161	160	192	73	73	184	133	140	148
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	161	160	192	73	73	184	133	140	148
Social benefits	161	160	192	73	73	184	133	140	148
Other transfers to households									
Payments for capital assets	-	647	508	8 970	8 970	7 482	10 908	12 958	1 161
Buildings and other fixed structures	-	314	259	8 782	8 782	7 413	10 821	12 866	1 063
Buildings	-	-	259	-	-	-	-	-	-
Other fixed structures	-	314	-	8 782	8 782	7 413	10 821	12 866	1 063
Machinery and equipment	-	333	249	188	188	69	87	92	98
Transport equipment									
Other machinery and equipment	-	333	249	188	188	69	87	92	98
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	146	-	-	-	-	-	-	-
Total	17 344	13 666	11 964	11 931	12 029	19 037	20 484	20 589	8 949

Table 10.E: Details of payments and estimates by economic classification - Programme 3: His Majesty, the King's Farms

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	2 279	2 418	2 444	3 593	3 644	2 079	3 693	3 627	2 845
Compensation of employees	1 719	1 679	1 372	2 517	2 568	1 269	2 610	2 723	1 887
Salaries and wages	1 513	1 454	1 208	2 261	2 292	1 168	2 346	2 444	1 591
Social contributions	206	225	164	256	276	101	264	279	296
Goods and services	560	739	1 072	1 076	1 076	810	1 083	904	958
of which									
Administrative fees									
Advertising									
Assets <R5000									
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities									
Communication									
Computer services									
Cons/prof: Business & advisory services									
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors									
Agency & support/outsource services									
Entertainment									
Fleet services (incl. GMT)									
Housing	8	19	-	-	-	-	-	-	-
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	-	-	869	-	-	388	-	-	-
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	-	-	212	212	89	219	231	245
Inventory: Stationery and printing									
Lease payments	-	-	102	-	-	75	-	-	-
Rental and hiring									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	29	31	80	36	36	64	39	41	43
Training and development									
Operating expenditure	523	689	21	828	828	194	825	632	670
Venues and facilities									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	16	-	15	15	15	15	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	16	-	15	15	15	15	-	-	-
Social benefits	16	-	15	15	15	15	-	-	-
Other transfers to households									
Payments for capital assets	276	-	84	-	-	-	111	117	124
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	276	-	-	-	-	-	111	117	124
Transport equipment	217	-	-	-	-	-	-	-	-
Other machinery and equipment	59	-	-	-	-	-	111	117	124
Heritage assets									
Specialised military assets									
Biological assets	-	-	84	-	-	-	-	-	-
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total	2 571	2 418	2 543	3 608	3 659	2 094	3 804	3 744	2 969

Table 10.F: Details of payments of infrastructure by category

No.	Project name	Municipality/ Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available	MTEF forward estimates	
			Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish						2012/13	2013/14	2014/15
R thousand														
New and replacement assets								-	-	-	-	-	-	-
Upgrades and additions								-	-	-	-	-	-	-
Rehabilitation, renovations and refurbishments								-	-	-	-	-	-	-
1.	Rehabilitation of palaces	Zululand	Palaces	7	Ongoing	Ongoing	Equitable share	Programme 2	-	24 750	-	10 821	12 866	1 063
Total Rehabilitation, renovations and refurbishments									-	24 750	-	10 821	12 866	1 063
Maintenance and repairs								-	-	-	-	-	-	-
1.	Maintenance and repairs to palaces	Zululand	Palaces	7	Ongoing	Ongoing	Equitable share	Programme 2	-	11 195	-	3 528	3 722	3 945
Total Maintenance and repairs									-	11 195	-	3 528	3 722	3 945
Infrastructure transfers - current								-	-	-	-	-	-	-
Infrastructure transfers - capital								-	-	-	-	-	-	-
Total Infrastructure									-	35 945	-	14 349	16 588	5 008

VOTE 11

Co-operative Governance and Traditional Affairs

Operational budget	R 1 206 436 911
MEC remuneration	R 1 566 089
Total amount to be appropriated	R 1 208 003 000
Responsible MEC	Ms. N. Dube, MEC for Co-operative Governance and Traditional Affairs
Administering department	Co-operative Governance and Traditional Affairs
Accounting officer	Head: Co-operative Governance and Traditional Affairs

1. Overview

Vision

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

Mission statement

The department's mission statement is: *To strengthen co-operation among all spheres of government, support and build capacity of local governance institutions, facilitate and co-ordinate stakeholder engagement, in pursuance of people-centred, accelerated service delivery.*

Strategic objectives

The department has five main *strategic policy directions*, namely five key priorities of government including the creation of sustainable livelihood, skills development, healthy communities, rural development, and the fight against corruption; KZN Provincial Government Integrated Programme of Action; national outcome relating to a responsive, accountable, effective and efficient Local Government system; the Local Government Turnaround Strategy; and the “new mandate” ranging from the co-ordination of organs of state to ensure maximum impact of co-operative governance to clarifying the role of the private sector and of state-owned enterprises in the new dispensation.

The strategic objectives of the department for 2012/13 are as follows:

- *Sustained performance of institutions of local governance* will be achieved through objectives of development, support and strengthening capacity of municipalities and traditional institutions to ensure effective and efficient planning of service delivery and integration of communities. The strategic objective supporting this goal is: effective support to Local Government and Traditional Institutions for:
 - Strengthened governance.
 - Clean financial management.
 - Sustained and accelerated service delivery.
 - Effective integrated planning.
- *Strengthened co-operative governance* will be achieved by improving and strengthening co-ordination across all spheres of government, organs of state and all stakeholders in government programmes, to make government function better in a more integrated manner in order to accelerate development that is sustainable and improves the lives of people. The strategic objectives supporting this goal are:

- Empowered stakeholder participation in government programmes at local level (stakeholders are communities including business and unions).
- Improve co-operative governance between provincial and local spheres for effective service delivery.
- Improve participation of traditional institutions into the governance system.
- *Efficient and effective oversight* will be achieved by supporting municipalities and traditional institutions to enhance accountability to its communities and to comply with all good governance policies, practices and legislation. The strategic objectives supporting this goal are:
 - Improved oversight of Local Government and Traditional Institutions in respect of governance and service delivery.
 - Effective departmental monitoring, evaluation and reporting systems in respect of Local Government and Traditional Institutions.
 - Improved accountability of Local Government and Traditional Institutions to communities in respect of governance and service delivery.

Core functions

The core functions of the department have been guided by its new and expanded mandate of co-operative governance, as well as the constitutional imperatives and legislation relevant to local government. These are existing functions in accordance with the White Paper on Developmental Local Government. These functions represent a new focussed emphasis on strengthening the role of the department as a co-ordinating department in order to achieve better lives for the people of KZN. In essence, the mandate of the department highlights co-operative governance, which is essential for integrated development with the department now focussing on the following functions:

- Co-ordination both vertically and horizontally, and doing away with the silo approach across the province.
- The key area of focus is planning and the department is repositioned as a critical ally of the Provincial Planning Commission to align planning across the three spheres of government, by strengthening Integrated Development Plans (IDPs).
- Ensuring the alignment of priorities of both national and provincial departments implemented in a local space in the municipal IDPs.
- Ensure that IDPs encapsulate the provincial priorities and budget in a co-ordinated manner.
- Enhance the Inter-Governmental Relations (IGR) framework to support integration.
- Ensure seamless service delivery in a co-ordinated manner supported by emerging legislated processes.
- Put development planning at centre stage and put people at the centre of development.

Legislative mandate

The legislative mandate of the Department of Co-operative Governance and Traditional Affairs (CoGTA) is presented below.

Constitutional mandate

The Constitution of the Republic of South Africa, 1996 defines a number of key functions for CoGTA, namely Support (Section 154 and section 155), Intervention (Section 139) and Monitoring (Section 155).

Specific legislation for the department

- Municipal Structures Act (Act No. 117 of 1998)
- Municipal Systems Act (Act No. 32 of 2000)

- Traditional Leadership and Governance Framework Act (Act No. 41 of 2003)
- Municipal Finance Management Act (Act No. 56 of 2003)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)
- Disaster Management Act (Act No. 57 of 2002)
- KZN Traditional Leadership and Governance Act (Act No. 3 of 2005) as amended (KZN Traditional Leadership and Governance Amendment Act (Act No. 9 of 2007))
- KZN Planning and Development Act (Act No. 6 of 2008)
- White Paper on Developmental Local Government

General legislation for departments dealing with local government and traditional affairs

- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- KZN Provincial Supply Chain Management Policy Framework (2006)
- Public Service Regulations
- Annual Division of Revenue Act

Specific legislation applicable to municipalities

In addition to the above, there are particular pieces of legislation which apply specifically to municipalities and relate to the department's oversight, co-operation, co-ordination and alignment functions:

- KZN Pound Act (Act No. 3 of 2006)
- Development Facilitation Act (Act No. 67 of 1995)
- Municipal Property Rates Act (Act No. 6 of 2004)
- Water Services Act (Act No. 108 of 1997)
- KZN Cemeteries and Crematoria Act (Act No. 12 of 1996), as amended by Act No. 2 of 2005
- Communal Land Rights Act (Act No. 11 of 2004)

2. Review for the 2011/12 financial year

Section 2 provides a review of 2011/12, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

Co-operative governance

The department supported all municipalities when they held their first council meetings after the 2011 local government elections. A Handbook for councillors, as well as eight modules were produced to support councillor empowerment. The modules were accredited and workshops to capacitate municipalities on pertinent issues were undertaken. Skilled professionals were deployed to build capacity of identified municipalities to enhance governance and to apply appropriate frameworks, policies and guidelines reflected in each municipality's project plan. Support given included municipal administration and human resource policies, land disposal transactions, a functional registry, etc.

Operation clean audit

The department assessed all municipal audit outcomes and 61 audit committees were established. The department supported 15 municipalities with the implementation of anti-corruption/fraud prevention strategies, and all municipalities were supported to submit their Annual Financial Statements timeously. Section 131 of the MFMA report (which states that "a municipality must address any issues raised by the A-G in an audit report") was produced. Municipal Property Rates registers were also updated.

Infrastructure investment

One of the focus areas was electricity "islands". In this regard, the focus was on areas/communities that were excluded from electricity provision. The department collaborated with Eskom and developed a

strategy to electrify these “islands” on a priority basis. This project is anticipated to reach completion by 2014. Eskom increased its network capacity in identified areas to carry the additional load.

A number of municipalities that experienced challenges in managing infrastructure projects were supported with business plans, contract management, implementation plans and the use of the Municipal Infrastructure Grant (MIG) and the Municipal Information System (MIS).

Analysis was conducted on 60 implementation plans, and priority municipalities were identified. The department conducted nine district workshops to capacitate municipalities on the new reporting process, project management, project scheduling and associated cash flow management. Additional municipalities were added to the list for support and, in total, 24 municipalities received support.

Urban and rural development

The department continued with the rural development initiatives by bringing government services closer to the people, particularly in rural areas.

A total of 23 *Thusong* Service Centres (TSCs) are fully operational, and the department supported five municipalities with funding for security at TSCs. One Traditional Administrative Centre (TAC) was constructed, while 32 TACs were rehabilitated. Mobile services (such as health clinics, home affairs, etc.) were rendered at three Traditional Councils (TCs). Support was provided to five municipalities with the implementation of the Community Works Programme (CWP). The CWP is a national programme that was introduced by national CoGTA in 2010/11 with the aim of providing an employment safety net by offering participants in remote rural localities a minimum number of regular days of work. It is based on the recognition that policies to address unemployment and create decent work will take time to reach people living in marginalised areas with few opportunities. In 2011/12, nearly 9 400 jobs were created.

Traditional institutional management

The final report on the position and the status of headmen/traditional leaders (*Izinduna*) of Umzimkulu was approved by Cabinet. The department enrolled 22 *Amakhosi* in a leadership programme at the University of KwaZulu-Natal (UKZN). Orientation workshops were undertaken for *ondlunkulu* district committees in all districts. *ondlunkulu* district forums were established in three districts, four co-operatives were established for the *ondlunkulu* programme and three district committees were established.

The Independent Electoral Commission (IEC) managed the local government elections on behalf of the department. Election registration sessions were held in November 2011 in preparation for the TC elections in February 2012. Training on administration and financial management was provided for 100 TC secretaries, while one capacity building workshop was held for *Amakhosi* and *Izinduna*.

Development planning

A provincial IDP Management and Support Plan, aimed at improving the credibility of IDPs, was developed and adopted by the IDP Stakeholders Forum, which consists of all municipalities. The adopted plan was then disseminated to all municipalities. Departments, such as Provincial Treasury, Human Settlements, Economic Development and Tourism, Agriculture, Environmental Affairs and Rural Development, CoGTA and Rural Development and Land Reform, were involved in the IDP processes through draft IDP reviews, which were held at the beginning of 2011.

Shared services

The department provides municipalities with the necessary capacity to implement the 2008 KZN Planning and Development Act (PDA), which includes the development, subdivision and consolidation of land. The unit also aims to secure the required capacity to manage all municipal strategic planning, spatial planning, performance management, development administration, as well as development information services. Support was provided to six municipalities to produce legally compliant Spatial Development Frameworks (SDFs) and seven municipalities were supported by the Development Administration Municipal Support Programme (which builds the development planning capacity of municipalities to facilitate improved municipal strategic planning, spatial planning and performance management through the establishment of District-wide Development Planning Shared Services (DPSS)).

Disaster management

A provincial Disaster Management Framework was developed, implemented and reviewed, and 11 district Disaster Management Centres (DMCs) were supported for effective functionality. Three municipalities were supported regarding the Disaster Management Volunteer Programme. Pamphlets on seasonal disasters were developed and were distributed to community members prioritising their vulnerabilities. The provincial DMC, together with the Department of Education, conducted awareness campaigns. In this instance, Education issued a list of schools more vulnerable to disasters, and campaigns were held in those schools with the intention to increase awareness.

Benchmarking exercises with other provinces and international organisations was pursued and the Provincial Disaster Management Committee (PDMC) ensured that the function of disaster management was optimally performed in the province. The volunteer recruitment programme was rolled out and a database of potential helpers was identified in districts. In this way, readily available personnel were able to provide immediate response.

3. Outlook for the 2012/13 financial year

Section 3 looks at the key focus areas of 2012/13, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

Co-operative governance

With the local government elections having taken place and new councillors elected, the focus in 2012/13 will be to ensure that the newly elected councillors are well equipped to play their oversight role. The department anticipates a number of changes in the municipal administration leadership as a result of the municipalities changing political leadership. Efforts will be geared toward ensuring the provision of support to ensure service delivery and the ability of the municipalities to deliver on their mandate.

Operation clean audit

The department will continue with the implementation of Operation Clean Audit by reviewing the provincial plan of action, establishing political oversight and technical steering committees, providing technical hands-on support to municipalities in developing individual audit response plans to address issues raised by the A-G and provide programmatic support to address common audit short comings such as debt and asset management.

The focus will be to support the functionality of district structures created to enhance inter-governmental relationships, particularly across all three spheres of government. A concerted effort was started in partnership with the Office of the Premier to ensure that planning for service delivery and infrastructure development between all three spheres of government is synergised at a provincial level. The department aims to use the gains made through the development of the PGDS to ensure that all stakeholders are brought on board and drive service delivery from the same plan.

Infrastructure investment

Since the review of national infrastructure backlog eradication targets set for each sector for 2014, the department will embark on a process of developing a comprehensive infrastructure plan, incorporating the sector and spatial plans. This will assist to not only plan for the basic service delivery needs of households, but also to plan for the economic development needs in order to attract more investments in the province. With the current MIG and Integrated National Electrification Programme funding levels, achievement of the water, sanitation and electricity targets is at risk. The risks of not achieving these targets were analysed in co-operation with the sector departments, service authorities and agents concerned, and a review of existing strategies will be carried out to develop a plan of action. It is anticipated that, through facilitating bulk infrastructure development along selected nodes and corridors as spelt out in the PSEDS, there will be a significant impact on service delivery.

The implementation of the MIG for infrastructure development is also assessed in order to ensure that the fund is applied in an efficient and effective manner. It is envisaged that the fund will be applied to target macro infrastructure projects that will unlock potential for micro projects to ensure economies of scale.

Urban and rural development

The focus will be on small town regeneration that aims to strengthen the social and economic links between rural areas and small towns/urban centres by uplifting the image and infrastructure in identified small rural towns and nodes to attract and enhance existing new economic opportunities.

Other objectives of the department are to invest in activities such as corridor development that create jobs, increase the income spent locally, increase income invested in the town centres, increase broad based taxes and levies, promote effective and efficient governance, reduce poverty and improve utility services. The department will also focus on big urban centres in an attempt to promote economic growth through urban renewal and regeneration to address rural-urban migration trends.

The department will create further partnerships with businesses and private enterprises in the generation of economic opportunities and will also provide continued support to municipalities with the packaging and funding of Local Economic Development (LED) related projects.

The current trend reflects that the number of people moving into urban areas is on the increase. The economic survival of towns is dependent on the establishment of co-operative partnerships to promote the establishment of public and economic infrastructure within the urban environment. The department needs to support municipalities in the development of structured and sustainable urban development frameworks.

The department will further implement the CWP in identified municipalities. It is envisaged that, with more financial resources provided, this programme will be extended to more municipalities in 2012/13.

Traditional institutional management

With the elections of traditional institutions concluding during 2011, the department will focus on empowering the newly elected members of the respective local houses and councils to ensure that service delivery and the ability of the traditional institutions to deliver on their mandate is not compromised. The key aspect in this regard is to empower members and staff of these institutions in areas of leadership, administration, financial management and good governance.

The department will aim to promote the formation of formal and synergistic partnerships between the traditional institution and local government. The synergistic partnership programme provides a platform for both the institution of traditional leadership and the municipalities to engage on issues of service delivery and rural development on a broader scale. Having developed the protocol policy framework is a noticeable level of improvement in communication between the two structures, which depicts itself through the development and service delivery initiatives in traditional communities. This is envisaged to happen through the formalisation of protocol agreements between local houses and district municipalities by way of a memorandum of understanding. In addition, the statutory provisions contained in Section 81 of the Municipal Structures Act (MSA) will be implemented to enable traditional leaders to formally participate in municipal council proceedings. Although there are challenges, the department will focus on formalising and strengthening these roles and accountabilities.

Social and economic infrastructure is vital in ensuring that government services are brought closer to communities at grassroots level, especially those communities situated in rural localities. The population and geographical demographics of KZN has seen an increased demand for functional TSCs and TACs resulting in project delivery backlogs. The current status quo analysis further highlights the magnitude of the task in terms of the number of projects to be implemented. The department will aim to create more efficient paths including the securing of funds and project management aspects, to deliver these centres to communities that need them. A further and serious aspect to be resolved in 2012/13 is that of current and future maintenance of these state assets.

Shared services

In order to support municipalities and stakeholders and to share best practices, the concept of shared services will be further pursued in respect of the following:

- To support municipalities in respect of the exercise of their legislative authority and with general municipal legal matters, the department, in conjunction with KWANALOGA, will establish a shared

legal service in the form of a Municipal Legal Forum. This shared service will support councils in undertaking their legislative competence.

- Shared services for infrastructure development will be put into practice.
- Strengthen the development planning capacity through training and support. In this regard planners will be assisted with practical training in order to gain professional registration with the South African Council for Planners (SACPLAN). The second improvement measure will be the building of municipal institutional capacity.

Disaster management

Disaster mitigation and contingency plans to support municipalities to deal with the effects of climate change will be a focus in 2012. This will include participation in climate change forums and implementing outcomes thereof. Awareness campaigns and interventions will be concentrated in flooding areas, as well as general measures on evacuation and resettlement. Provincial disaster management will actively engage the Department of Human Settlements, as well as municipalities on the reconstruction of damaged houses, as and when incidents occur.

Further, the PDMC will continue supporting organs of state to update their disaster management plans in order to inform the Provincial Disaster Management Plan, in terms of the requirements of the Disaster Management Act.

Awareness campaigns will also be rolled out to targeted communities that are prone and vulnerable to disasters, as part of the risk management plans. The PDMC has also partnered with other private sector stakeholders, such as BHP Billiton to source funding to implement mitigation techniques to limit the damage caused by the disasters, particularly to reduce mortalities, through community awareness programmes and provision of infrastructure such as lightning conductors, as well as making financial and social contributions toward sustainable human settlements in disaster prone areas within the province.

4. Receipts and financing

4.1 Summary of receipts

Table 11.1 below indicates the sources of funding for Vote 11 for the period 2008/09 to 2014/15. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 11.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Provincial allocation	1 027 816	1 092 420	1 061 903	1 138 289	1 140 995	1 140 995	1 208 003	1 262 467	1 337 973
Total receipts	1 027 816	1 092 420	1 061 903	1 138 289	1 140 995	1 140 995	1 208 003	1 262 467	1 337 973
Total payments	1 020 672	1 023 420	1 014 392	1 138 289	1 155 995	1 155 995	1 208 003	1 262 467	1 337 973
Surplus/(Deficit) before financing	7 144	69 000	47 511	-	(15 000)	(15 000)	-	-	-
Financing									
of which									
Provincial roll-overs	10 000	-	-	-	2 000	2 000	-	-	-
Provincial cash resources	-	1 498	-	-	13 000	13 000	-	-	-
Surplus/(deficit) after financing	17 144	70 498	47 511	-	-	-	-	-	-

Table 11.1 shows steady growth of the department's budget over the period under review.

The 2008/09 provincial roll-over relates to funds that were committed in 2007/08 for the Eskom electrification project at Umkhanyakude, which was not completed before year-end. The under-spending in 2008/09 was mainly due to various infrastructure projects and current commitments not paid before year-end. These projects include:

- Massification of essential basic services that was not spent, as the department was still in the process of concluding agreements with the recipient institutions for the delivery of such services.

- The backpay for *Amakhosi* and funding to cover costs intended for their pension and medical aid benefits, which were delayed by a deduction code on PERSAL that the department could not create.
- The payment of subsistence and travelling allowances to members of TCs, which were backdated to September 2008. The department created the required code and the Human Resource Management component started processing the payments but could not complete before year-end.
- The department's contribution for the Inter-Provincial Games, as the claims for reimbursements from other provinces were received too late to effect all payments before year-end.

In 2009/10, the department was allocated R1.498 million against provincial cash resources as follows:

- Funds of R3 million were shifted to the department from Vote 1: Office of the Premier for the 2010 Infrastructure Development Programme (R1 million), Disaster Management Programme (R500 000) and the unveiling of the 2010 stadia (R1.500 million).
- This was offset by R1.502 million shifted from the department to Vote 14: Public Works to provide for the joint Public Works and Human Settlements ministry, following the reconfiguration of the provincial departments after the April 2009 general elections.

The 2009/10 budget was under-spent by R70.498 million at year-end. This under-expenditure can be ascribed to both cost-cutting, as well as transfer payments of R15 million relating to the Massification Programme, which were not made to municipalities before year-end due to business plans that were not timeously concluded by the municipalities.

The department under-spent by R47.511 million in 2010/11, of which R37.787 million relates to the non-completion of six Multi-Purpose Community Centres (MPCCs), at a cost of R7.500 million each, which were not finalised before year-end.

In the 2011/12 Adjusted Appropriation, the department received a roll-over of R2 million from 2010/11 for project management fees for its co-ordination function to ensure that the disaster management funds were correctly utilised by implementing departments to address the disasters that occurred in 2010/11. In addition, an amount R10 million was allocated in respect of the TC elections to be held in February 2012, and R3 million to put water, sanitation and electricity infrastructure in place at voting stations.

As at the end of December 2011, the department was projecting to fully spend its 2011/12 allocation. The department's budget is showing an increasing trend over the 2012/13 MTEF.

4.2 Departmental receipts collection

Table 11.2 below reflects departmental receipts for the period 2008/09 to 2014/15. Details of these receipts are presented in *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

Table 11.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	1 012	927	1 089	883	883	1 266	1 353	1 414	1 492
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	931	1 089	389	600	600	22	30	45	55
Sale of capital assets	-	2 498	2 229	-	-	-	620	641	669
Transactions in financial assets and liabilities	8 927	976	1 915	600	600	410	700	738	779
Total	10 870	5 490	5 622	2 083	2 083	1 698	2 703	2 838	2 995

The revenue collection fluctuates over the seven-year period under review. The decrease in 2009/10 against *Sale of goods and services other than capital assets* is due to lower than anticipated commission on insurance. This resulted in conservative budgeting in the 2011/12 Main and Adjusted Appropriation.

The high 2011/12 Revised Estimate can be attributed to housing rent recoveries, parking fees and commission on insurance, as collections from staff were higher than originally projected. The increase over the MTEF is based on historical trends, as well as inflationary increments.

The collection against *Interest, dividends and rent on land* fluctuates over the period. The increase in 2009/10 is due to interest received by the Provincial Planning and Development Commission (PPDC), based on funds available in its bank account for committed projects that were delayed. The decrease in 2010/11 is in respect of the discontinuation of the PPDC and the corresponding decrease in interest received. The low amount in the 2011/12 Revised Estimate is mainly due to a decrease in interest on contractual bursary debts (due to a decrease in the number of staff owing bursary debts). The low projections over the MTEF are based on the actual revenue collection in the 2011/12 Revised Estimate.

The collection against *Sale of capital assets* in 2009/10 and 2010/11 results from the change in approach in respect of the auction of redundant vehicles whereby, from 2009/10, each provincial department collects revenue from the sale of vehicles themselves. This was previously collected centrally by the Department of Transport. There is no budget and collection in 2011/12 as the department did not anticipate the auctioning of vehicles in this period. The projections over the 2012/13 MTEF are based on the anticipated sale of vehicles.

Transactions in financial assets and liabilities reflects a large amount collected in 2008/09 from recovery of debts, such as bursary debts from staff, from the previous year. The fluctuation is mainly due to the uncertainty of collection against this category.

4.3 Donor funding

Tables 11.3 and 11.4 reflect donor funding received by the department for the period 2008/09 to 2014/15.

Table 11.3: Details of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Donor funding	13 700	8 679	2 043	-	570	570	-	-	-
Development Bank of SA	13 700	8 679	2 043	-	570	570	-	-	-
Total	13 700	8 679	2 043	-	570	570	-	-	-

Table 11.4: Details of payments and estimates of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Donor funding	13 700	8 679	1 473	-	570	570	-	-	-
Development Bank of SA	13 700	8 679	1 473	-	570	570	-	-	-
Total	13 700	8 679	1 473	-	570	570	-	-	-

The department received funding from the Development Bank of South Africa (DBSA) which was provided from 2008/09 to 2010/11, aimed at building municipal capacity. The funding relates to financial assistance for the implementation of the Municipal Property Rate Act (MPRA), public participation of ward committees, and for a contractor to manage the DBSA projects for the department, after which the department budgeted for departmental officials to continue with these duties.

There was no allocation in the 2011/12 Main Appropriation and the department does not anticipate receiving donor funding over the 2012/13 MTEF period, as it has achieved the donor funding intended outputs of the implementation of the MPRA, and the public participation ward committees.

The amount reflected in the 2011/12 Adjusted Appropriation is a roll-over from 2010/11 relating to the unspent DBSA funds in 2010/11.

5. Payment summary

Section 5 reflects payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6, as well as in *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

5.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- Provision was made for the carry-through costs of the 2011 wage agreement and an inflationary wage adjustment of 5 per cent for each of the three years of the 2012/13 MTEF, as well as an annual 1.5 per cent pay progression.
- The cost-cutting measures as reissued by Provincial Treasury in 2012/13 will be adhered to over the 2012/13 MTEF.
- CPI projections were considered when inflation related items were calculated.
- Provision has been made for the filling of vacant posts. Three employment agencies have been appointed to accelerate the recruitment and selection processes. The filling of vacant posts will take place over the 2012/13 MTEF.

5.2 Additional allocations for the 2010/11 to 2012/13 MTEF

Table 11.5 below shows additional funding received by the department over the three MTEF periods: 2010/11, 2011/12 and 2012/13. The purpose of 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 carry-through allocations for the 2010/11 and 2011/12 MTEF periods (i.e. for the financial year 2014/15) are based on the incremental percentage used in the 2012/13 MTEF.

Table 11.5: Summary of additional provincial allocations for 2010/11 to 2012/13 MTEF

R thousand	2010/11	2011/12	2012/13	2013/14	2014/15
2010/11 MTEF period	(149 677)	(156 505)	(163 762)	(172 769)	(183 135)
Carry-through of 2009/10 Adjustments Estimate - 2009 wage agreement	8 983	10 037	11 107	11 718	12 421
Discontinuation of 2010 funding	(157 461)	(165 334)	(173 601)	(183 149)	(194 138)
Portion of Ministry funding to Vote 14	(1 361)	(1 378)	(1 447)	(1 527)	(1 618)
Policy on Incapacity Leave and Ill Health Retirement (PILIR)	162	170	179	189	200
2011/12 MTEF period		8 544	3 246	1 138	1 206
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement		9 143	4 015	2 103	2 229
National Cabinet decision to cut provinces by 0.3%		(599)	(769)	(965)	(1 023)
2012/13 MTEF period			17 956	9 254	9 567
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement			5 956	6 254	6 567
Disaster Management			12 000	3 000	3 000
Total	(149 677)	(147 961)	(142 560)	(162 377)	(172 362)

Table 11.5 above shows that the department's allocation was significantly reduced over the 2010/11 MTEF. This is largely due to the discontinuation of the infrastructure provision for soccer stadia relating to the 2010 World Cup.

In the 2010/11 MTEF, funding was allocated for the carry-through effect of the 2009 wage agreement. In addition, funding was shifted to Vote 14: Public Works for the costs of the Human Settlements portion of the dual ministry (Human Settlements and Public Works now share a ministry, where previously CoGTA and Human Settlements shared a ministry), and funding was also allocated for PILIR.

The 2011/12 MTEF reflects the carry-through effect of the 2010 wage agreement. Also in the 2011/12 MTEF, National Cabinet took a decision to cut all national votes and the provincial equitable share by 0.3 per cent. The bulk of this equitable share reduction in KZN was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus of the province. The balance was

sourced proportionately from all 16 provincial votes. The effect of this on the department is a slight reduction over the entire period.

The 2012/13 MTEF reflects the carry-through effect of the 2011 wage agreement. Additional funding was also allocated for the establishment of a fully functional and operational PDMC in terms of Section 29 of the Disaster Management Act, 2002.

5.3 Summary by programme and economic classification

The budget and programme structure of the department was amended to align it with the revised uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector, as approved by National Treasury in 2011, and as illustrated in Table 11.6 below.

The structure was reduced from six to four programmes, and detailed information on each programme change is provided in the section pertaining to the programme. It is noted that, as far as possible, the department attempted to restate prior years' figures, but this was not possible in some instances. As a result, it is difficult to explain trends from 2008/09 to 2011/12, particularly at programme and sub-programme levels.

The four programmes, in line with the revised budget and programme structure for the sector are Administration, Local Governance, Development and Planning and Traditional Institutional Management.

Table 11.6: Reconciliation of structural changes to Vote 11: Co-operative Governance and Traditional Affairs

2011/12 structure		2012/13 structure	
Programme	Sub-programme	Programme	Sub-programme
1. Administration	1.1 Office of the MEC 1.2 Corporate Services	1. Administration	1.1 Office of the MEC 1.2 Corporate Services
2. Local Governance	2.1 Municipal Administration 2.2 Municipal Finance 2.3 Public Participation 2.4 Disaster Management 2.5 Municipal Infrastructure	2. Local Governance	2.1 Municipal Administration 2.2 Municipal Finance 2.3 Public Participation 2.4 Capacity Development 2.5 Municipal Performance Monitoring, Reporting & Evaluation
3. Development and Planning	3.1 Spatial Planning 3.2 Development Administration 3.3 Municipal Strategic Management 3.4 Municipal Performance Management 3.5 Provincial Planning and Development Commission 3.6 Special Projects	3. Development and Planning	3.1 Spatial Planning 3.2 Land Use Management 3.3 Local Economic Development (LED) 3.4 Municipal Infrastructure 3.5 Disaster Management 3.6 IDP Co-ordination 3.7 Provincial Planning & Development Commission (PPDC)
4. Traditional Institutional Management	4.1 Traditional Institutional Administration 4.2 Traditional Resource Administration 4.3 Traditional Land Administration	4. Traditional Institutional Management	4.1 Traditional Institutional Administration 4.2 Traditional Resource Administration 4.3 Rural Development Facilitation 4.4 Traditional Land Administration
5. Urban and Rural Development	5.1 Public Participation - CDWs 5.2 Rural Connectivity 5.3 Rural Development 5.4 Synergistic Partnerships 5.5 Urban Development		
6. System and Institutional Development	6.1 Capacity Building 6.2 Monitoring and Evaluation 6.3 Institutional Transformation & External Communications 6.4 Development Information Services		

Tables 11.7 and 11.8 provide a summary of the vote's payments and budgeted estimates over the seven-year period, by programme and economic classification, respectively.

Table 11.7: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	173 849	175 765	182 707	211 688	255 781	255 781	229 729	244 453	262 854
2. Local Governance	176 326	172 691	183 568	198 045	185 977	186 581	177 112	201 124	220 601
3. Development and Planning	460 951	469 526	469 076	492 347	436 790	436 186	552 098	571 095	591 194
4. Traditional Institutional Management	209 546	205 438	179 041	236 209	277 447	277 447	249 064	245 795	263 324
Total	1 020 672	1 023 420	1 014 392	1 138 289	1 155 995	1 155 995	1 208 003	1 262 467	1 337 973

Note: Programme 1 includes MEC remuneration: Salary: R1 566 089

Table 11.8: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	602 459	558 780	586 678	1 102 238	853 250	852 776	1 152 655	1 217 052	1 285 572
Compensation of employees	231 651	263 517	293 722	406 299	355 734	356 181	449 340	492 585	541 619
Goods and services	370 808	295 263	292 956	695 939	497 516	496 595	703 315	724 467	743 953
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	399 049	445 213	398 590	18 566	246 937	246 938	17 480	14 707	25 770
Provinces and municipalities	369 987	438 911	394 926	16 961	240 693	240 693	15 140	12 845	23 760
Departmental agencies and accounts	23 700	2 800	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 362	3 502	3 664	1 605	6 244	6 245	2 340	1 862	2 010
Payments for capital assets	16 181	18 134	28 259	17 485	55 808	56 281	37 868	30 708	26 631
Buildings and other fixed structures	-	7 980	23 788	6 000	28 150	28 150	26 948	20 250	20 750
Machinery and equipment	16 181	10 138	4 461	11 485	27 658	28 131	10 920	10 458	5 881
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	16	10	-	-	-	-	-	-
Payments for financial assets	2 983	1 293	865	-	-	-	-	-	-
Total	1 020 672	1 023 420	1 014 392	1 138 289	1 155 995	1 155 995	1 208 003	1 262 467	1 337 973

Programme 1: Administration reflects a steady increase from 2008/09 to 2010/11. The increase in the 2011/12 Adjusted Appropriation can be attributed to funds moved from Programmes 2 and 3 to cater for the additional liability claims by the Government Employee Pension Fund (GEPF) for officials retiring prior to the pensionable age (both early retirement and voluntary severance package), as well as communication and consultation initiatives for departmental projects, such as the installation of *Amakhosi*, the LED summit, etc. The increase over the MTEF in comparison to the 2011/12 Main Appropriation is mainly to cater for the filling of vacant posts.

The decrease in 2009/10 against Programme 2: Local Governance was due to payments that could not be made before year-end, as a result of invoices not received on time and incomplete business plans for various projects such as the Massification Programme. The decrease in the 2011/12 Adjusted Appropriation can be attributed to slow recruitment and filling of the departmental staff post structure. The decrease in 2012/13 is due to the decrease of the grant to Umzimkulu for the provision of basic services, as most of the set targets have been achieved.

The decrease in the 2011/12 Adjusted Appropriation against Programme 3: Development and Planning is due to the slower than anticipated filling of vacant posts, as well as the reprioritisation of funding for the Corridor Development and Small Town Rehabilitation Programmes to Programme 4 for the installation of TCs and the induction of new TC and Local House members, among others. The increase over the 2012/13 MTEF is in respect of the planned filling of vacant posts, the increase in Corridor Development funding and the establishment of the PDMC.

Programme 4: Traditional Institutional Management substantially decreased in 2010/11 due to cost-cutting on spending items such as administration fees, venues and facilities, etc., as well as placing excess R293 staff under Programme 1. The increase in the 2011/12 Adjusted Appropriation is mainly due to funds reprioritised from Programme 3 in respect of the salary adjustment of *Amakhosi*, the induction of new TC and local house members, etc. The 2012/13 MTEF caters for the filling of vacant posts in line with the department's establishment, the reconstitution of TCs and the increase in infrastructure support (including the construction of *Imizi Yesizwe* (houses for *Amakhosi*)).

The substantial increase against *Compensation of employees* in the 2011/12 Main Appropriation is due to the planned implementation of the full staff establishment, as well as the implementation of the OSD for technicians such as land surveyors, engineers and legal staff. The filling of vacant posts did not transpire as planned, hence the decrease in the 2011/12 Adjusted Appropriation. This resulted from an internal moratorium on the filling of posts due to the department's continual restructuring. The department has completed the restructuring and is anticipating to fill vacant posts over the MTEF, hence the increase in funding. The department appointed recruitment agencies to assist with filling these vacant posts and

accelerate the recruitment process. The increase can also be ascribed to implementation of the third phase (which is the last phase) of the OSD in 2011/12, with carry-through costs over the MTEF.

The decrease in *Goods and services* in 2009/10 and 2010/11 relates mainly to cost-cutting, as well as delays in road shows relating to voter registration. The department usually budgets for projects such as the Massification Programme, Corridor Development, Umzimkulu, Disaster Management and the Small Town Rehabilitation Programme under this category during the budget process. The department then undertakes an annual exercise which indicates the municipalities that have the necessary capacity to deliver on the particular projects themselves. Once the municipalities have been identified, the department then shifts the funds to *Transfers and subsidies to: Provinces and municipalities* in the Adjustments Estimate, as transfer payments to these municipalities. This explains the high amount in the 2011/12 Main Appropriation, as well as the increases over the MTEF period, and the decrease in the 2011/12 Adjusted Appropriation and the increase against *Transfers and subsidies to: Provinces and municipalities* over the same period. Also in the 2011/12 Adjusted Appropriation, funds were shifted in respect of motor vehicle licences from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities*. This is due to an amendment of the SCOA classification for motor vehicle licences. The department has adjusted its figures for prior years.

Transfers and subsidies to: Departmental agencies and accounts is high in 2008/09, as it includes R21 million for the building of *Amakhosi* houses by the Department of Human Settlements. The expenditure from 2008/09 to 2009/10 relates to the operations of the PPDC, which decreased in 2009/10, as a result of the implications of implementing the PDA and the discontinuation of the PPDC in 2009/10.

Transfers and subsidies to: Households fluctuates over the period, due to the payment of voluntary severance packages, and staff exit costs and bursaries to students.

The expenditure against *Buildings and other fixed structures* in 2009/10 relates to the purchase of a building for the PDMC. The 2010/11 amount relates to the rehabilitation of TSCs. The increase in the 2011/12 Adjusted Appropriation and over the 2012/13 MTEF includes the movement of funds from *Goods and services* to *Buildings and other fixed structures* to correct the budget, which was incorrectly classified in the 2011/12 EPRE by the department. The department paid consultants who undertake capital infrastructure projects under *Goods and services*, rather than *Buildings and other fixed structures*.

The funding against *Machinery and equipment* fluctuates due to the filling of vacant posts and the related costs of the purchase and replacement of office furniture, computer equipment and vehicles. The increase in the 2011/12 Adjusted Appropriation relates to funds moved from Programmes 2, 3 and 5 for the replacement of vehicles and computer servers. The decrease in 2014/15 can be ascribed to the decrease in funding in respect of new and replacement vehicles and this will be reviewed in future MTEFs.

Spending in 2009/10 and 2010/11 against *Software and other intangible assets* is in respect of computer software packages (system hosting servers) required. There are no allocations from 2011/12 onward, due to the renewal of the SITA contract, which now includes the upgrading of software packages.

The amounts from 2008/09 to 2010/11 against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

5.4 Summary of expenditure by district municipal area

Table 11.9 below illustrates spending within district municipal areas, excluding administrative costs. The variation of spending in each area is in line with the particular needs in the district municipal areas.

The spending is notably high against uMgungundlovu due to the bulk of the funding allocated for Corridor Development, the Massification Programme and the Small Town Rehabilitation Programme being implemented by the department at head office, which is based in this district. Also, the department has centrally allocated the bulk of its budget against uMgungundlovu over the MTEF, and will allocate this funding to the respective municipalities as and when projects are undertaken.

Table 11.9: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14	2014/15
eThekweni	28 711	91 898	11 801	11 542	16 466
Ugu	66 468	9 805	3 600	1 650	6 500
uMgungundlovu	283 368	444 163	619 521	657 990	694 223
Uthukela	21 183	12 943	17 582	7 170	7 341
Umzinyathi	25 930	13 780	8 150	10 995	3 000
Amajuba	7 804	951	7 146	8 900	1 500
Zululand	22 286	11 592	2 650	1 150	1 500
Umkhanyakude	53 869	21 036	5 700	4 900	1 900
uThungulu	14 336	8 947	3 200	3 840	1 200
Ilembe	61 104	16 870	2 500	2 100	8 800
Sisonke	56 016	47 283	2 200	2 900	2 500
Total	641 075	679 268	684 050	713 137	744 930

Spending against the Sisonke District Municipality reflects additional funding for the incorporation of Umzimkulu into KZN, which includes the provision for basic services for water, sanitation and electrification. The decrease from 2011/12 onward is due to the decrease in funding to Umzimkulu, as the planned targets and objectives for support to the municipality have largely been achieved.

Spending in the Zululand District Municipality reflects increased activities in support of the implementation of the legislative framework in respect of traditional leadership and governance in 2010/11. The decrease in the 2011/12 Revised Estimate can be attributed to the centralisation of components such as corporate services, human resource management, finance, etc., at head office which falls within the uMgungundlovu District Municipality.

There is a steady increase in other districts due to the PSEDS initiatives, which are gradually being implemented. The spread across districts reflects maintenance and repairs of TSCs and TACs, as well as the rehabilitation that was done to TACs and TSCs. The department also incurs expenditure in all municipalities to ensure support and intervention in an integrated manner across the province.

5.5 Summary of conditional grant payments and estimates – Nil

5.6 Summary of infrastructure payments and estimates

Table 11.10 below summarises the infrastructure expenditure and estimates relating to the department. The department reviewed its infrastructure budget during the 2011/12 Adjustments Estimate to ensure that projects are classified correctly as *Current* or *Capital*.

It is noted that, in the 2011/12 Main Appropriation, *Capital infrastructure* does not tie back to *Buildings and other fixed structures* in Table 11.7 above, due to the department paying consultants who undertake capital infrastructure projects under *Goods and services*. This was incorrectly budgeted for by the department in the 2011/12 EPRE and has been corrected in the 2011/12 Adjusted Appropriation and going forward.

Table 11.10: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
New and replacement assets	-	7 980	7 764	14 000	9 648	9 648	12 250	13 250	14 250
Existing infrastructure assets	2 142	313	16 416	27 500	18 529	18 502	14 698	7 000	6 500
Upgrades and additions									
Rehabilitation, renovations and refurbishments	-	-	16 024	23 500	18 502	18 502	14 698	7 000	6 500
Maintenance and repairs	2 142	313	392	4 000	27	-	-	-	-
Infrastructure transfers	160 500	149 963	-	3 500	6 000	6 000	-	-	-
Current	139 500	149 963	-	-	-	-	-	-	-
Capital	21 000	-	-	3 500	6 000	6 000	-	-	-
Capital infrastructure	21 000	7 980	23 788	41 000	34 150	34 150	26 948	20 250	20 750
Current infrastructure	141 642	150 276	392	4 000	27	-	-	-	-
Total	162 642	158 256	24 180	45 000	34 177	34 150	26 948	20 250	20 750

New and replacement assets reflects the provision for the *Imizi Yesizwe*, the project whereby houses are built for *Amakhosi*. The provision in the 2011/12 Main Appropriation was in respect of building of more houses. However, the project was not progressing as anticipated due to delays in the procurement process and the budget was moved in the 2011/12 Adjusted Appropriation to *Infrastructure transfers: Capital* for the construction of TSCs at Abaqulusi Municipality. This resulted from the increase in demand for infrastructure by communities, as TSCs are utilised as a system to bring government services closer to the people. The projections in the 2012/13 MTEF reflect the continued provision for the housing project.

Rehabilitation, renovations and refurbishments reflects the refurbishing of existing TACs by contractors. The department reprioritised funds away from this category in the 2011/12 Adjusted Appropriation to other categories to offset spending pressures such as the replacement of computer servers and vehicles. The decrease over the 2012/13 MTEF is as a result of reprioritisation away from the category due to new buildings not requiring upgrading. This will be reviewed in future MTEFs.

The amounts against *Maintenance and repairs* are in respect of the maintenance of TSCs and TACs in terms of the Rural Connectivity Programme in order to provide support to the community and traditional institutions. The department reprioritised funds from this category in the 2011/12 Adjusted Appropriation due to new buildings not requiring maintenance. The department will review this in future MTEFs, based on routine maintenance requirements of these new buildings.

The expenditure against *Infrastructure transfers: Current* in 2008/09 and 2009/10 was in respect of the provision for soccer stadia for the 2010 World Cup. This infrastructure transfer ended in 2009/10, in line with the completion of the soccer stadia.

The amount against *Infrastructure transfers: Capital* in 2008/09 relates to a once-off transfer to the Department of Human Settlements for the building of houses for *Amakhosi*. The Department of Human Settlements built 17 homesteads, which will be transferred to the *Amakhosi* in 2012/13, as the project took longer than anticipated. The amount in 2011/12 is in respect of transfer payments to municipalities for the construction of TSCs. The increase in the 2011/12 Adjusted Appropriation is for the construction of TSCs at Abaqulusi. The department reprioritised funds away from this category, as it plans to undertake the construction of these centres itself over the MTEF.

Further details of the department's infrastructure payments and estimates are presented in *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

5.7 Summary of Public Private Partnerships – Nil

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA

Table 11.11 below summarises the transfer payments to public entities.

Table 11.11: Summary of departmental transfers to public entities listed in terms of Schedule 3 of the PFMA

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
PPDC	2 700	2 800	-	-	-	-	-	-	-
Total	2 700	2 800	-	-	-	-	-	-	-

The department only funded one public entity, namely the PPDC. The table above reflects that no funding was provided to this entity from 2010/11 onward. The allocation of funds ceased in 2009/10 due to the implementation of the PDA during the year.

This public entity catered for operational staff costs and research projects. It also provided specialist advice on planning and development issues, formulated policies to facilitate efficient, effective, balanced and quality planning, pro-actively disseminated information for enhanced planning and development, and discharged statutory planning obligations.

5.9 Transfers to other entities

Table 11.12 reflects a summary of transfers to other entities.

Table 11.12: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
	Department of Human Settlements 4.1. Traditional Institutional Administration	21 000	-	-	-	-	-	-	-	-
Total		21 000	-	-	-	-	-	-	-	-

The amount in 2008/09 relates to a once-off transfer to the Department of Human Settlements for the building of the *Amakhosi* houses. The department initially paid Human Settlements from *Goods and services*, but was advised by the A-G to shift the amount to *Transfers and subsidies to: Departmental agencies and accounts*. A total of 17 houses were built, which will be transferred to the *Amakhosi* in 2012/13, as the project took longer than anticipated.

5.10 Transfers to local government

Table 11.13 details the transfers to local government, summarised according to categories A, B and C. Table 11.14 provides the departmental transfers to local government by grant name. Detailed information on the departmental transfers to local government by transfer/grant type, category and municipality is given in *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

Table 11.13: Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Category A	102 200	51 000	21 800	-	6 925	6 925	-	-	-
Category B	61 773	109 222	143 459	11 500	158 000	158 000	6 000	3 000	5 900
Category C	205 973	278 581	229 554	5 461	75 603	75 603	8 900	9 595	17 600
Unallocated/unclassified									
Total	369 946	438 803	394 813	16 961	240 528	240 528	14 900	12 595	23 500

Table 11.14: Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Government Experts	2.1 Mun. Admin.	-	-	5 800	-	-	-	-	-	-
Implementation of Pound Act	2.1 Mun. Admin.	-	-	12 000	-	-	-	-	-	-
Inter-governmental Relations	2.1 Mun. Admin.	1 000	1 000	4 170	-	-	-	-	-	-
Municipal Governance	2.1 Mun. Admin.	3 500	3 000	-	-	-	-	-	-	-
Provincial Interventions	2.1 Mun. Admin.	700	-	1 300	-	-	-	-	-	-
Umkhulu Support	2.1 Mun. Admin.	43 326	56 008	36 873	-	25 320	25 320	-	-	-
Uthukela Water	2.1 Mun. Admin.	-	2 000	-	-	-	-	-	-	-
Prov. Management Assistance Prog.	2.2 Mun. Finance	13 200	6 400	-	-	-	-	-	-	-
Spatial Development	3.1 Spatial Planning	4 250	-	-	-	-	-	-	-	-
Municipal Development Info. Services	3.1 Spatial Planning	6 750	-	-	-	-	-	-	-	-
Schemes Support Programme	3.1 Spatial Planning	-	-	-	-	2 250	2 250	-	-	-
Town Settlement Formalisation Support	3.2 Land Use Management	-	-	800	-	1 000	1 000	-	-	-
Development Administration	3.2 Land Use Management	3 250	-	-	-	-	-	-	-	-
IDP Support	3.3 Mun. Strat. Mgt	-	-	-	-	-	-	-	-	900
District Growth Development Summit	3.3 Mun. Strat. Mgt	-	-	-	-	-	-	4 000	-	-
Corridor Development	3.3 LED	121 950	118 132	114 068	-	96 447	96 447	-	-	-
Municipal LED	3.3 LED	-	-	6 400	-	12 080	12 080	-	-	-
Small Town Rehabilitation Programme	3.3 LED	-	55 000	92 769	-	74 220	74 220	-	-	-
Massification Programme	3.4 Mun. Infra.	-	30 500	101 000	-	-	-	-	-	-
Infra provision for soccer stadia	3.4 Mun. Infra.	139 500	149 963	-	-	-	-	-	-	-
Infrastructure support	3.4 Mun. Infra.	20 000	-	-	-	-	-	-	-	-
Disaster Management Centres	3.5 Disaster Mgt.	2 500	6 000	11 500	-	3 000	3 000	-	-	-
Community participation in IDPs	3.6 IDP Co-ordination	-	-	-	-	-	-	2 000	2 000	3 000
Development Planning Shared Services	3.6 IDP Co-ordination	-	10 800	4 227	5 461	5 461	5 461	2 000	2 000	2 100
Strategic Support	3.6 IDP Co-ordination	10 020	-	-	-	-	-	-	-	-
Community Development Projects	4.3 RDF	-	-	-	-	5 250	5 250	4 900	6 595	15 500
Urban Development Framework	4.3 RDF	-	-	3 758	-	-	-	-	-	-
Construction of TSCs	4.3 RDF	-	-	-	3 500	6 000	6 000	-	-	-
Operational support for TSCs	4.3 RDF	-	-	148	4 000	5 000	5 000	2 000	2 000	2 000
Provincial Security (MPCCs)	4.3 RDF	-	-	-	4 000	4 500	4 500	-	-	-
Total		369 946	438 803	394 813	16 961	240 528	240 528	14 900	12 595	23 500

The bulk of the transfer payments were budgeted for under *Goods and services* during the 2011/12 budget process. However, these were reclassified as *Transfers and subsidies to: Provinces and municipalities* in the 2011/12 Adjustments Estimate. In the 2012/13 MTEF, the department again budgeted for the majority of the municipal projects against *Goods and services*, with the exception of some transfers, shown in the table above. The department may again reclassify the funds in the 2012/13 Adjustments Estimate, if the annual exercise proves that municipalities have the required capacity to implement the projects themselves. The majority of the municipal projects against *Goods and services* relate to the provision for Corridor Development, the Massification Programme, Umzimkulu funding and the Small Town Rehabilitation Programme.

The 2011/12 Revised Estimate decreases compared to the Audited Outcome in previous years, largely due to the discontinuation of soccer stadia funding in 2009/10. The high 2010/11 amount in comparison to 2011/12 can be ascribed to the number of projects approved in 2010/11 as submitted by municipalities. Hence, the fluctuation in expenditure and allocations over the seven-year period reflects funding made to different departmental projects. The 2012/13 MTEF allocations are in respect of the District Growth Development Summit, Community participation in IDPs, IDP Support, Development Planning Shared Services, Community Development Project and Operational support for TSCs.

As previously explained, during the 2011/12 Adjustments Estimate, funds were moved in respect of motor vehicle licences from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities*, in line with an amendment of the SCOA classification for motor vehicle licences. These funds will not be transferred to any municipality and hence the amounts are not reflected in Table 11.14.

5.11 Transfers and subsidies

Table 11.15 below is a summary of transfers and subsidies expenditure and estimates at an item level for each programme of the department.

Table 11.15: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
1. Administration	1 071	1 978	2 029	945	5 526	5 526	1 446	1 602	1 660
Provinces and municipalities	41	108	113	-	165	165	240	250	260
Motor vehicle licences	41	108	113	-	165	165	240	250	260
Households	1 030	1 870	1 916	945	5 361	5 361	1 206	1 352	1 400
Other (Bursaries & claims against the state)	457	1 128	1 208	945	1 623	1 623	1 102	1 200	1 200
Social benefits - Post retirement benefits	573	742	708	-	3 738	3 738	104	152	200
2. Local Governance	63 874	68 904	60 599	250	25 748	25 749	750	100	150
Provinces and municipalities	61 726	68 408	60 143	-	25 320	25 320	-	-	-
Umzimkulu Support	61 726	68 408	60 143	-	25 320	25 320	-	-	-
Households	2 148	496	456	250	428	429	750	100	150
Social benefits - Post retirement benefits	2 148	496	456	250	428	429	750	100	150
3. Development and Planning	311 318	373 227	335 032	5 511	194 458	194 458	8 000	4 050	6 050
Provinces and municipalities	308 220	370 395	334 522	5 461	194 458	194 458	8 000	4 000	6 000
Small Town Rehabilitation	305 720	204 963	96 527	5 461	74 220	74 220	-	-	-
Corridor Development	-	118 132	114 068	-	96 447	96 447	-	-	-
Massification	-	30 500	101 000	-	-	-	-	-	-
LED	-	-	6 400	-	12 080	12 080	-	-	-
Development Planning Shared Services	-	10 800	4 227	-	5 461	5 461	8 000	4 000	6 000
Disaster Management	2 500	6 000	11 500	-	3 000	3 000	-	-	-
Town Settlement Formalisation Support	-	-	800	-	1 000	1 000	-	-	-
Schemes Support Programme	-	-	-	-	2 250	2 250	-	-	-
Departmental agencies and accounts	2 700	2 800	-	-	-	-	-	-	-
Provincial Planning & Dev. Commission	2 700	2 800	-	-	-	-	-	-	-
Households	398	32	510	50	-	-	-	50	50
Social benefits - Post retirement benefits	398	32	510	50	-	-	-	50	50
4. Traditional Institutional Management	22 786	1 104	930	11 860	21 205	21 205	7 284	8 955	17 910
Provinces and municipalities	-	-	148	11 500	20 750	20 750	6 900	8 595	17 500
Operational Support for TSCs	-	-	148	4 000	5 000	5 000	2 000	2 000	2 000
Provincial Security (MPCCs)	-	-	-	4 000	4 500	4 500	-	-	-
Construction of TSCs	-	-	-	3 500	6 000	6 000	-	-	-
Community Development Project	-	-	-	-	5 250	5 250	4 900	6 595	15 500
Departmental agencies and accounts	21 000	-	-	-	-	-	-	-	-
Department of Human Settlements	21 000	-	-	-	-	-	-	-	-
Households	1 786	1 104	782	360	455	455	384	360	410
Social benefits - Post retirement benefits	1 786	1 104	782	360	455	455	384	360	410
Total	399 049	445 213	398 590	18 566	246 937	246 938	17 480	14 707	25 770

Under Programme 1, *Provinces and municipalities* relates to the payment of motor vehicle licences.

The actual expenditure against Programme 2 reflects the shifting of funds from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities* in respect of support to Umzimkulu.

Expenditure from 2008/09 onward against Programme 3 represents the shifting of funds from *Goods and services* to *Provinces and municipalities*, relating to the Corridor Development and Small Town Rehabilitation Programmes. The expenditure in 2008/09 and 2009/10 also reflects spending in relation to Municipal Development Information Services to improve municipal management and the reporting of information. The allocations over the 2012/13 MTEF are in respect of the DPSS in order to secure the required capacity to manage all municipal strategic planning, spatial planning, performance management and development information services, and community participation in the IDP process of municipalities across the province.

The expenditure in Programme 4 against *Provinces and municipalities* represents the transfer of funds for the Rural Community Development Project, Construction of TSCs, Operational Support for TSCs and Provisional Security at MPCCs.

The expenditure against *Departmental agencies and accounts* in 2008/09 against Programme 4 shows the transfer of funds to the Department of Human Settlements for the building of *Amakhosi* houses.

The amounts against *Households* in all four programmes relate to staff exit costs, which are difficult to predict, hence the fluctuations over the period under review. Programme 1 also reflects bursaries awarded to students not employed by the department.

6. Programme description

The services rendered by the department are categorised under four programmes. As mentioned earlier, the department amended its budget and programme structure for the 2012/13 MTEF to comply with the revised uniform budget and programme structure for the sector, and has realigned its expenditure and budget estimates as far as possible for comparative purposes.

Details of each programme's change are explained under the section pertaining to the programme below.

The payments and budgeted estimates for each programme are summarised in terms of economic classification, details of which are presented in the *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

6.1 Programme 1: Administration

This programme is responsible for the provision of all corporate and financial support services to the department, as well as the Office of the MEC.

The programme consists of two sub-programmes, namely: Office of the MEC and Corporate Services.

Tables 11.16 and 11.17 below illustrate a summary of payments and estimates for the financial years 2008/09 to 2014/15 relating to Programme 1.

Table 11.16: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Office of the MEC	26 704	19 527	20 545	20 095	17 621	17 621	20 933	22 556	23 969
Corporate Services	147 145	156 238	162 162	191 593	238 160	238 160	208 796	221 897	238 885
Total	173 849	175 765	182 707	211 688	255 781	255 781	229 729	244 453	262 854

Table 11.17: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	162 220	158 766	177 023	206 117	235 422	235 331	226 114	239 853	258 899
Compensation of employees	53 149	68 823	77 052	111 464	91 391	91 277	122 601	137 273	154 117
Goods and services	109 071	89 943	99 971	94 653	144 031	144 054	103 513	102 580	104 782
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 071	1 978	2 029	945	5 526	5 526	1 446	1 602	1 660
Provinces and municipalities	41	108	113	-	165	165	240	250	260
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 030	1 870	1 916	945	5 361	5 361	1 206	1 352	1 400
Payments for capital assets	9 001	14 741	2 996	4 626	14 833	14 924	2 169	2 998	2 295
Buildings and other fixed structures	-	7 980	-	-	-	-	-	-	-
Machinery and equipment	9 001	6 745	2 986	4 626	14 833	14 924	2 169	2 998	2 295
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	16	10	-	-	-	-	-	-
Payments for financial assets	1 557	280	659	-	-	-	-	-	-
Total	173 849	175 765	182 707	211 688	255 781	255 781	229 729	244 453	262 854

The decrease in the sub-programme: Office of the MEC in 2009/10 is due to a decision taken that the funding for launches, *izimbizo* and special projects throughout the department be centralised under the sub-programme: Corporate Services. The 2011/12 Adjusted Appropriation decreased due to cost-cutting on items such as administrative fees, communication costs, advertising, etc. The increase over the MTEF is in respect of filling vacant posts and the related increase in operational costs.

The sub-programme: Corporate Services reflects an increasing trend over the period under review. The increase in the 2011/12 Adjusted Appropriation is to cater for spending pressures such as the replacement of vehicles and computer servers, and consultation initiatives for departmental projects (such as the LED summit). The increase over the 2012/13 MTEF in comparison to the 2011/12 Main Appropriation is to cater for the filling of vacant posts.

Compensation of employees shows a substantial increase from 2009/10 to the 2011/12 Main Appropriation, largely due to the phased-in implementation of the new staff establishment structure, as well as the annual salary increases. The decrease in the 2011/12 Adjusted Appropriation is due to a delay in the filling of vacant posts due to the internal moratorium, which resulted from the department's continual restructuring. The restructuring has been completed, and the increase over the MTEF is to cater for the anticipated filling of vacant posts.

The decrease in *Goods and services* in 2009/10 is due to cost-cutting on spending items such as administrative fees, communication costs, advertising, etc. The increase from 2010/11 onward is largely due to support services that were outsourced by the department, such as the use of recruitment agencies to accelerate the recruitment and selection processes. The increase in the 2011/12 Adjusted Appropriation is to cater for the recruitment and selection processes, property payments, etc. The increase over the MTEF in comparison to the 2011/12 Main Appropriation relates to costs associated with the filling of vacant posts and recruitment agencies, as well as inflationary increases.

Transfers and subsidies to: Provinces and municipalities caters for motor vehicle licences.

Transfers and subsidies to: Households in 2009/10 is in respect of the increase in the awarding of bursaries to students not in the employ of the department, as well as claims such as vehicle accident and damages instituted against the state. In 2010/11, the increase is a result of the approval of voluntary severance packages, as well as staff exit costs. The substantial increase in the 2011/12 Adjusted Appropriation is due to additional liability claims raised by the GEPF for officials retiring prior to the pensionable age. The allocations over the 2012/13 MTEF are mainly due to provision made for external bursaries for non employees.

The amount in 2009/10 against *Buildings and other fixed structures* reflects the purchase of a building to house the PDMC in the uMgungundlovu district.

Spending against *Machinery and equipment* fluctuates over the period under review. The low amount in 2010/11 is due to minimal acquisitions of furniture and computer equipment due to non-filling of vacant posts. The substantial increase in the 2011/12 Adjusted Appropriation relates to the replacement of vehicles and computer servers. The 2012/13 MTEF allocations are to cater for additional motor vehicles.

The amounts from 2008/09 to 2010/11 against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

6.2 Programme 2: Local Governance

The purpose of this programme is to implement an institutional, administrative, financial and public participation framework.

This programme has been amended for the 2012/13 MTEF to conform to the revised uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector. As a result, the department has realigned its expenditure and estimates for comparative purposes. The programme consists of five sub-programmes in line with the sector specific budget format, namely: Municipal Administration, Municipal Finance, Public Participation, Capacity Development and Municipal Performance Monitoring, Reporting and Evaluation.

It should be noted that the sub-programmes: Disaster Management and Municipal Infrastructure have been moved to Programme 3 and are replaced with the sub-programmes: Capacity Development and Municipal Performance Monitoring, Reporting and Evaluation. Tables 11.18 and 11.19 below illustrate a summary of payments and estimates for 2008/09 to 2014/15 relating to Programme 2.

Table 11.18: Summary of payments and estimates - Programme 2: Local Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Municipal Administration	72 953	79 780	80 862	71 227	61 961	61 961	37 235	34 283	38 801
Municipal Finance	37 018	21 226	24 395	25 938	23 177	23 177	31 407	50 742	61 710
Public Participation	58 103	64 734	72 794	88 066	94 098	94 098	93 918	96 983	98 372
Capacity Development	2 284	774	618	5 104	683	1 287	3 250	6 836	8 663
Municipal Performance Monitoring, Reporting & Evaluation	5 968	6 177	4 899	7 710	6 058	6 058	11 302	12 280	13 055
Total	176 326	172 691	183 568	198 045	185 977	186 581	177 112	201 124	220 601

Table 11.19: Summary of payments and estimates by economic classification - Programme 2: Local Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	111 171	102 862	122 583	196 287	157 046	157 649	174 956	199 779	219 675
Compensation of employees	79 390	75 985	86 476	115 986	103 922	104 522	118 828	132 187	147 834
Goods and services	31 781	26 877	36 107	80 301	53 124	53 127	56 128	67 592	71 841
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	63 874	68 904	60 599	250	25 748	25 749	750	100	150
Provinces and municipalities	61 726	68 408	60 143	-	25 320	25 320	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 148	496	456	250	428	429	750	100	150
Payments for capital assets	908	145	331	1 508	3 183	3 183	1 406	1 245	776
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	908	145	331	1 508	3 183	3 183	1 406	1 245	776
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	373	780	55	-	-	-	-	-	-
Total	176 326	172 691	183 568	198 045	185 977	186 581	177 112	201 124	220 601

The decrease against the sub-programme: Municipal Administration in the 2011/12 Adjusted Appropriation is due to the non-filling of funded vacant posts, which resulted from the department's continual restructuring. The decrease over the MTEF can be ascribed to the decrease in funding relating to Umzimkulu, due to the incorporation of the municipality into the province being largely on target.

The sub-programme: Municipal Finance decreased in 2009/10 mainly due to delays in the filling of vacant posts, which in turn delayed the implementation of projects such as the provincial Municipal Assistance Programme (MAP). The 2010/11 increase can largely be ascribed to increased costs of water and electricity summits in municipalities. The decrease in the 2011/12 Adjusted Appropriation is related to delays in the filling of vacant posts. The increase over the 2012/13 MTEF is to cater for the anticipated filling of vacant posts, in line with the departmental recruitment plan, and associated operational expenditure, as well as the increase in the provision for projects such as Operation Clean Audit.

The sub-programme: Public Participation reflects an increasing trend over the period. The increase over the period is in respect of filling of vacant posts, as well as the annual salary increments.

The functions of the sub-programme: Capacity Development are to ensure the development and implementation of a comprehensive capacity building strategy for the department. It should be noted that this is a new sub-programme, which is in line with the revised 2012/13 budget and programme structure. The fluctuations over the seven-year period reflect the allocation of funds in terms of the department's new organisational structure.

The sub-programme: Municipal Performance Monitoring, Reporting and Evaluation relates to strategic planning support to municipalities, with a focus on development planning, capacity building and the review and development of IDPs. The decrease in 2010/11 and in the 2011/12 Adjusted Appropriation is due to vacant posts not filled as originally planned. The increase over the 2012/13 MTEF relates to the implementation of the Monitoring and Evaluation database system for municipalities.

Compensation of employees decreased in 2009/10 due to the non-filling of non-critical vacant posts due to the moratorium on the filling of posts. The decrease in the 2011/12 Adjusted Appropriation relates to the non-filling of vacant posts due to the department's continual restructuring. The increase over the 2012/13 MTEF is in line with the planned implementation of the full staff establishment in terms of the new organisational structure.

The high 2008/09 amount against *Goods and services* relates to a roll-over from 2007/08 for the electrification of the Umkhanyakude district municipal area. The decrease in 2009/10 and 2010/11 is a result of funds shifted to *Transfers and subsidies to: Provinces and municipalities* in respect of various projects, such as the incorporation of Umzimkulu into the province, the provincial MAP, municipal governance, etc. The substantial increase in the 2011/12 Main Appropriation relates to projects such as the deployment of skilled professionals, Operation Clean Audit, etc. The decrease in the 2011/12 Adjusted Appropriation is due to funds shifted to *Transfers and subsidies to: Provinces and municipalities* in respect of LED projects. The department undertakes an annual exercise which indicates the municipalities that have the necessary capacity to deliver on the particular projects themselves. Once the municipalities have been identified, funds are then shifted to *Transfers and subsidies to: Provinces and municipalities* for transfer to these municipalities.

The fluctuation against *Transfers and subsidies to: Households* is mainly due to staff exit costs and costs associated with staff that were medically boarded. The fluctuation is a result of the difficulty in budgeting for this category due to its uncertain nature.

The fluctuation against *Machinery and equipment* from 2008/09 onward is directly linked to the filling of vacant posts and the related purchase of office and computer equipment. The increase in the 2011/12 Adjusted Appropriation is in respect of the purchase of furniture and equipment for new appointees.

The amounts from 2008/09 to 2010/11 against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 2: Local Governance

Table 11.20 illustrates the main service delivery measures pertaining to Programme 2: Local Governance. The performance indicator “new” in the 2011/12 Estimated performance illustrates that the indicator did not exist in 2011/12, and that it is a new indicator from 2012/13 onward.

Table 11.20: Service delivery measures – Programme 2: Local Governance

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
1. Municipal Administration						
1.1 To enhance municipal governance by municipalities applying appropriate frameworks, policies and guidelines	<ul style="list-style-type: none"> No. of municipal establishment processes supported No. of municipalities supported with the implementation of municipal turn-around strategy support plans No. of municipalities supported by deploying local administrative and governance experts No. of municipalities supported with functional decision making structures No. of municipalities supported to become compliant with local govt. legislation No. of municipalities supported with implementing municipal govt. and admin. policies, plans and frameworks (skills plans) No. of municipalities supported with implementing the S56 regulations % of municipal governance and admin. matters actioned 	1 36 priority 6 8 new 5 5 100%	1 36 priority 4 10 10 7 5 100%	1 36 priority 4 10 10 8 5 100%	1 36 priority 2 10 10 9 5 100%	
1.2 To improve councillor oversight in 61 municipalities	<ul style="list-style-type: none"> No. of municipalities supported with functional oversight (incl. Municipal Property Assessment Corporation structures and portfolio committees) No. of municipalities supported with functional district IGR structures and systems 	8 4	10 4	10 10	10 Review IGR	
2. Municipal Finance						
2.1 Ensure sound financial management in all 61 municipalities in KZN	<ul style="list-style-type: none"> No. of municipalities that are supported to implement the Operation Clean Audit No. of municipalities that are supported to submit their AFS timeously No. of identified municipalities supported to fully implement simplified revenue plans % of municipalities supported with expenditure management No. of reports submitted on state of municipal finances (S131 of MFMA and S80 of MPRA) 	20 5 - - 2	20 5 3 3 2	20 5 10 10 2	61 5 10 10 2	
2.2 To combat corruption, promote ethics and ensure accountability in all 61 municipalities in KZN by 2014	<ul style="list-style-type: none"> No. of municipalities supported with the implementation of anti-corruption/fraud prevention strategies/plans 	15	15	15	15	
3. Public Participation						
3.1 To provide support to municipal governance structures to improve the participation of communities in decision-making	<ul style="list-style-type: none"> No. of municipalities supported with the preparation, review and implementation of ward committee support plans as per S73(4) of Municipal Structures Act (MSA) No. of citizen satisfaction surveys conducted on municipal public participation processes 	- 2	51 10	51 10	51 10	
3.2 To provide support to municipal governance structures to ensure the collaboration and co-operation of all stakeholders including communities in planning and implementation of service delivery at local level	<ul style="list-style-type: none"> No. of municipalities supported with the development, review and implementation of community participation plan as per chapter 2 and 4 of MSA No. of ward committees supported with the development and review of ward based plans No. of wards supported with the establishment and maintenance of functional war on poverty war rooms 	- - -	61 354 354	61 454 454	61 554 554	
3.3 To ensure that the CWP is strategically positioned to bridge the gap between govt. and communities	<ul style="list-style-type: none"> No. of CWP deployment strategies developed, reviewed and implemented No. of CWP integration strategies developed, reviewed and implemented 	- -	1 1	1 1	1 1	
4. Municipal Performance Monitoring, Reporting and Evaluation						
4.1 Establishment and support of functional municipal organisational performance management systems	<ul style="list-style-type: none"> No. of municipalities supported to develop functional project management systems No. of municipalities supported to develop and submit annual performance reports in terms of S46 of MSA No. of consolidated annual municipal performance reports prepared 	10 10 1	10 10 1	11 20 1	61 31 1	

6.3 Programme 3: Development and Planning

The purpose of this programme is to promote integrated development planning and facilitate the development of credible and simplified IDPs. This programme has been amended for the 2012/13 MTEF to conform to the revised uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector. As a result, the department realigned its expenditure and estimates for comparative purposes. Most of the names of the sub-programmes changed as reflected in Table 11.6.

This programme consists of six sub-programmes in the 2012/13 MTEF, in line with the sector specific budget format, namely: Spatial Planning, Land Use Management, Local Economic Development, Municipal Infrastructure, Disaster Management and IDP Co-ordination. The seventh sub-programme, PPDC was discontinued at the end of 2010/11. Tables 11.21 and 11.22 below illustrate a summary of payments and estimates for 2008/09 to 2014/15 relating to Programme 3.

Table 11.21: Summary of payments and estimates - Programme 3: Development and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Spatial Planning	22 662	10 544	18 445	29 163	23 310	22 706	39 137	40 597	42 190
Land Use Management	15 627	13 623	15 740	18 773	16 853	16 853	21 580	24 982	27 517
Local Economic Development	140 206	187 956	244 860	271 841	220 382	220 382	270 603	284 581	297 202
Municipal Infrastructure	241 481	214 436	130 060	124 661	120 814	120 814	145 266	152 163	160 282
Disaster Management	20 777	22 336	47 802	29 043	39 057	39 057	51 443	47 897	39 743
IDP Co-ordination	14 043	15 032	10 756	18 866	16 374	16 374	24 069	20 875	24 260
PPDC	6 155	5 599	1 413	-	-	-	-	-	-
Total	460 951	469 526	469 076	492 347	436 790	436 186	552 098	571 095	591 194

Table 11.22: Summary of payments and estimates by economic classification - Programme 3: Development and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	148 383	94 380	133 460	485 636	240 494	239 508	543 213	566 390	584 404
Compensation of employees	26 688	30 882	36 381	68 347	48 048	48 009	76 864	86 582	93 315
Goods and services	121 695	63 498	97 079	417 289	192 446	191 499	466 349	479 808	491 089
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	311 318	373 227	335 032	5 511	194 458	194 458	8 000	4 050	6 050
Provinces and municipalities	308 220	370 395	334 522	5 461	194 458	194 458	8 000	4 000	6 000
Departmental agencies and accounts	2 700	2 800	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	398	32	510	50	-	-	-	50	50
Payments for capital assets	728	1 901	479	1 200	1 838	2 220	885	655	740
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	728	1 901	479	1 200	1 838	2 220	885	655	740
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	522	18	105	-	-	-	-	-	-
Total	460 951	469 526	469 076	492 347	436 790	436 186	552 098	571 095	591 194

The decrease in the sub-programme: Spatial Planning in 2009/10 relates to the centralisation of transfer payments to the sub-programme: IDP Co-ordination for the Shared Services model. The increase in 2010/11 is in respect of filling vacant posts that were budgeted for. The 2011/12 Adjusted Appropriation and Revised Estimate decrease due to the fact that the rate of filling vacant posts was slower than anticipated. The 2012/13 MTEF reflects an increase in line with plans to fill vacant posts in terms of the new organisational structure, as well as the carry-through costs of the third phase of the OSD.

The sub-programme: Land Use Management shows a decrease in 2009/10 due to cost-cutting and non-filling of vacant posts. The decrease in the 2011/12 Adjusted Appropriation is a result of delays in the filling of vacant posts. The MTEF allocations take into account the filling of vacant posts, as well as inflationary increases.

The sub-programme: Local Economic Development shows an increase from 2009/10 onward, and this relates to the increase in funding for Corridor Development to strengthen the service centres in the province, as well as the Small Town Rehabilitation Programme responsible for making small towns more attractive for investment. The decrease in the 2011/12 Adjusted Appropriation mainly relates to the reprioritisation of funds to Programme 4 for the induction of new TC and local house members. The increase over the MTEF is in respect of these projects.

The substantial decrease from 2010/11 onward against the sub-programme: Municipal Infrastructure relates to the discontinuation of the soccer stadia funding. A further decrease in the 2011/12 Adjusted Appropriation relates to the reprioritisation of funds to Programme 4 to offset spending pressures relating to the salary adjustments of *Amakhosi*, laptops for 22 *Amakhosi* enrolled in a Leadership Training Programme at the UKZN, etc. The increase over the 2012/13 MTEF can be attributed to the increase in funding for the operation and maintenance programme of existing and new municipal infrastructure such as the Massification Programme, as well as the water purification plant infrastructure project.

The high 2010/11 expenditure under the sub-programme: Disaster Management is largely due to the establishment and operation of the PDMC. The increase in the 2011/12 Adjusted Appropriation relates to the roll-over received in respect of project management fees, as well as the reprioritisation from the sub-programme: IDP Co-ordination in respect of community capacity and awareness campaigns. The allocation in 2012/13 is higher than 2013/14 and 2014/15, as it includes once-off allocation for the establishment of a fully operational PDMC.

The decrease in 2010/11 against the sub-programme: IDP Co-ordination is due to the non-filling of vacant posts. The decrease in the 2011/12 Adjusted Appropriation relates to funds reprioritised to the sub-programme: Disaster Management, as mentioned above. The increase over the MTEF can be attributed to projects such as the Community Participation in IDPs, Development Planning Shared Services and Shared Service Support that will be undertaken.

The sub-programme: PPDC was discontinued in 2010/11 with the implementation of the PDA.

The substantial increase in *Compensation of employees* in the 2011/12 Main Appropriation was to cater for the planned filling of vacant posts, which did not happen, hence the decrease in the 2011/12 Adjusted Appropriation. The 2012/13 MTEF reflects a substantial increase for the filling of vacant posts in terms of the new organisational structure, as well as the carry-through costs of the OSD for technical staff.

The high 2008/09 amount against *Goods and services* was in respect of applications to statutory bodies for the development of land, as required by the PDA, as well as the increase in funding for Corridor Development to strengthen the service centres and provide a sound base for social and economic activities in key centres throughout the province that was undertaken by the department. The increase in the 2011/12 Main Appropriation is due to the fact that the department originally budgets for projects such as the Corridor Development Programme against *Goods and services*, but shifts funds to *Transfers and subsidies to: Provinces and municipalities* in-year after an annual exercise indicates that the municipalities have the necessary capacity to deliver on the particular projects themselves. The decrease from 2009/10 to the 2011/12 Adjusted Appropriation is a result of funds shifted from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities*, for the implementation of the Corridor Development and Small Town Rehabilitation Programmes. The 2012/13 MTEF allocations cater for these projects and will be shifted to *Transfers and subsidies to: Provinces and municipalities* during the Adjustments Estimate as per the department's procedure. This also explains the trend against *Transfers and subsidies to: Provinces and municipalities*.

The amounts in 2008/09 and 2009/10 against *Transfers and subsidies to: Departmental agencies and accounts* relates to the PPDC. The allocation of funds ceased in 2010/11 due to the implementation of the PDA during that year.

The fluctuation against *Transfers and subsidies to: Households* is mainly a result of staff exit costs and staff that were medically boarded. This category is difficult to budget for due to its uncertain nature.

The fluctuations against *Machinery and equipment* from 2008/09 onward are directly linked to the filling of vacant posts and the related purchase of office and computer equipment.

Payments for financial assets reflects the write-off of irrecoverable staff debts that occurred from 2008/09 to 2010/11.

Service delivery measures – Programme 3: Development and Planning

Table 11.23 below illustrates the main service delivery measures pertaining to Programme 3. The performance indicator “new” in the 2011/12 Estimated performance illustrates that the indicator did not exist in 2011/12, and that it is a new indicator from 2012/13 onward.

Table 11.23: Service delivery measures – Programme 3: Development and Planning

Outputs	Performance indicators	Estimated performance			
		2011/12	2012/13	2013/14	2014/15
1. Spatial Planning					
1.1 To provide a provincial spatial development framework for improved and aligned municipal spatial development frameworks and land use management systems, so as to promote orderly development and investment confidence in 61 municipalities	<ul style="list-style-type: none"> No. of municipalities supported to produce legally compliant SDFs No. of municipalities supported with implementing a densification framework No. of reports produced iro SDF compliance (incl SDF alignment with PSEDS) No. of municipalities supported to produce legally compliant schemes No. of reports produced in respect of provincial scheme compliance framework (incl implementation of LUMS) 	6 - 1 6 1	6 2 1 6 1	12 2 1 12 1	12 2 1 12 1
1.2 To provide spatial information management support to province, dept, municipalities and traditional institutions to improve govt. services	<ul style="list-style-type: none"> No. of provincial projects supported with GIS data and mapping No. of development planning shared service maintained with DIS capacity No. of district municipalities and metros supported with the mapping of infrastructure and services backlogs No. of municipalities supported with a business intelligence system linked to spatial mapping 	new 10 new new	3 10 11 10	3 10 11 10	3 10 11 10
2. Land Use Management					
2.1 To implement Planning and Development Act efficiently and effectively in KZN	<ul style="list-style-type: none"> No. of reports produced on the development administration benchmark 	1	1	1	1
2.2 To Implement and monitor effective implementation of provincial norms and standards in development planning applications and approvals	<ul style="list-style-type: none"> No. of provincial norms and standards developed 	3	3	2	2
2.3 To build development planning capacity of municipalities to facilitate improved municipal strategic planning, spatial planning and performance management through the establishment of 10 district-wide development planning shared services	<ul style="list-style-type: none"> No. of municipalities supported by development admin. municipal support prog. 	7	10	8	8
2.4 To support governance institutions toward sustained and accelerated service delivery	<ul style="list-style-type: none"> No. of municipalities supported with the formalisation of settlements 	6	6	6	6
3. Local Economic Development					
3.1 Create decent employment opportunities through municipal LED initiatives in support of Corridor Development prog.	<ul style="list-style-type: none"> No. of new corridor development projects facilitated to attract private sector investments and grow the economy No. of corridor projects supported to successful completion in line with business plan objectives No. of direct employment opportunities secured through corridor projects implementation % counter funding mobilised on corridor development projects in the MTEF cycle budget 	15 10 250 30%	20 10 250 30%	20 10 250 30%	25 10 250 30%

Table 11.23: Service delivery measures – Programme 3: Development and Planning

Outputs		Performance indicators	Estimated performance	Medium-term targets			
			2011/12	2012/13	2013/14	2014/15	
3.2	Support municipal economic development infrastructure through Small Town Rehabilitation	<ul style="list-style-type: none">No. of nodal revitalisation projects successfully packaged and implementedNo. of direct employment opportunities securedNo. of small town rehabilitation projects supported to successful completion in line with business plan objectivesNo. of PSEDS tertiary nodes supported for revitalisationNo. of municipal LED projects packaged and supportedNo. of provincial growth and development summits facilitated	10 200 10 6 11 1	10 200 10 6 11 1	10 200 10 6 11 1	10 200 10 6 11 1	
4	Municipal Infrastructure						
4.1	To manage and co-ordinate municipal infrastructure development through facilitating municipal infrastructure investment planning, infrastructure development prog implementation and appropriate operation and maintenance in 61 municipalities	<ul style="list-style-type: none">No. of district municipalities supported in the development of UAPNo. of municipalities supported in developing infrastructure implementation plans (for water, sanitation, electricity and refuse)	1 23	3 20	1 11	1 -	
4.2	To monitor and evaluate municipal performance in respect of infrastructure development and delivery of basic services	<ul style="list-style-type: none">No. of reports produced on infrastructure development and service delivery (% access and targeted no. of HH and FBS)No. of municipalities supported on MIG implementation (incl expenditure and no. of HH reached)No. of municipalities supported on implementation of the departmental Massification allocationNo. of municipalities supported with operational and maintenance plansNo. of municipalities supported on implementation of the departmental Massification allocation	1 22 13 1 13	1 22 13 2 13	1 22 13 2 13	1 22 13 2 13	
5	Disaster Management						
5.1	To co-ordinate and manage the development and effective functioning of provincial disaster management institutions	<ul style="list-style-type: none">No. of provincial disaster management framework plans developed, implemented and reviewedNo. of provincial disaster management plans developed, implemented and reviewedNo. of provincial disaster management centres established, enhanced and maintainedNo. of municipalities supported with the preparation and review of disaster management plans aligned to IDPsNo. of district disaster management centres supported for effective functionalityNo. of awareness campaigns conductedNo. of municipalities supported in disaster management volunteer prog.No. of provincial fire preparedness reports compiledNo. of people accredited (investigated) in terms of the Fire Brigade Services Act	1 1 1 11 11 4 3 1 5	1 1 1 11 11 4 3 1 10	1 1 1 11 n/a 4 - 1 10	1 1 1 11 n/a 4 - 1 10	
6	IDP Co-ordination						
6.1	To promote improved alignment through implementation of a provincial IDP assessment framework and annual support and assessment plan in order to improve the credibility rating of 61 municipal IDPs and improved service delivery	<ul style="list-style-type: none">No. of provincial IDP management and support plans adoptedNo. of municipal IDPs supported with capacity building initiativesNo. of sector depts supported with IDP capacity building initiativesNo. of reports produced iro IDP credibility frameworkNo. of district supported to maintain planning capacity building in the form of district development planning shared services	1 5 6 1 10	1 5 8 1 10	1 5 8 1 10	1 5 11 1 10	

6.4 Programme 4: Traditional Institutional Management

The purpose of this programme is to promote and facilitate viable and sustainable Traditional Institutions.

This programme has been amended for the 2012/13 MTEF to conform to the revised uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector. As a result, the department has realigned its expenditure and estimates for comparative purposes.

The programme originally consisted of three sub-programmes. However, it now consists of four sub-programmes in the 2012/13 MTEF, in line with the sector specific budget format, namely: Traditional Institutional Administration, Traditional Resource Administration, Rural Development Facilitation and Traditional Land Administration.

Tables 11.24 and 11.25 below illustrate a summary of payments and estimates for 2008/09 to 2014/15 relating to Programme 4.

Table 11.24: Summary of payments and estimates - Programme 4: Traditional Institutional Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Traditional Institutional Administration	95 598	85 898	86 532	96 343	131 380	131 380	96 849	92 397	100 753
Traditional Resource Administration	47 395	43 674	45 702	48 014	67 954	67 954	76 476	81 463	82 829
Rural Development Facilitation	55 989	65 076	33 628	75 995	61 756	61 756	54 588	50 283	57 058
Traditional Land Administration	10 564	10 790	13 179	15 857	16 357	16 357	21 151	21 652	22 684
Total	209 546	205 438	179 041	236 209	277 447	277 447	249 064	245 795	263 324

Table 11.25: Summary of payments and estimates by economic classification - Programme 4: Traditional Institutional Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	180 685	202 772	153 612	214 198	220 288	220 288	208 372	211 030	222 594
Compensation of employees	72 424	87 827	93 813	110 502	112 373	112 373	131 047	136 543	146 353
Goods and services	108 261	114 945	59 799	103 696	107 915	107 915	77 325	74 487	76 241
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	22 786	1 104	930	11 860	21 205	21 205	7 284	8 955	17 910
Provinces and municipalities	-	-	148	11 500	20 750	20 750	6 900	8 595	17 500
Departmental agencies and accounts	21 000	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 786	1 104	782	360	455	455	384	360	410
Payments for capital assets	5 544	1 347	24 453	10 151	35 954	35 954	33 408	25 810	22 820
Buildings and other fixed structures	-	-	23 788	6 000	28 150	28 150	26 948	20 250	20 750
Machinery and equipment	5 544	1 347	665	4 151	7 804	7 804	6 460	5 560	2 070
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	531	215	46	-	-	-	-	-	-
Total	209 546	205 438	179 041	236 209	277 447	277 447	249 064	245 795	263 324

The sub-programme: Traditional Institutional Administration shows a decrease in 2009/10 due to the non-filling of vacant posts. The slight increase from 2010/11 onward is mainly due to inflationary increases. The increase in the 2011/12 Adjusted Appropriation relates to the establishment of the Provincial Committee on Traditional Leadership Disputes and Claims Commission to deal with distortions and misrepresentation of *Ubukhosi* (kingship) in the province. The slight increase over the 2012/13 MTEF in comparison to the 2011/12 Main Appropriation is mainly due to inflationary increments.

The decrease against the sub-programme: Traditional Resource Administration in 2009/10 was due to cost-cutting. The slight increase in 2010/11 and in the 2011/12 Main Appropriation is attributed to inflationary increments for the construction of *Imizi Yesizwe* (houses for *Amakhosi*). The increase in the 2011/12 Adjusted Appropriation and over the MTEF is due to the increase in the demand for the construction *Imizi Yesizwe* and the refurbishment of TACs.

The sub-programme: Rural Development Facilitation shows a decrease in 2010/11 as a result of a number of TSCs that were completed in 2009/10. The increase in the 2011/12 Main Appropriation relates to the establishment of TSCs, as well as the filling of vacant posts. The decrease in the 2011/12 Adjusted Appropriation is mainly attributed to the movement of the *ondlunkulu* programme to the sub-programme: Traditional Resource Administration for better administration, as well as non-filling of vacant posts. The decrease over the MTEF is largely due to the completion of TSCs in 2011/12, many of which are in the close-out phase.

The sub-programme: Traditional Land Administration shows a steady increase over the seven years. The slight increase in the 2011/12 Adjusted Appropriation is in respect of laptops for 22 *Amakhosi* enrolled in a leadership training programme at UKZN and the purchase of furniture and equipment for new appointments. The increase over the 2012/13 MTEF is to cater for the planned filling of vacant posts.

Compensation of employees reflects a steady increase from 2008/09 onward due to the filling of posts, as well as the annual salary adjustments. The slight increase in the 2011/12 Adjusted Appropriation and over the MTEF is in respect of the salary adjustment of *Amakhosi* and the appointment of commissioners and staff for the Dispute Commission to deal with distortions and misrepresentation of *Ubukhosi*.

The decrease against *Goods and services* in 2010/11 can be attributed to the re-classification of infrastructure spending to *Buildings and other fixed structures*, as per the A-G's recommendation. The increase in the 2011/12 Adjusted Appropriation is in respect of the induction of new TCs and local house members, the provision of tools of trade for the Chair and Deputy Chair of the Provincial House and office furniture for TACs. The decrease over the MTEF relates largely to the completion of LED projects in 2011/12.

The amount in the 2011/12 Main Appropriation against *Transfers and subsidies to: Provinces and municipalities* relates to the operational support for the TSCs in the Abaqulusi Municipality for the establishment of a TSC. The increase in the 2011/12 Adjusted Appropriation is in respect of the construction of TSCs, operational support of TSCs, and provisional security at MPCCs. The support toward municipalities in 2012/13 and 2013/14 decreases, as many of the TSCs have been established. The high amount in 2014/15 is provision made for community development projects and operational support for TSCs. The allocations over the MTEF will be reviewed in future MTEFs.

The spending against *Transfers and subsidies to: Departmental agencies and accounts* in 2008/09 relates to funds transferred to the Department of Human Settlements for the building of the *Imizi Yesizwe*. As mentioned before, after a review into the delivery of houses, the department decided to cease the transfer to Human Settlements.

The fluctuations against *Transfers and subsidies to: Households* is mainly a result of staff exit costs, which are difficult to budget for due to their uncertain nature.

There was no spending against *Buildings and other fixed structures* in 2008/09 and 2009/10 due to the discontinuation of the *Imizi Yesizwe*. The project resumed in 2010/11, hence the amount reflected in that year. As explained previously, the 2011/12 Adjusted Appropriation increased as a result of the re-classification of infrastructure expenditure from *Goods and services* to *Buildings and other fixed structures*. This has been carried over to the 2012/13 MTEF.

The expenditure and budget against *Machinery and equipment* from 2008/09 onward is directly linked to the filling of vacant posts and the related purchase of office and computer equipment.

Payments for financial assets relates to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 4: Traditional Institutional Management

Table 11.26 below illustrates the main service delivery measures pertaining to Programme 4.

The performance indicator “new” in the 2011/12 Estimated performance illustrates that the indicator did not exist in 2011/12, and that it is a new indicator from 2012/13 onward.

Table 11.26: Service delivery measures – Programme 4: Traditional Institutional Management

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2011/12	2012/13	2013/14	2014/15
1. Traditional Institutional Administration						
1.1	To implement financial management tools aimed at improving financial management of traditional institutions	<ul style="list-style-type: none">No. of TAC asset inventories compiled and updated	257	257	257	257
1.2	To implement practice notes and policy on collection of taxes and levies to enhance financial accountability in traditional institutions	<ul style="list-style-type: none">No. of TCs supported to implement the financial management practice notes	99	130	130	130
		<ul style="list-style-type: none">No. of consolidated reports submitted on financial statements for TCs	1	1	1	1
		<ul style="list-style-type: none">No. of bills on traditional governance piloted through legislature	1 bill developed and submitted to Legislature	Bill finalised and implementation plan developed	Legislation implemented	Legislation implemented review
		<ul style="list-style-type: none">No. of governance manuals and policies developed and implemented	-	2	1	1
		<ul style="list-style-type: none">No. of municipal councils with senior traditional leaders represented (S81 of MSA)	-	20	20	20
		<ul style="list-style-type: none">No. of committees maintained and supported to deal with claims and disputes	1 Provincial Committee of Commission formed	1 Provincial Committee of Commission supported	1 Provincial Committee of Commission supported	1 Provincial Committee of Commission supported
1.3	To transform the TCs in compliance with the KZN Traditional Leadership and Governance	<ul style="list-style-type: none">No. of processes concluded to reconstitute TC	1	1 partial process to cover rest of areas	-	-
1.4	To formalise and strengthen synergistic partnerships between local houses and district municipalities	<ul style="list-style-type: none">No. of synergistic partnerships formalised	1	3	3	3
		<ul style="list-style-type: none">No. of Joint Co-ordinating Committees (JCCs) established	1	3	3	3
		<ul style="list-style-type: none">No. of JCCs provided with orientation workshops	new	3	3	3
		<ul style="list-style-type: none">No. of JCCs benefiting from capacity building progs implemented	1	2	3	4
		<ul style="list-style-type: none">No. of functional JCCs	1	2	4	7
		<ul style="list-style-type: none">No. of functional pilot JCCs	new	5	5	5
		<ul style="list-style-type: none">No. of provincial synergistic partnership summits conducted	-	1	-	1
1.5	To facilitate the participation of traditional leaders in municipal councils in terms of S81 of MSA	<ul style="list-style-type: none">No. of frameworks for participation developed, implemented and reviewed	new	1 framework developed and implemented	1 framework implemented	1 framework reviewed
		<ul style="list-style-type: none">No. of municipalities prepared for the participating of traditional leaders in municipal councils	new	3	2	3
2. Traditional Resource Administration						
2.1	To develop and implement a skills capacity building prog. for traditional institutions	<ul style="list-style-type: none">No. of capacity building progs. implemented for the Amakhosi and TC secretaries	1	1	1	1
		<ul style="list-style-type: none">No. of Amakhosi undertaking the leadership prog.	30	22	22	22
2.2	Develop and co-ordinate ondlunkulu prog.	<ul style="list-style-type: none">No. of capacity building progs. developed for ondlunkulu	1	1	1	1
		<ul style="list-style-type: none">No. of ondlunkulu undertaking the development prog.	-	20	20	20
		<ul style="list-style-type: none">No. of co-operatives established	11	11	11	11
2.3	Facilitate the provision of infrastructural support to the traditional institutions	<ul style="list-style-type: none">No. of TACs provided with office equipment	20	20	20	20
		<ul style="list-style-type: none">No. of Imizi Yesizwe constructed	4	4	4	4
2.4	To enhance functionality of provincial, local houses and TCs	<ul style="list-style-type: none">No. of district houses benefitting from training/ capacity building progs.	11	11	11	11
		<ul style="list-style-type: none">No. of studies completed on rural projects feasibility	new	1	n/a	n/a
2.5	To develop and implement a skills capacity building prog. for traditional institutions	<ul style="list-style-type: none">No. of dispute resolution and conflict management framework developed	1 framework implemented	framework reviewed	framework reviewed	framework reviewed
		<ul style="list-style-type: none">Electronic database on Ubukhosi and Izinduna and disputes and conflicts developed and maintained	Database developed	Database maintained	Data base maintained	Data base maintained
3. Rural Development Facilitation						
3.1	To support municipalities with the establishment of TSCs within previously disadvantaged communities	<ul style="list-style-type: none">No. of TSCs constructed	1	1	1	1
		<ul style="list-style-type: none">No. of municipalities given TSC operational support	10	5	4	4
		<ul style="list-style-type: none">No. of community service centre frameworks developed, implemented and reviewed	1 draft framework developed	1 framework implemented	n/a	1 framework reviewed

Table 11.26: Service delivery measures – Programme 4: Traditional Institutional Management

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
3.2	To support traditional institutions with the establishment of conducive working headquarters and official residences	• No. of TACs refurbished and maintained	42	22	75	20
		• No. of TACs constructed	1	1	1	1
		• No. of TACs constructed	1	1	n/a	n/a
		• No. of TACs linked to govt. services	10	10	10	10
		• No. of employment opportunities created	380	550	200	160
3.3	To support rural development in KZN in line with the national comprehensive rural development prog. and the provincial integrated rural development strategy	• No. of provincial CWP plans developed and implemented	-	1 CWP plan reviewed	n/a	n/a
		• No. of municipalities supported with implementation of CWP in at least 2 wards per municipality	11	11	51	51
		• No. of work opportunities created through CWP	9 400	11 500	51 000	55 000
		• No. of municipalities assisted in developing functional co-operatives at ward level	8	9	10	11
		• No. of municipalities supported with community development interventions	3	3	5	7
		• No. of municipalities with completed community development projects	new	3	3	5
4. Traditional Land Administration						
4.1	To enhance traditional institutional governance by supporting traditional institutions in the application of appropriate legislation, policies and frameworks	• No. of TCs capacitated and supported with alignment of land allocation processes to municipal LUMs	251	263	286	300
		• No. of land rights applications processed and demarcated for various developments in communal land	1 600	1 600	1 600	1 600
		• No. of land boundary disputes resolved	44 TC boundary disputes resolved	24 TC boundary disputes resolved	32 TC boundary disputes resolved	22 TC boundary disputes resolved
		• No. of TCs supported with establishment and maintenance of land database	232	250	280	300

7. Other programme information

7.1 Personnel numbers and costs

Table 11.27 below illustrates the personnel estimates pertaining to the department at a programme level.

Table 11.27: Personnel numbers and costs per programme

	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
Personnel numbers							
1. Administration	391	389	401	451	462	480	479
2. Local Governance	460	448	441	517	504	506	530
3. Development and Planning	87	88	120	193	231	247	256
4. Traditional Institutional Management	260	244	241	361	364	364	364
Total	1 198	1 169	1 203	1 522	1 561	1 597	1 629
Total personnel cost (R thousand)	231 651	263 517	293 722	356 181	449 340	492 585	541 619
Unit cost (R thousand)	193	225	244	234	288	308	332

The personnel numbers reflect an increase from 31 March 2011 onward, which is largely attributed to the planned filling of vacant posts. Three employment agencies were appointed in 2011/12 to assist in the recruitment and selection process and it is anticipated that this will greatly improve the rate at which vacant posts are filled. The appointment of three recruitment agencies is to accelerate the recruitment process in the department.

There is a general increase in the total personnel cost over the period 31 March 2009 to 31 March 2015, which relates to the anticipated filling of posts according to the new organisational structure, the implementation of OSD and annual salary increases.

Table 11.28 below summarises the numbers and costs related to various components and categories of workers in the department. Contract workers are employed to manage various special projects. The department aims to achieve the required capacity to support municipalities to meet their service delivery mandate and to create high levels of efficiency. The departmental head count shows a steady increase over the 2011/12 Main Appropriation, as it anticipated that most vacant posts will be filled. The use of contract appointments will therefore be minimised.

Table 11.28: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Total for department									
Personnel numbers (head count)	1 198	1 169	1 203	1 553	1 553	1 522	1 561	1 597	1 629
Personnel cost (R thousand)	231 651	263 517	293 722	406 299	355 734	356 181	449 340	492 585	541 619
Human resources component									
Personnel numbers (head count)	54	42	147	60	60	109	109	109	109
Personnel cost (R thousand)	14 897	7 944	8 620	18 697	18 697	18 697	19 862	20 965	21 302
Head count as % of total for department	4.51	3.59	12.22	3.86	3.86	7.16	6.98	6.83	6.69
Personnel cost as % of total for department	6.43	3.01	2.93	4.60	5.26	5.25	4.42	4.26	3.93
Finance component									
Personnel numbers (head count)	104	71	92	137	137	102	108	117	117
Personnel cost (R thousand)	22 943	15 382	19 728	24 272	24 272	24 272	28 763	31 325	34 296
Head count as % of total for department	8.68	6.07	7.65	8.82	8.82	6.70	6.92	7.33	7.18
Personnel cost as % of total for department	9.90	5.84	6.72	5.97	6.82	6.81	6.40	6.36	6.33
Full time workers									
Personnel numbers (head count)	1 198	1 126	1 116	1 505	1 505	1 442	1 530	1 569	1 601
Personnel cost (R thousand)	231 651	259 423	284 244	398 712	348 147	341 792	441 059	484 676	533 121
Head count as % of total for department	100.00	96.32	92.77	96.91	96.91	94.74	98.01	98.25	98.28
Personnel cost as % of total for department	100.00	98.45	96.77	98.13	97.87	95.96	98.16	98.39	98.43
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	-	43	87	48	48	80	31	28	28
Personnel cost (R thousand)	-	4 094	9 478	7 587	7 587	14 389	8 281	7 909	8 498
Head count as % of total for department	-	4	7	3	3	5	2	2	2
Personnel cost as % of total for department	-	2	3	2	2	4	2	2	2

7.2 Training

Tables 11.29 and 11.30 below reflect departmental training expenditure pertaining to the department per programme for the period under review.

Table 11.29: Payments and estimates on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
R thousand									
1. Administration	1 887	2 055	2 249	2 500	1 115	714	600	750	750
2. Local Governance									
3. Development and Planning									
4. Traditional Institutional Management									
Total	1 887	2 055	2 249	2 500	1 115	714	600	750	750

The training budget is centralised under Programme 1: Administration against the sub-programme: Corporate Services, which aims to facilitate the management of all training undertaken in the department and ensuring that training is obtained from accredited training institutions.

The training budget increased from 2009/10 onward, as more capacity building programmes were implemented in the department. The decrease in the 2011/12 Adjusted Appropriation is due to the fact that the Human Capital Development component did not have the capacity to manage all the planned training for the year. The decrease over the 2012/13 MTEF relates to the reprioritisation of the budget due to a review of the staff training needs. The budgeted amounts over the 2012/13 MTEF are lower than 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 training needs will be reviewed to address the shortfall.

Table 11.30 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

Table 11.30: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Number of staff	1 198	1 169	1 203	1 553	1 553	1 522	1 561	1 597	1 629
Number of personnel trained	303	531	563	602	1 019	1 019	351	351	351
of which									
Male	127	214	237	272	366	366	186	186	186
Female	176	317	326	330	653	653	165	165	165
Number of training opportunities	303	592	592	602	1 019	1 019	301	301	301
of which									
Tertiary	23	4	4	2	4	4	2	2	2
Workshops	4	12	12	12	10	10	10	10	10
Seminars	38	13	13	10	31	31	8	8	8
Other	238	563	563	578	974	974	281	281	281
Number of bursaries offered	40	53	53	53	185	185	140	140	140
External	18	16	16	16	46	46	38	38	38
Internal	22	37	37	37	139	139	102	102	102
Number of interns appointed	44	-	111	60	128	128	80	80	80
Number of learnerships appointed	13	13	13	13	-	-	-	-	-
Number of days spent on training	140	-	140	140	140	140	70	70	70

ANNEXURE – VOTE 11: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Table 11.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	1 012	927	1 089	883	883	1 266	1 353	1 414	1 492
Sale of goods and services produced by dept. (excl. capital assets)	1 012	927	1 088	883	883	1 266	1 353	1 414	1 492
Sales by market establishments									
Administrative fees									
Other sales	1 012	927	1 088	883	883	1 266	1 353	1 414	1 492
Of which									
Rent for parking	191	71	72	144	144	84	95	100	105
Housing rent recoveries	286	596	737	239	239	894	900	930	980
Transport of officers									
Other	535	260	279	500	500	288	358	384	407
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	1	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land	931	1 089	389	600	600	22	30	45	55
Interest	931	1 089	389	600	600	22	30	45	55
Dividends									
Rent on land									
Sale of capital assets	-	2 498	2 229	-	-	-	620	641	669
Land and subsoil assets									
Other capital assets	-	2 498	2 229	-	-	-	620	641	669
Transactions in financial assets and liabilities	8 927	976	1 915	600	600	410	700	738	779
Total	10 870	5 490	5 622	2 083	2 083	1 698	2 703	2 838	2 995

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

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	602 459	558 780	586 678	1 102 238	853 250	852 776	1 152 655	1 217 052	1 285 572
Compensation of employees	231 651	263 517	293 722	406 299	355 734	356 181	449 340	492 585	541 619
Salaries and wages	202 584	230 364	257 931	358 619	313 321	313 746	394 949	433 133	476 962
Social contributions	29 067	33 153	35 791	47 680	42 413	42 435	54 391	59 452	64 657
Goods and services	370 808	295 263	292 956	695 939	497 516	496 595	703 315	724 467	743 953
of which									
Administrative fees	3 350	4 484	939	26	168	75	2	2	2
Advertising	12 401	7 037	4 690	3 485	8 800	9 513	3 428	3 410	3 062
Assets <R5000	8 316	3 643	9 355	7 906	9 143	7 088	8 202	4 850	5 066
Audit cost: External	4 117	5 133	4 913	7 404	8 404	7 826	5 374	5 894	6 722
Bursaries (employees)	563	665	618	630	630	1 030	700	800	900
Catering: Departmental activities	9 625	3 960	1 777	2 549	2 994	3 151	2 016	2 121	2 279
Communication	5 342	5 159	6 193	6 453	6 735	6 719	5 921	6 446	6 775
Computer services	10 954	5 967	11 832	8 459	16 906	15 978	9 974	9 755	10 310
Cons/prof: Business & advisory services	176 112	148 351	132 983	541 996	249 748	250 482	527 116	555 429	563 314
Cons/prof: Infrastructure & planning	1 884	4	-	3 100	-	-	500	500	500
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	5 555	4 672	5 302	3 700	7 681	8 260	3 200	3 310	3 320
Contractors	12 888	6 853	11 005	5 699	50 717	51 025	12 163	12 270	12 226
Agency & support/outourced services	3 292	7 288	4 106	2 456	8 494	8 460	5 335	4 006	7 904
Entertainment	3	9	14	46	2	4	40	42	45
Fleet services (incl. GMT)	7 547	5 941	4 958	5 839	6 810	6 810	5 920	6 127	6 250
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	337	115	150	268	269	272	329	351	375
Inventory: Fuel, oil and gas	5	2	1	3	121	111	2	2	2
Inventory: Learner and teacher supp material	286	67	5	16	27	31	24	24	24
Inventory: Materials and supplies	170	114	80	98	87	87	67	56	56
Inventory: Medical supplies	220	216	-	-	-	-	1	1	1
Inventory: Medicine	-	-	235	243	242	242	256	267	271
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	1 053	469	393	480	1 017	1 031	841	728	634
Inventory: Stationery and printing	6 422	4 014	3 879	6 325	6 701	6 954	6 854	6 213	6 504
Lease payments	11 331	13 201	17 288	16 655	19 265	19 195	20 607	22 323	23 449
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	9 127	8 653	10 525	10 025	14 519	14 377	14 457	12 985	13 610
Transport provided: Departmental activity	2 426	822	114	100	840	840	300	125	130
Travel and subsistence	36 427	31 780	29 802	35 101	41 324	41 004	38 964	41 461	41 056
Training and development	1 887	2 055	2 249	2 500	1 115	714	600	750	750
Operating expenditure	23 155	21 040	27 094	21 767	29 680	30 220	28 710	22 625	26 823
Venues and facilities	16 013	3 549	2 456	2 610	5 077	5 096	1 412	1 594	1 593
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	399 049	445 213	398 590	18 566	246 937	246 938	17 480	14 707	25 770
Provinces and municipalities	369 987	438 911	394 926	16 961	240 693	240 693	15 140	12 845	23 760
Provinces	41	108	113	-	165	165	240	250	260
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	41	108	113	-	165	165	240	250	260
Municipalities	369 946	438 803	394 813	16 961	240 528	240 528	14 900	12 595	23 500
Municipalities	369 946	438 803	394 813	16 961	240 528	240 528	14 900	12 595	23 500
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	23 700	2 800	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	23 700	2 800	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 362	3 502	3 664	1 605	6 244	6 245	2 340	1 862	2 010
Social benefits	4 824	2 374	2 456	660	4 621	4 622	1 238	662	810
Other transfers to households	538	1 128	1 208	945	1 623	1 623	1 102	1 200	1 200
Payments for capital assets	16 181	18 134	28 259	17 485	55 808	56 281	37 868	30 708	26 631
Buildings and other fixed structures	-	7 980	23 788	6 000	28 150	28 150	26 948	20 250	20 750
Buildings	-	7 980	23 788	6 000	28 150	28 150	26 948	20 250	20 750
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	16 181	10 138	4 461	11 485	27 658	28 131	10 920	10 458	5 881
Transport equipment	7 140	4 716	1 433	3 200	6 025	6 025	-	2 310	2 000
Other machinery and equipment	9 041	5 422	3 028	8 285	21 633	22 106	10 920	8 148	3 881
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	16	10	-	-	-	-	-	-
Payments for financial assets	2 983	1 293	865	-	-	-	-	-	-
Total	1 020 672	1 023 420	1 014 392	1 138 289	1 155 995	1 155 995	1 208 003	1 262 467	1 337 973

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	162 220	158 766	177 023	206 117	235 422	235 331	226 114	239 853	258 899
Compensation of employees	53 149	68 823	77 052	111 464	91 391	91 277	122 601	137 273	154 117
Salaries and wages	45 814	59 244	67 171	97 077	80 181	80 067	107 776	120 615	135 947
Social contributions	7 335	9 579	9 881	14 387	11 210	11 210	14 825	16 658	18 170
Goods and services	109 071	89 943	99 971	94 653	144 031	144 054	103 513	102 580	104 782
of which									
Administrative fees	3 294	4 481	312	24	-	-	-	-	-
Advertising	7 968	4 848	4 304	2 307	6 731	6 731	2 635	2 571	2 207
Assets <R5000	383	498	198	319	595	611	505	283	73
Audit cost: External	4 117	5 133	4 913	7 404	8 404	7 826	5 374	5 894	6 722
Bursaries (employees)	563	665	618	630	630	1 030	700	800	900
Catering: Departmental activities	685	311	260	146	346	385	194	203	213
Communication	3 991	3 703	4 243	4 211	4 679	4 677	3 584	3 812	4 092
Computer services	9 393	5 871	11 353	7 809	12 616	12 616	9 374	9 105	9 660
Cons/prof: Business & advisory services	26 352	19 830	25 075	23 312	23 184	25 854	20 184	22 008	20 622
Cons/prof: Infrastructure & planning	-	4	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	3 285	3 339	4 358	3 450	6 568	7 147	2 200	2 310	2 320
Contractors	3 682	1 286	1 503	2 017	32 006	29 295	1 447	1 569	1 525
Agency & support/outsourced services	3 216	3 034	2 339	456	831	843	3 356	417	426
Entertainment	3	6	14	46	-	-	30	32	34
Fleet services (incl. GMT)	7 547	5 940	4 958	5 839	6 810	6 810	5 920	6 127	6 250
Housing									
Inventory: Food and food supplies	87	72	87	118	143	143	151	160	170
Inventory: Fuel, oil and gas	-	2	1	3	1	1	2	2	2
Inventory: Learner and teacher supp material	177	23	-	4	12	16	15	15	15
Inventory: Materials and supplies	157	92	43	76	44	40	40	40	40
Inventory: Medical supplies	218	217	-	-	-	-	1	1	1
Inventory: Medicine	-	-	234	242	242	242	255	266	270
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	187	292	322	300	498	498	427	444	364
Inventory: Stationery and printing	4 197	2 834	2 899	4 734	5 093	5 093	4 384	3 471	3 606
Lease payments	7 578	8 849	10 055	9 904	11 516	11 516	16 735	18 225	19 216
Rental and hiring									
Property payments	7 569	6 644	7 513	7 119	11 777	11 573	13 537	12 050	12 796
Transport provided: Departmental activity	42	445	8	100	-	-	-	-	-
Travel and subsistence	9 246	8 412	11 138	10 577	8 363	8 367	9 992	10 432	10 972
Training and development	1 887	2 055	2 249	2 500	1 115	714	600	750	750
Operating expenditure	1 669	446	880	506	1 593	1 792	1 619	1 329	1 260
Venues and facilities	1 578	611	94	500	234	234	252	264	276
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	1 071	1 978	2 029	945	5 526	5 526	1 446	1 602	1 660
Provinces and municipalities	41	108	113	-	165	165	240	250	260
Provinces	41	108	113	-	165	165	240	250	260
Provincial Revenue Funds									
Provincial agencies and funds	41	108	113	-	165	165	240	250	260
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	1 030	1 870	1 916	945	5 361	5 361	1 206	1 352	1 400
Social benefits	573	742	708	-	3 738	3 738	104	152	200
Other transfers to households	457	1 128	1 208	945	1 623	1 623	1 102	1 200	1 200
Payments for capital assets	9 001	14 741	2 996	4 626	14 833	14 924	2 169	2 998	2 295
Buildings and other fixed structures	-	7 980	-	-	-	-	-	-	-
Buildings	-	7 980	-	-	-	-	-	-	-
Other fixed structures									
Machinery and equipment	9 001	6 745	2 986	4 626	14 833	14 924	2 169	2 998	2 295
Transport equipment	7 140	4 716	1 433	3 200	5 315	5 315	-	2 310	2 000
Other machinery and equipment	1 861	2 029	1 553	1 426	9 518	9 609	2 169	688	295
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	16	10	-	-	-	-	-	-
Payments for financial assets	1 557	280	659	-	-	-	-	-	-
Total	173 849	175 765	182 707	211 688	255 781	255 781	229 729	244 453	262 854

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	111 171	102 862	122 583	196 287	157 046	157 649	174 956	199 779	219 675
Compensation of employees	79 390	75 985	86 476	115 986	103 922	104 522	118 828	132 187	147 834
Salaries and wages	67 037	63 324	72 226	100 372	87 618	88 187	100 247	112 031	125 573
Social contributions	12 353	12 661	14 250	15 614	16 304	16 335	18 581	20 156	22 261
Goods and services	31 781	26 877	36 107	80 301	53 124	53 127	56 128	67 592	71 841
of which									
Administrative fees									
Advertising	531	70	147	620	239	258	493	519	548
Assets <R5000	207	10	12	442	431	415	380	200	427
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	284	194	408	40	669	750	75	86	96
Communication	279	187	129	283	182	185	260	308	299
Computer services	-	1	-	-	3	3	-	-	-
Cons/prof: Business & advisory services	19 800	20 085	29 150	70 335	37 023	34 718	44 421	55 595	61 750
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	151	-	-	-	-	-	-	-	-
Contractors	553	160	72	58	53	2 272	59	37	42
Agency & support/outsourced services	26	71	29	-	3 471	3 529	-	-	-
Entertainment	-	-	-	-	-	2	-	-	-
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	18	7	7	43	17	15	31	38	42
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	28	15	4	6	7	7	6	-	-
Inventory: Materials and supplies	1	-	-	12	4	7	17	10	10
Inventory: Medical supplies	2	(1)	-	-	-	-	-	-	-
Inventory: Medicine	-	-	1	1	-	-	1	1	1
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	30	2	3	-	187	187	-	-	-
Inventory: Stationery and printing	1 109	207	248	502	580	612	662	743	746
Lease payments	122	274	381	368	392	406	433	464	493
Rental and hiring									
Property payments	165	45	10	201	-	-	-	-	-
Transport provided: Departmental activity	717	317	106	-	828	828	300	125	130
Travel and subsistence	5 458	3 537	3 296	5 120	5 984	5 873	6 246	7 188	4 447
Training and development									
Operating expenditure	487	385	722	670	1 647	1 660	1 994	1 428	1 963
Venues and facilities	1 813	1 311	1 382	1 600	1 407	1 400	750	850	847
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	63 874	68 904	60 599	250	25 748	25 749	750	100	150
Provinces and municipalities	61 726	68 408	60 143	-	25 320	25 320	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	61 726	68 408	60 143	-	25 320	25 320	-	-	-
Municipalities	61 726	68 408	60 143	-	25 320	25 320	-	-	-
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	2 148	496	456	250	428	429	750	100	150
Social benefits	2 148	496	456	250	428	429	750	100	150
Other transfers to households									
Payments for capital assets	908	145	331	1 508	3 183	3 183	1 406	1 245	776
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	908	145	331	1 508	3 183	3 183	1 406	1 245	776
Transport equipment									
Other machinery and equipment	908	145	331	1 508	3 183	3 183	1 406	1 245	776
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	373	780	55	-	-	-	-	-	-
Total	176 326	172 691	183 568	198 045	185 977	186 581	177 112	201 124	220 601

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	148 383	94 380	133 460	485 636	240 494	239 508	543 213	566 390	584 404
Compensation of employees	26 688	30 882	36 381	68 347	48 048	48 009	76 864	86 582	93 315
Salaries and wages	23 194	27 085	32 384	60 670	42 922	42 885	68 168	77 106	83 184
Social contributions	3 494	3 797	3 997	7 677	5 126	5 124	8 696	9 476	10 131
Goods and services	121 695	63 498	97 079	417 289	192 446	191 499	466 349	479 808	491 089
of which									
Administrative fees	56	3	591	2	167	74	2	2	2
Advertising	1 393	624	178	220	405	430	250	270	257
Assets <R5000	3 879	2 349	8 916	7 040	7 710	5 615	7 010	4 146	4 365
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	219	180	288	263	227	264	187	205	206
Communication	64	53	365	459	296	279	424	457	482
Computer services	568	10	441	590	3 226	2 298	-	-	-
Cons/prof: Business & advisory services	102 472	48 971	71 847	397 379	162 654	164 094	445 621	460 036	466 402
Cons/prof: Infrastructure & planning	1 884	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services									
Cons/prof: Legal cost	-	35	264	-	-	-	-	-	-
Contractors	418	138	3 450	88	2 426	2 987	90	95	96
Agency & support/outsourced services	22	4 011	1 578	2 000	4 000	3 896	1 979	3 589	7 478
Entertainment	-	-	-	-	2	2	-	-	-
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	224	29	29	39	42	46	64	69	75
Inventory: Fuel, oil and gas	-	-	-	-	120	110	-	-	-
Inventory: Learner and teacher supp material	70	29	1	6	8	8	3	9	9
Inventory: Materials and supplies	4	2	8	3	10	11	1	2	2
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	532	6	2	8	46	46	194	66	70
Inventory: Stationery and printing	386	639	297	598	478	677	1 002	1 058	1 202
Lease payments	334	477	606	684	778	742	981	1 022	1 063
Rental and hiring									
Property payments	386	271	890	699	32	32	500	500	500
Transport provided: Departmental activity	538	-	-	-	12	12	-	-	-
Travel and subsistence	6 506	4 997	5 007	6 160	5 737	5 670	6 348	6 430	6 896
Training and development									
Operating expenditure	159	126	1 483	591	1 908	2 018	1 353	1 452	1 524
Venues and facilities	1 581	548	838	460	2 162	2 188	340	400	460
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	311 318	373 227	335 032	5 511	194 458	194 458	8 000	4 050	6 050
Provinces and municipalities	308 220	370 395	334 522	5 461	194 458	194 458	8 000	4 000	6 000
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	308 220	370 395	334 522	5 461	194 458	194 458	8 000	4 000	6 000
Municipalities	308 220	370 395	334 522	5 461	194 458	194 458	8 000	4 000	6 000
Municipal agencies and funds									
Departmental agencies and accounts	2 700	2 800	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds	2 700	2 800	-	-	-	-	-	-	-
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	398	32	510	50	-	-	-	50	50
Social benefits	398	32	510	50	-	-	-	50	50
Other transfers to households									
Payments for capital assets	728	1 901	479	1 200	1 838	2 220	885	655	740
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	728	1 901	479	1 200	1 838	2 220	885	655	740
Transport equipment									
Other machinery and equipment	728	1 901	479	1 200	1 838	2 220	885	655	740
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	522	18	105	-	-	-	-	-	-
Total	460 951	469 526	469 076	492 347	436 790	436 186	552 098	571 095	591 194

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	180 685	202 772	153 612	214 198	220 288	220 288	208 372	211 030	222 594
Compensation of employees	72 424	87 827	93 813	110 502	112 373	112 373	131 047	136 543	146 353
Salaries and wages	66 539	80 711	86 150	100 500	102 600	102 607	118 758	123 381	132 258
Social contributions	5 885	7 116	7 663	10 002	9 773	9 766	12 289	13 162	14 095
Goods and services	108 261	114 945	59 799	103 696	107 915	107 915	77 325	74 487	76 241
of which									
Administrative fees	-	-	36	-	1	1	-	-	-
Advertising	2 509	1 495	61	338	1 425	2 094	50	50	50
Assets <R5000	3 847	786	229	105	407	447	307	221	201
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	8 437	3 275	821	2 100	1 752	1 752	1 560	1 627	1 764
Communication	1 008	1 216	1 456	1 500	1 578	1 578	1 653	1 869	1 902
Computer services	993	85	38	60	1 061	1 061	600	650	650
Cons/prof: Business & advisory services	27 488	59 465	6 911	50 970	26 887	25 816	16 890	17 790	14 540
Cons/prof: Infrastructure & planning	-	-	-	3 100	-	-	500	500	500
Cons/prof: Laboratory services									
Cons/prof: Legal cost	2 119	1 298	680	250	1 113	1 113	1 000	1 000	1 000
Contractors	8 235	5 269	5 980	3 536	16 232	16 471	10 567	10 569	10 563
Agency & support/outsourced services	28	172	160	-	192	192	-	-	-
Entertainment	-	3	-	-	-	-	10	10	11
Fleet services (incl. GMT)	-	1	-	-	-	-	-	-	-
Housing									
Inventory: Food and food supplies	8	7	27	68	67	68	83	84	88
Inventory: Fuel, oil and gas	5	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	11	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	8	20	29	7	29	29	9	4	4
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	304	169	66	172	286	300	220	218	200
Inventory: Stationery and printing	730	334	435	491	550	572	806	941	950
Lease payments	3 297	3 601	6 246	5 699	6 579	6 531	2 458	2 612	2 677
Rental and hiring									
Property payments	1 007	1 693	2 112	2 006	2 710	2 772	420	435	314
Transport provided: Departmental activity	1 129	60	-	-	-	-	-	-	-
Travel and subsistence	15 217	14 834	10 361	13 244	21 240	21 094	16 378	17 411	18 741
Training and development									
Operating expenditure	20 840	20 083	24 009	20 000	24 532	24 750	23 744	18 416	22 076
Venues and facilities	11 041	1 079	142	50	1 274	1 274	70	80	10
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	22 786	1 104	930	11 860	21 205	21 205	7 284	8 955	17 910
Provinces and municipalities	-	-	148	11 500	20 750	20 750	6 900	8 595	17 500
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	148	11 500	20 750	20 750	6 900	8 595	17 500
Municipalities	-	-	148	11 500	20 750	20 750	6 900	8 595	17 500
Municipal agencies and funds									
Departmental agencies and accounts	21 000	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds	21 000	-	-	-	-	-	-	-	-
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	1 786	1 104	782	360	455	455	384	360	410
Social benefits	1 705	1 104	782	360	455	455	384	360	410
Other transfers to households	81	-	-	-	-	-	-	-	-
Payments for capital assets	5 544	1 347	24 453	10 151	35 954	35 954	33 408	25 810	22 820
Buildings and other fixed structures	-	-	23 788	6 000	28 150	28 150	26 948	20 250	20 750
Buildings	-	-	23 788	6 000	28 150	28 150	26 948	20 250	20 750
Other fixed structures									
Machinery and equipment	5 544	1 347	665	4 151	7 804	7 804	6 460	5 560	2 070
Transport equipment	-	-	-	-	710	710	-	-	-
Other machinery and equipment	5 544	1 347	665	4 151	7 094	7 094	6 460	5 560	2 070
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	531	215	46	-	-	-	-	-	-
Total	209 546	205 438	179 041	236 209	277 447	277 447	249 064	245 795	263 324

Table 11.G: Details of payments and estimates of infrastructure by category

No.	Project name	Municipality/ Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available	MTEF forward estimates				
			Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish						2012/13	2013/14	2014/15			
R thousand																	
New and replacement assets																	
1.	Imizi Yesizwe	Various	Houses for <i>Amakhosi</i>	Several	01 Apr 2007	31 Mar 2014	Equitable share	Programme 4	-	-	-	-	-	-			
2.	Empangisweni TAC	Abaqulusi	New centre	1	01 Jun 2011	29 Feb 2012	Equitable share	Programme 4	-	3 500	662	-	-	-			
3.	Umzimkulu TAC	Umzimkulu	New centre	1	01 Jun 2012	01 Mar 2013	Equitable share	Programme 4	-	5 250	-	-	5 250	-			
4.	Mbomvu TAC	Msinga	New centre	1	01 Jun 2013	01 Mar 2014	Equitable share	Programme 4	-	5 250	-	5 250	-	-			
5.	eThekweni TAC	Utrecht	New centre	1	01 Jun 2014	01 Mar 2015	Equitable share	Programme 4	-	5 250	-	-	-	5 250			
Total New and replacement assets									-	19 250	34 305	12 250	13 250	14 250			
Upgrades and additions																	
Rehabilitation, renovations and refurbishments												-	-	-	-	-	-
1.	TACs	Various	TACs	88	01 Apr 2011	01 Mar 2012	Equitable share	Programme 4	-	18 000	4 000	-	-	-			
2.	TACs	Various	TACs	71	01 Apr 2012	01 Mar 2013	Equitable share	Programme 4	-	14 000	-	14 698	-	-			
3.	TACs	Various	TACs	30	01 Apr 2013	01 Mar 2014	Equitable share	Programme 4	-	7 000	-	-	7 000	-			
4.	TACs	Various	TACs	30	01 Apr 2014	01 Mar 2015	Equitable share	Programme 4	-	6 500	-	-	-	6 500			
Total Rehabilitation, renovations and refurbishments									-	45 500	4 000	14 698	7 000	6 500			
Maintenance and repairs																	
Infrastructure transfers - current												-	-	-	-	-	-
Infrastructure transfers - capital												-	-	-	-	-	-
1.	Emondlo TSC	Abaqulusi	New centre	1	01 Apr 2011	01 Mar 2012	Equitable share	Programme 4	-	6 000	3 500	-	-	-			
Total Infrastructure transfers - capital									-	6 000	3 500	-	-	-			
Total Infrastructure									-	70 750	41 805	26 948	20 250	20 750			

Table 11.H: Summary of transfers to local government

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
A KZN2000 eThekweni	102 200	51 000	21 800	-	6 925	6 925	-	-	-
Total: Ugu Municipalities	38 210	61 725	66 468	1 955	13 935	13 935	2 000	900	5 110
B KZN211 Vulamehlo	-	750	725	500	900	900	-	-	-
B KZN212 Umdoni	-	3 000	1 000	500	9 080	9 080	-	-	-
B KZN213 Umzumbe	600	-	1 000	-	1 000	1 000	-	-	-
B KZN214 uMuziwabantu	600	11 500	4 225	-	1 000	1 000	-	-	-
B KZN215 Ezinqoleni	600	100	5 752	-	-	-	200	200	400
B KZN216 Hibiscus Coast	100	-	1 000	-	1 000	1 000	-	500	-
C DC21 Ugu District Municipality	36 310	46 375	52 766	955	955	955	1 800	200	4 710
Total: uMgungundlovu Municipalities	42 350	61 334	44 017	909	33 409	33 409	600	400	1 010
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	600	3 000	5 900	-	-	-	-	-	-
B KZN223 Mpofana	-	-	725	-	900	900	-	-	-
B KZN224 Impendle	700	-	1 500	-	11 300	11 300	-	-	-
B KZN225 Msunduzi	100	5 000	14 900	-	300	300	-	-	-
B KZN226 Mkhambathini	300	-	1 000	-	-	-	-	-	-
B KZN227 Richmond	500	8 830	10 448	-	-	-	200	200	800
C DC22 uMgungundlovu District Municipality	40 150	44 504	9 544	909	20 909	20 909	400	200	210
Total: Uthukela Municipalities	4 800	16 250	21 183	3 567	31 887	31 887	900	200	6 310
B KZN232 Emnambithi/Ladysmith	1 600	14 100	9 701	-	18 000	18 000	500	-	-
B KZN233 Indaka	-	750	925	-	-	-	-	-	200
B KZN234 Umtshezi	900	-	-	-	7 220	7 220	-	-	-
B KZN235 Okhahlamba	100	500	6 600	1 167	1 167	1 167	-	-	500
B KZN236 Imbabazane	100	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	2 100	900	3 957	2 400	5 500	5 500	400	200	5 610
Total: Umzinyathi Municipalities	17 460	17 308	25 930	3 720	10 220	10 220	1 550	3 995	510
B KZN241 Endumeni	100	-	1 150	-	-	-	-	-	-
B KZN242 Nqutu	2 860	600	9 000	1 167	6 167	6 167	-	-	-
B KZN244 Msinga	100	9 970	3 156	1 167	2 667	2 667	1 150	200	300
B KZN245 Umvoti	2 600	-	-	1 167	1 167	1 167	-	-	-
C DC24 Umzinyathi District Municipality	11 800	6 738	12 624	219	219	219	400	3 795	210
Total: Amajuba Municipalities	24 150	28 667	7 804	-	2 500	2 500	600	2 400	710
B KZN252 Newcastle	10 200	20 000	2 134	-	2 500	2 500	-	-	-
B KZN253 eMadlangeni	500	550	2 550	-	-	-	-	-	200
B KZN254 Dannhauser	100	-	-	-	-	-	200	200	300
C DC25 Amajuba District Municipality	13 350	8 117	3 120	-	-	-	400	2 200	210
Total: Zululand Municipalities	11 497	14 787	22 286	3 500	23 850	23 850	2 050	400	1 210
B KZN261 eDumbe	500	600	-	-	-	-	1 150	200	300
B KZN262 uPhongolo	600	500	1 725	-	3 600	3 600	-	-	-
B KZN263 Abaqulusi	-	500	-	3 500	6 000	6 000	500	-	500
B KZN265 Nongoma	400	200	-	-	-	-	-	-	200
B KZN266 Ulundi	2 200	450	-	-	250	250	-	-	-
C DC26 Zululand District Municipality	7 797	12 537	20 561	-	14 000	14 000	400	200	210
Total: Umkhanyakude Municipalities	23 803	17 337	53 869	649	3 649	3 649	3 100	900	710
B KZN271 Umhlabuyalingana	1 050	-	7 500	-	1 000	1 000	200	200	500
B KZN272 Jozini	700	600	7 300	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	950	-	-	-	-	-	-	-	-
B KZN274 Hlabisa	-	-	7 000	-	1 000	1 000	-	-	-
B KZN275 Mtubatuba	400	2 300	10 660	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	20 703	14 437	21 409	649	1 649	1 649	2 900	700	210
Total: uThungulu Municipalities	21 500	50 457	14 336	1 496	27 746	27 746	1 100	400	510
B KZN281 Umfolozi	200	6 057	2 000	-	4 250	4 250	200	200	300
B KZN282 uMhlathuze	100	1 000	3 758	-	-	-	-	-	-
B KZN283 Ntambanana	400	-	-	1 167	1 167	1 167	500	-	-
B KZN284 uMlalazi	100	-	1 000	-	500	500	-	-	-
B KZN285 Mthonjaneni	300	400	-	-	14 000	14 000	-	-	-
B KZN286 Nkandla	-	4 500	6 800	-	7 500	7 500	-	-	-
C DC28 uThungulu District Municipality	20 400	38 500	778	329	329	329	400	200	210
Total: Ilembe Municipalities	18 750	55 380	61 104	1 165	22 165	22 165	1 900	1 100	6 910
B KZN291 Mandeni	800	1 000	-	-	-	-	-	-	-
B KZN292 KwaDukuza	1 100	-	-	1 165	2 165	2 165	-	500	500
B KZN293 Ndwedwe	3 450	-	725	-	2 000	2 000	300	200	300
B KZN294 Maphumulo	400	400	1 700	-	13 000	13 000	200	200	300
C DC29 Ilembe District Municipality	13 000	53 980	58 679	-	5 000	5 000	1 400	200	5 810
Total: Sisonke Municipalities	65 226	64 558	56 016	-	64 242	64 242	1 100	1 900	510
B KZN431 Ingwe	500	-	400	-	10 000	10 000	-	-	-
B KZN432 Kwa Sani	100	-	1 000	-	9 930	9 930	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	2 500	-	1 500	-	6 200	6 200	200	200	300
B KZN435 Umzimkulu	600	5 800	6 000	-	6 720	6 720	-	-	-
C DC43 Sisonke District Municipality	21 163	6 265	1 000	-	4 350	4 350	500	-	-
Unallocated	40 363	52 493	46 116	-	27 042	27 042	400	1 700	210
Total	369 946	438 803	394 813	16 961	240 528	240 528	14 900	12 595	23 500

Table 11.I: Transfers to local government - Provincial Management Assistance Programme (MAP)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	1 300	850	-	-	-	-	-	-	-
B KZN211 Vulamehlo	-	750	-	-	-	-	-	-	-
B KZN213 Umzumbe	600	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	100	-	-	-	-	-	-	-	-
B KZN215 Ezingqoleni	600	100	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	1 400	-	-	-	-	-	-	-	-
B KZN222 uMngeni	500	-	-	-	-	-	-	-	-
B KZN224 Impendle	200	-	-	-	-	-	-	-	-
B KZN226 Mkhambathini	200	-	-	-	-	-	-	-	-
B KZN227 Richmond	500	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	2 000	1 250	-	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	1 500	-	-	-	-	-	-	-	-
B KZN233 Indaka	-	750	-	-	-	-	-	-	-
B KZN234 Umtshezi	400	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	500	-	-	-	-	-	-	-
B KZN236 Imbabazane	100	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	200	-	-	-	-	-	-	-	-
B KZN241 Endumeni	100	-	-	-	-	-	-	-	-
B KZN245 Umvoti	100	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	200	550	-	-	-	-	-	-	-
B KZN252 Newcastle	100	-	-	-	-	-	-	-	-
B KZN253 eMadlangeni	-	550	-	-	-	-	-	-	-
B KZN254 Dannhauser	100	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	1 400	2 250	-	-	-	-	-	-	-
B KZN261 eDumbe	500	600	-	-	-	-	-	-	-
B KZN262 uPhongolo	500	500	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	500	-	-	-	-	-	-	-
B KZN265 Nongoma	400	200	-	-	-	-	-	-	-
B KZN266 Ulundi	-	450	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	2 400	-	-	-	-	-	-	-	-
B KZN271 Umhlabuyalingana	950	-	-	-	-	-	-	-	-
B KZN272 Jozini	100	-	-	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	950	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	400	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	900	400	-	-	-	-	-	-	-
B KZN281 Umfolozi	100	-	-	-	-	-	-	-	-
B KZN283 Ntambanana	400	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	100	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	300	400	-	-	-	-	-	-	-
Total: Ilembe Municipalities	2 100	800	-	-	-	-	-	-	-
B KZN291 Mandeni	700	400	-	-	-	-	-	-	-
B KZN292 KwaDukuza	1 000	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	400	400	-	-	-	-	-	-	-
Total: Sisonke Municipalities	1 300	300	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	500	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	500	300	-	-	-	-	-	-	-
B KZN435 Umzimkulu	300	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	13 200	6 400	-	-	-	-	-	-	-

Table 11.J: Transfers to local government - Schemes Support Programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	-	500	500	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	750	750	-	-	-
B KZN281 Umfolozi	-	-	-	-	750	750	-	-	-
Total: Ilembe Municipalities	-	-	-	-	500	500	-	-	-
B KZN292 KwaDukuza	-	-	-	-	500	500	-	-	-
Total: Sisonke Municipalities	-	-	-	-	500	500	-	-	-
B KZN432 Kwa Sani	-	-	-	-	500	500	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	2 250	2 250	-	-	-

Table 11.K: Transfers to local government - Corridor Development Programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni	12 200	1 000	16 800	-	4 425	4 425	-	-	-
Total: Ugu Municipalities	3 700	12 700	10 152	-	10 000	10 000	-	-	-
B KZN212 Umdoni	-	-	-	-	8 000	8 000	-	-	-
B KZN213 Umzumbe	-	-	-	-	1 000	1 000	-	-	-
B KZN216 Hibiscus Coast	-	-	-	-	1 000	1 000	-	-	-
C DC21 Ugu District Municipality	3 700	12 700	10 152	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	17 000	20 200	21 400	-	26 200	26 200	-	-	-
B KZN222 uMngeni	-	3 000	5 500	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	900	900	-	-	-
B KZN224 Impendle	-	-	1 500	-	5 000	5 000	-	-	-
B KZN225 Msunduzi	-	5 000	14 400	-	300	300	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	17 000	12 200	-	-	20 000	20 000	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	14 500	5 600	300	-	2 000	2 000	-	-	-
B KZN242 Nqutu	2 160	-	-	-	2 000	2 000	-	-	-
B KZN244 Msinga	-	-	-	-	-	-	-	-	-
B KZN245 Umvoti	2 400	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	9 940	5 600	300	-	-	-	-	-	-
Total: Amajuba Municipalities	10 000	20 000	-	-	1 000	1 000	-	-	-
B KZN252 Newcastle	10 000	18 000	-	-	1 000	1 000	-	-	-
C DC25 Amajuba District Municipality	-	2 000	-	-	-	-	-	-	-
Total: Zululand Municipalities	7 497	11 900	14 000	-	15 600	15 600	-	-	-
B KZN262 uPhongolo	-	-	-	-	3 600	3 600	-	-	-
B KZN266 Ulundi	1 600	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	5 897	11 900	14 000	-	12 000	12 000	-	-	-
Total: Umkhanyakude Municipalities	19 053	14 400	18 000	-	2 000	2 000	-	-	-
B KZN274 Hlabisa	-	-	-	-	1 000	1 000	-	-	-
B KZN275 Mtubatuba	-	1 700	1 300	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	19 053	12 700	16 700	-	1 000	1 000	-	-	-
Total: uThungulu Municipalities	8 250	10 457	2 000	-	4 000	4 000	-	-	-
B KZN281 Umfolozi	-	5 457	2 000	-	3 500	3 500	-	-	-
B KZN282 uMhlathuze	-	1 000	-	-	-	-	-	-	-
B KZN284 uMalazi	-	-	-	-	500	500	-	-	-
C DC28 uThungulu District Municipality	8 250	4 000	-	-	-	-	-	-	-
Total: Ilembe Municipalities	12 550	21 875	29 916	-	14 500	14 500	-	-	-
B KZN293 Ndwedwe	3 450	-	-	-	2 000	2 000	-	-	-
B KZN294 Maphumulo	-	-	-	-	9 000	9 000	-	-	-
C DC29 Ilembe District Municipality	9 100	21 875	29 916	-	3 500	3 500	-	-	-
Total: Sisonke Municipalities	17 200	-	1 500	-	16 722	16 722	-	-	-
B KZN431 Ingwe	-	-	-	-	10 000	10 000	-	-	-
B KZN432 Kwa Sani	-	-	-	-	5 000	5 000	-	-	-
B KZN433 Greater Kokstad	900	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	16 300	-	1 500	-	1 722	1 722	-	-	-
Unallocated									
Total	121 950	118 132	114 068	-	96 447	96 447	-	-	-

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni	89 500	50 000	-	-	-	-	-	-	-
Total: Ugu Municipalities	10 000	30 250	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	10 000	30 250	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	20 000	30 250	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	20 000	30 250	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	10 000	5 463	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	10 000	5 463	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	10 000	34 000	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	10 000	34 000	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	139 500	149 963	-	-	-	-	-	-	-

Table 11.M: Transfers to local government - Community participation in IDPs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	-	-	-	200	200	300
B KZN215 Ezingolweni	-	-	-	-	-	-	200	200	300
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	200	200	300
B KZN227 Richmond	-	-	-	-	-	-	200	200	300
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	200	200	300
B KZN244 Msinga	-	-	-	-	-	-	200	200	300
Total: Amajuba Municipalities	-	-	-	-	-	-	200	200	300
B KZN254 Dannhauser	-	-	-	-	-	-	200	200	300
Total: Zululand Municipalities	-	-	-	-	-	-	200	200	300
B KZN261 eDumbe	-	-	-	-	-	-	200	200	300
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	200	200	300
B KZN271 Umhlabuyalingana	-	-	-	-	-	-	200	200	300
Total: uThungulu Municipalities	-	-	-	-	-	-	200	200	300
B KZN281 Umfolozi	-	-	-	-	-	-	200	200	300
Total: Ilembe Municipalities	-	-	-	-	-	-	400	400	600
B KZN293 Ndwedwe	-	-	-	-	-	-	200	200	300
B KZN294 Maphumulo	-	-	-	-	-	-	200	200	300
Total: Sisonke Municipalities	-	-	-	-	-	-	200	200	300
B KZN433 Greater Kokstad	-	-	-	-	-	-	200	200	300
Unallocated									
Total	-	-	-	-	-	-	2 000	2 000	3 000

Table 11.N: Transfers to local government - Spatial Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	350	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	100	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	250	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	300	-	-	-	-	-	-	-	-
B KZN222 uMngeni	100	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	100	-	-	-	-	-	-	-	-
B KZN226 Mkhambathini	100	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	200	-	-	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	100	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	100	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	450	-	-	-	-	-	-	-	-
B KZN244 Msinga	100	-	-	-	-	-	-	-	-
B KZN245 Umvoti	100	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	250	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	600	-	-	-	-	-	-	-	-
B KZN252 Newcastle	100	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	500	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	450	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	100	-	-	-	-	-	-	-	-
B KZN266 Ulundi	100	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	250	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	450	-	-	-	-	-	-	-	-
B KZN271 Umhlabuyalingana	100	-	-	-	-	-	-	-	-
B KZN272 Jozini	100	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	250	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	450	-	-	-	-	-	-	-	-
B KZN281 Umfolozi	100	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	100	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	250	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	700	-	-	-	-	-	-	-	-
B KZN291 Mandeni	100	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	100	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	500	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	300	-	-	-	-	-	-	-	-
B KZN432 Kwa Sani	100	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	100	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	100	-	-	-	-	-	-	-	-
Unallocated									
Total	4 250	-	-	-	-	-	-	-	-

Table 11.O: Transfers to local government - Municipal Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	1 000	-	-	-	-	-	-	-	-
B KZN224 Impendle	500	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	500	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	500	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	500	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	600	-	-	-	-	-	-	-
B KZN242 Nqutu	-	600	-	-	-	-	-	-	-
Total: Amajuba Municipalities	500	-	-	-	-	-	-	-	-
B KZN253 eMadlangeni	500	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	500	-	-	-	-	-	-	-	-
B KZN266 Ulundi	500	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	500	1 200	-	-	-	-	-	-	-
B KZN272 Jozini	500	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	600	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	600	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	600	-	-	-	-	-	-	-
B KZN281 Umfolozi	-	600	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	600	-	-	-	-	-	-	-
B KZN291 Mandeni	-	600	-	-	-	-	-	-	-
Total: Sisonke Municipalities	500	-	-	-	-	-	-	-	-
B KZN431 Ingwe	500	-	-	-	-	-	-	-	-
Unallocated									
Total	3 500	3 000	-	-	-	-	-	-	-

Table 11.P: Transfers to local government - Small Town Rehabilitation Programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	11 500	8 852	-	1 000	1 000	-	-	-
B KZN214 uMuziwabantu	-	11 500	3 500	-	1 000	1 000	-	-	-
B KZN215 Ezingolweni	-	-	5 352	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	8 830	10 300	-	6 300	6 300	-	-	-
B KZN224 Impendle	-	-	-	-	6 300	6 300	-	-	-
B KZN227 Richmond	-	8 830	10 300	-	-	-	-	-	-
Total: Uthukela Municipalities	-	14 100	15 001	-	23 220	23 220	-	-	-
B KZN232 Emnambithi/Ladysmith	-	14 100	9 401	-	16 000	16 000	-	-	-
B KZN234 Umtshezi	-	-	-	-	7 220	7 220	-	-	-
B KZN235 Okhahlamba	-	-	5 600	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	9 970	11 706	-	3 000	3 000	-	-	-
B KZN242 Nqutu	-	-	9 000	-	3 000	3 000	-	-	-
B KZN244 Msinga	-	9 970	2 706	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	2 550	-	-	-	-	-	-
B KZN253 eMadlangeni	-	-	2 550	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	600	29 160	-	1 000	1 000	-	-	-
B KZN271 Umhlabuyalingana	-	-	6 500	-	1 000	1 000	-	-	-
B KZN272 Jozini	-	600	6 300	-	-	-	-	-	-
B KZN274 Hlabisa	-	-	7 000	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	9 360	-	-	-	-	-	-
Total: uThungulu Municipalities	-	4 500	6 800	-	14 000	14 000	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	10 000	10 000	-	-	-
B KZN286 Nkandla	-	4 500	6 800	-	4 000	4 000	-	-	-
Total: Ilembe Municipalities	-	-	2 400	-	4 000	4 000	-	-	-
B KZN294 Maphumulo	-	-	1 700	-	4 000	4 000	-	-	-
C DC29 Ilembe District Municipality	-	-	700	-	-	-	-	-	-
Total: Sisonke Municipalities	-	5 500	6 000	-	21 700	21 700	-	-	-
B KZN432 Kwa Sani	-	-	-	-	4 430	4 430	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	6 200	6 200	-	-	-
B KZN434 Ubuhlebezwe	-	5 500	6 000	-	6 720	6 720	-	-	-
B KZN435 Umzimkulu	-	-	-	-	4 350	4 350	-	-	-
Unallocated									
Total	-	55 000	92 769	-	74 220	74 220	-	-	-

Table 11.Q: Transfers to local government - Strategic Support

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	1 660	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	500	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	1 160	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	950	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	950	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	1 100	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	1 100	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	910	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	910	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	100	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	100	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	1 150	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	1 150	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	900	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	900	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	900	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	900	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	950	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	950	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	1 400	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	1 400	-	-	-	-	-	-	-	-
Unallocated									
Total	10 020	-	-	-	-	-	-	-	-

Table 11.R: Transfers to local government - Development Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	250	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	250	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	250	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	250	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	500	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	500	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	250	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	250	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	250	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	250	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	250	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	250	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	1 500	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	1 500	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	3 250	-	-	-	-	-	-	-	-

Table 11.S: Transfers to local government - Infrastructure support

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	20 000	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	20 000	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	20 000	-	-	-	-	-	-	-	-

Table 11.T: Transfers to local government - Municipal Development Information Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	250	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	250	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	1 000	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	1 000	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	1 000	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	1 000	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	250	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	250	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	1 750	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	1 750	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	250	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	250	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	250	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	250	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	250	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	250	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	750	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	750	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	1 000	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	1 000	-	-	-	-	-	-	-	-
Unallocated									
Total	6 750	-	-	-	-	-	-	-	-

Table 11.U: Transfers to local government - Umzimkulu support

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	43 326	56 008	36 873	-	25 320	25 320	-	-	-
B KZN435 Umzimkulu	20 863	6 265	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	22 463	49 743	36 873	-	25 320	25 320	-	-	-
Unallocated									
Total	43 326	56 008	36 873	-	25 320	25 320	-	-	-

Table 11.V: Transfers to local government - Provincial Interventions

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	1 000	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	1 000	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	700	-	300	-	-	-	-	-	-
B KZN241 Endumeni	-	-	150	-	-	-	-	-	-
B KZN242 Nqutu	700	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	150	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	700	-	1 300	-	-	-	-	-	-

Table 11.W: Transfers to local government - Disaster Management Centres

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni	500	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	500	5 000	2 500	-	-	-	-	-	-
B KZN212 Umdoni	-	3 000	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	500	2 000	2 500	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	500	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	500	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	1 500	1 500	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	1 500	1 500	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	500	-	-	-	1 500	1 500	-	-	-
B KZN252 Newcastle	-	-	-	-	1 500	1 500	-	-	-
C DC25 Amajuba District Municipality	500	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	2 500	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	2 500	-	-	-	-	-	-
Total: uThungulu Municipalities	500	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	500	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	5 000	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	5 000	-	-	-	-	-	-
Total: Sisonke Municipalities	-	1 000	1 500	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	1 000	1 500	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	2 500	6 000	11 500	-	3 000	3 000	-	-	-

Table 11.X: Transfers to local government - Inter-governmental Relations

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	200	-	417	-	-	-	-	-	-
C DC21 Ugu District Municipality	200	-	417	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	200	-	417	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	200	-	417	-	-	-	-	-	-
Total: Uthukela Municipalities	-	500	417	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	500	417	-	-	-	-	-	-
Total: Umzinyathi Municipalities	200	-	417	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	200	-	417	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	417	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	417	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	417	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	417	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	500	417	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	500	417	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	417	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	417	-	-	-	-	-	-
Total: Ilembe Municipalities	200	-	417	-	-	-	-	-	-
C DC29 Ilembe District Municipality	200	-	417	-	-	-	-	-	-
Total: Sisonke Municipalities	200	-	417	-	-	-	-	-	-
C DC43 Sisonke District Municipality	200	-	417	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	1 000	1 000	4 170	-	-	-	-	-	-

Table 11.Y: Transfers to local government - Uthukela Water

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	2 000	-	-	-	-	-	-	-
B KZN252 Newcastle	-	2 000	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	2 000	-	-	-	-	-	-	-

Table 11.Z: Transfers to local government - Development Planning Shared Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	1 425	-	955	955	955	-	200	210
C DC21 Ugu District Municipality	-	1 425	-	955	955	955	-	200	210
Total: uMgungundlovu Municipalities	-	2 054	-	909	909	909	-	200	210
C DC22 uMgungundlovu District Municipality	-	2 054	-	909	909	909	-	200	210
Total: Uthukela Municipalities	-	400	-	2 400	2 400	2 400	-	200	210
C DC23 Uthukela District Municipality	-	400	-	2 400	2 400	2 400	-	200	210
Total: Umzinyathi Municipalities	-	1 138	-	219	219	219	950	200	210
B KZN244 Msinga	-	-	-	-	-	-	950	-	-
C DC24 Umzinyathi District Municipality	-	1 138	-	219	219	219	-	200	210
Total: Amajuba Municipalities	-	654	-	-	-	-	-	200	210
C DC25 Amajuba District Municipality	-	654	-	-	-	-	-	200	210
Total: Zululand Municipalities	-	637	1 474	-	-	-	950	200	210
B KZN261 eDumbe	-	-	-	-	-	-	950	-	-
C DC26 Zululand District Municipality	-	637	1 474	-	-	-	-	200	210
Total: Umkhanyakude Municipalities	-	637	-	649	649	649	-	200	210
C DC27 Umkhanyakude District Municipality	-	637	-	649	649	649	-	200	210
Total: uThungulu Municipalities	-	500	-	329	329	329	-	200	210
C DC28 uThungulu District Municipality	-	500	-	329	329	329	-	200	210
Total: Ilembe Municipalities	-	1 605	1 215	-	-	-	100	200	210
B KZN293 Ndwedwe	-	-	-	-	-	-	100	-	-
C DC29 Ilembe District Municipality	-	1 605	1 215	-	-	-	-	200	210
Total: Sisonke Municipalities	-	1 750	1 538	-	-	-	-	200	210
C DC43 Sisonke District Municipality	-	1 750	1 538	-	-	-	-	200	210
Unallocated									
Total	-	10 800	4 227	5 461	5 461	5 461	2 000	2 000	2 100

Table 11.(i): Transfers to local government - Operational support for *Thusong* Service Centres

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	1 000	1 000	1 000	-	500	-
B KZN211 Vulamehlo	-	-	-	500	500	500	-	-	-
B KZN212 Umdoni	-	-	-	500	500	500	-	-	-
B KZN216 Hibiscus Coast	-	-	-	-	-	-	-	500	-
Total: uMgungundlovu Municipalities	-	-	148	-	-	-	-	-	500
B KZN227 Richmond	-	-	148	-	-	-	-	-	500
Total: Uthukela Municipalities	-	-	-	500	500	500	500	-	500
B KZN232 Emnambithi/Ladysmith	-	-	-	-	-	-	500	-	-
B KZN235 Okhahlamba	-	-	-	500	500	500	-	-	500
Total: Umzinyathi Municipalities	-	-	-	1 500	1 500	1 500	-	-	-
B KZN242 Nqutu	-	-	-	500	500	500	-	-	-
B KZN244 Msinga	-	-	-	500	500	500	-	-	-
B KZN245 Umvoti	-	-	-	500	500	500	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	500	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	500	-
Total: Zululand Municipalities	-	-	-	-	-	-	500	-	500
B KZN263 Abaqulusi	-	-	-	-	-	-	500	-	500
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	500	-
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	500	-
Total: uThungulu Municipalities	-	-	-	500	1 000	1 000	500	-	-
B KZN283 Ntambanana	-	-	-	500	500	500	500	-	-
B KZN286 Nkandla	-	-	-	-	500	500	-	-	-
Total: Ilembe Municipalities	-	-	-	500	1 000	1 000	-	500	500
B KZN292 KwaDukuza	-	-	-	500	1 000	1 000	-	500	500
Total: Sisonke Municipalities	-	-	-	-	-	-	500	-	-
B KZN435 Umzimkulu	-	-	-	-	-	-	500	-	-
Unallocated									
Total	-	-	148	4 000	5 000	5 000	2 000	2 000	2 000

Table 11.(ii): Transfers to local government - Massification Programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni	-	-	5 000	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	39 697	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	39 697	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	8 127	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	8 127	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	3 540	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	3 540	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	11 907	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	-	11 907	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	3 112	-	-	-	-	-	-
B KZN252 Newcastle	-	-	1 134	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	1 978	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	3 670	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	3 670	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	1 792	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	1 792	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	361	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	361	-	-	-	-	-	-
Total: Ilembe Municipalities	-	30 500	20 231	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	30 500	20 231	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	3 563	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	-	3 563	-	-	-	-	-	-
Unallocated									
Total	-	30 500	101 000	-	-	-	-	-	-

Table 11.(iii): Transfers to local government - Urban Development Framework

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	3 758	-	-	-	-	-	-
B KZN282 uMhlathuze	-	-	3 758	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	-	-	3 758	-	-	-	-	-	-

Table 11.(iv): Transfers to local government - Provisional Security (MPCCs)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	667	667	667	-	-	-
B KZN235 Okhahlamba	-	-	-	667	667	667	-	-	-
Total: Umzinyathi Municipalities	-	-	-	2 001	2 001	2 001	-	-	-
B KZN242 Nqutu	-	-	-	667	667	667	-	-	-
B KZN244 Msinga	-	-	-	667	667	667	-	-	-
B KZN245 Umvoti	-	-	-	667	667	667	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	250	250	-	-	-
B KZN266 Ulundi	-	-	-	-	250	250	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	667	917	917	-	-	-
B KZN283 Ntambanana	-	-	-	667	667	667	-	-	-
B KZN286 Nkandla	-	-	-	-	250	250	-	-	-
Total: Ilembe Municipalities	-	-	-	665	665	665	-	-	-
B KZN292 KwaDukuza	-	-	-	665	665	665	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	-	-	-	4 000	4 500	4 500	-	-	-

Table 11.(v): Transfers to local government - Government Experts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	1 450	-	-	-	-	-	-
B KZN211 Vulamehlo	-	-	725	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	725	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	725	-	-	-	-	-	-
B KZN223 Mpofana	-	-	725	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	725	-	-	-	-	-	-
B KZN233 Indaka	-	-	725	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	725	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	725	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	725	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	725	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	725	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	725	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	725	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	-	725	-	-	-	-	-	-
Unallocated									
Total	-	-	5 800	-	-	-	-	-	-

Table 11.(vi): Transfers to local government - Implementation of Pound Act

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	2 000	-	-	-	-	-	-
B KZN212 Umdoni	-	-	1 000	-	-	-	-	-	-
B KZN213 Umzumbe	-	-	1 000	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	1 000	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	1 000	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	1 000	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	1 000	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	1 000	-	-	-	-	-	-
B KZN241 Endumeni	-	-	1 000	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	1 000	-	-	-	-	-	-
B KZN252 Newcastle	-	-	1 000	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	1 000	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	1 000	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	1 000	-	-	-	-	-	-
B KZN272 Jozini	-	-	1 000	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	1 000	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	1 000	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	3 000	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	1 000	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	1 000	-	-	-	-	-	-
B KZN435 Umzimkulu	-	-	1 000	-	-	-	-	-	-
Unallocated									
Total	-	-	12 000	-	-	-	-	-	-

Table 11.(vii): Transfers to local government - Town Settlement Formalisation Support

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	800	-	1 000	1 000	-	-	-
C DC29 Ilembe District Municipality	-	-	800	-	1 000	1 000	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	-	-	800	-	1 000	1 000	-	-	-

Table 11.(viii): Transfers to local government - IDP Support

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	100
B KZN215 Ezingolweni	-	-	-	-	-	-	-	-	100
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	200
B KZN233 Indaka	-	-	-	-	-	-	-	-	200
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	200
B KZN253 eMahlangueni	-	-	-	-	-	-	-	-	200
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	200
B KZN265 Nongoma	-	-	-	-	-	-	-	-	200
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	200
B KZN271 Umhlabuyalingana	-	-	-	-	-	-	-	-	200
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	-	-	-	-	-	-	-	-	900

Table 11.(ix): Transfers to local government - Construction of *Thusong* Service Centres

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	3 500	6 000	6 000	-	-	-
B KZN263 Abaqulusi	-	-	-	3 500	6 000	6 000	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	-	-	-	3 500	6 000	6 000	-	-	-

Table 11.(x): Transfers to local government - Community Development Projects

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	-	-	-	1 400	-	4 500
C DC21 Ugu District Municipality	-	-	-	-	-	-	1 400	-	4 500
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	1 000	1 000	-	-	5 400
C DC23 Uthukela District Municipality	-	-	-	-	1 000	1 000	-	-	5 400
Total: Umzinyathi Municipalities	-	-	-	-	1 500	1 500	-	3 595	-
B KZN244 Msinga	-	-	-	-	1 500	1 500	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	3 595	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	1 500	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	1 500	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	2 500	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	2 500	-	-
Total: uThungulu Municipalities	-	-	-	-	2 750	2 750	-	-	-
B KZN286 Nkandla	-	-	-	-	2 750	2 750	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	1 000	-	5 600
C DC29 Ilembe District Municipality	-	-	-	-	-	-	1 000	-	5 600
Total: Sisonke Municipalities	-	-	-	-	-	-	-	1 500	-
C DC43 Sisonke District Municipality	-	-	-	-	-	-	-	1 500	-
Unallocated									
Total	-	-	-	-	5 250	5 250	4 900	6 595	15 500

Table 11.(xi): Transfers to local government - Municipal Local Economic Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni	-	-	-	-	2 000	2 000	-	-	-
Total: Ugu Municipalities	-	-	1 400	-	980	980	-	-	-
B KZN211 Vulamehlo	-	-	-	-	400	400	-	-	-
B KZN212 Umdoni	-	-	-	-	580	580	-	-	-
B KZN215 Ezingolweni	-	-	400	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	-	1 000	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	900	-	-	-	-	-	-
B KZN222 uMngeni	-	-	400	-	-	-	-	-	-
B KZN225 Msunduzi	-	-	500	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	500	-	2 600	2 600	-	-	-
B KZN232 Emnambithi/Ladysmith	-	-	300	-	2 000	2 000	-	-	-
B KZN233 Indaka	-	-	200	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	600	600	-	-	-
Total: Umzinyathi Municipalities	-	-	300	-	-	-	-	-	-
B KZN244 Msinga	-	-	300	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	1 000	-	2 000	2 000	-	-	-
C DC26 Zululand District Municipality	-	-	1 000	-	2 000	2 000	-	-	-
Total: Umkhanyakude Municipalities	-	-	1 000	-	-	-	-	-	-
B KZN271 Umhlabuyalingana	-	-	1 000	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	4 000	4 000	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	4 000	4 000	-	-	-
Total: Ilembe Municipalities	-	-	400	-	500	500	-	-	-
C DC29 Ilembe District Municipality	-	-	400	-	500	500	-	-	-
Total: Sisonke Municipalities	-	-	900	-	-	-	-	-	-
B KZN431 Ingwe	-	-	400	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	500	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	-	6 400	-	12 080	12 080	-	-	-

Table 11.(xii): Transfers to local government - District Growth Development Summit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni	-	-	-	-	-	-	400	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	400	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	400	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	400	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	400	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	400	-	-
C DC23 Uthukela District Municipality	-	-	-	-	-	-	400	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	400	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	400	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	400	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	400	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	400	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	400	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	400	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	400	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	400	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	400	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	400	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	400	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	400	-	-
C DC43 Sisonke District Municipality	-	-	-	-	-	-	400	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	4 000	-	-

VOTE 12

Transport

Operational budget	R 7 417 306 911
MEC remuneration	R 1 566 089
Total amount to be appropriated	R 7 418 873 000
Responsible MEC	Mr. W. Mchunu, MEC for Transport and Community Safety and Liaison
Administering department	Transport
Accounting officer	Head: Transport

1. Overview

Vision

The department's vision is: *Prosperity through mobility.*

Mission statement

The department's mission is: *While delivering on the department's mandate and addressing the developmental needs of the province, the department will strive to provide the public with a road transportation system that is safe, integrated, regulated, affordable and accessible.*

Strategic objectives

Strategic policy direction: The department's strategic policy direction is to support rural development, poverty alleviation and job creation as the department builds roads and bridges, provides safe integrated public transport systems, and manages traffic and the safety of all road users.

The department has set the following goals and strategic objectives in order to achieve this:

- Provide access and mobility within the province.
- Effective management of the transport infrastructure network.
- Create an integrated land transport system.
- Promote a safe road environment.

Core functions

Turning the vision of the department into reality can only be achieved by focusing the attention and energy of all employees and relevant stakeholders on the performance of its core functions, namely:

Construct, maintain and repair the provincial road network

The department's mandate is to construct and maintain a balanced road network that meets the mobility needs of the citizens of KZN, and supports the national and provincial growth and development strategies.

Plan, regulate and provide an integrated transportation system

The department's mandate is to regulate public transport and ensure access to safe, efficient and affordable public transport. The department is further mandated to facilitate development in the freight transport industry and the minimisation of negative externalities resultant from the transport of freight.

Manage road traffic

The department's mandate is to create a safe road environment, through the reduction of road accidents. The main services rendered include road traffic enforcement, road safety education, the analysis and re-engineering of hazardous locations and the registration and licensing of vehicles.

Legislative mandate

The key legislative mandates of the department are derived mainly from the following legislation:

- Administrative Adjudication of Road Traffic Offences Act (Act No. 46 of 1998)
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003)
- Cross-border Act (Act No. 4 of 1998)
- Intergovernmental Relations Framework Act (Act No.13 of 2005)
- KZN Provincial Minibus Taxi Act (Act No. 4 of 1998)
- KZN Provincial Roads Act (Act No. 4 of 2001)
- KZN Provincial Supply Chain Management Policy Framework (2006)
- KZN Public Transport Act (Act No.3 of 2005)
- KZN Road Traffic Act (Act No. 7 of 1997)
- National Land Transport Transition Act (Act No. 22 of 2000)
- National Roads Act (Act No. 54 of 1971)
- National Road Traffic Act (Act No. 93 of 1996)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Public Service Act (Act No. 103 of 1994) and Regulations
- Road Traffic Act (Act No. 29 of 1989)
- Road Traffic Management Corporation Act (Act No. 20 of 1999)
- The Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Construction Industry Development Board Act (Act No. 38 of 2000)
- Urban Transport Act (Act No. 78 of 1977)

2. Review of the 2011/12 financial year

Section 2 provides a review of 2011/12, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

Road safety and Operation KuShunquthuli

2011/12 was dedicated to road safety and Operation *KuShunquthuli*, a programme that focuses on transport infrastructure development, such as the building of access roads, pedestrian and vehicle bridges and the facilitation of public transport services in rural areas. The department continued to strive to ensure that the gains made in the reduction of crashes and fatalities on the province's roads are maximised. The department also introduced a Red Spot Team, which is a special task team that targets identified high accident areas around KZN in order to reduce accidents on roads. This was done to ensure that 'road safety is everybody's responsibility' through high visibility of traffic officers, road blocks, vehicle inspections, etc.

S'hamba sonke

S'hamba Sonke (moving together) is a new programme introduced in 2011/12, entailing road upgrades and maintenance to repair and upgrade KZN's secondary road network. The programme, which aims to create jobs for emerging contractors across KZN, is implemented in the following five key areas:

- The rehabilitation of key arterial routes in support of the rural economy through labour intensive projects such as P735 from Nongoma through Maphophoma and Hlabanyathi to Hlabisa.
- Prioritising the use of labour absorptive construction methods through the use of EPWP principles.
- Reduction of potholes on the provincial road network through the pavement management study, which informs the department of roads that need to be rehabilitated.
- Creating access roads to schools, clinics and public social infrastructure such as the L1738 access roads to Mbangweni and Bhekabantu clinic in Empangeni.
- Establishing the Road Asset Management System (RAMS) and introducing the “Know Your Network Programme”, whereby regional engineers in the province monitor daily road conditions, including any possible overnight damage.

The department will continue with this programme throughout the 2012/13 MTEF.

Learner transport

In 2011/12, the department took over some of the provincial learner transport functions from Vote 5: Education, such as the planning of routes and the procurement of the required service providers. This was officially transferred on 1 September 2011, and the department is currently providing learner transport services to 27 schools (10 000 learners) in KZN. An additional tender for the provision of learner transport to 143 schools is presently being evaluated and will be awarded shortly.

Integrated Public Transport Networks (IPTNs)

The department continued to work with municipalities with regard to the development of IPTNs for 2011 and beyond. The department intends developing IPTN plans for the whole province, which will strive to ensure the efficient integrated movement of passengers within KZN. To date, the IPTNs for eThekweni, Ugu and Ilembe District Municipalities have been completed.

Expanded Public Works Programme (EPWP)

The department continued to expand community-based labour-intensive road construction and maintenance programmes, which align with the objectives of the EPWP. Over the 2011/12 MTEF, the department is committed to create over 5 240 000 person days of employment, equating to 57 000 jobs created, of which 60 per cent are for women and 20 per cent for youth. The department created approximately 3 223 518 person days of employment, equating to 130 221 jobs created, by the third quarter of 2011/12. The department received additional funding in 2011/12 from the EPWP Integrated Grant for Provinces to be utilised for the creation of EPWP job opportunities. The department continued the development of a Broad-Based Black Economic Empowerment (BBBEE) road construction and maintenance industry, through the provision of accredited business skills training for 200 *Vukuzakhe* contractors.

3. Outlook for the 2012/13 financial year

Section 3 looks at the key focus areas of 2012/13, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

The key focus areas of 2012/13 will be to address the challenges in the maintenance of the provincial road network and the maintenance backlog. In order to redress these challenges, the department has focused on prioritising the main corridors that will be the core stimulus of the economy.

Road safety

The pedestrian bridge programme was implemented with the aim of ensuring that communities have access to schools, health facilities and amenities. The department will construct 13 pedestrian bridges per annum. The department will continue to place greater emphasis on road safety education, including pedestrian safety, with the aim of shifting road safety to go beyond traffic regulation and enforcement, and toward a people-centred approach that deals with accident prevention.

Transport infrastructure

In 2012/13, the department will continue with the road upgrade and construction programme that supports the corridors of the primary and secondary nodes through:

- Roads of national importance such as P318 Sani Pass, which is the only road link between KZN and Lesotho. Phase 1 comprises of upgrading 14 kilometres of gravel road to blacktop standards, of which approximately seven kilometres have been upgraded to date. The remaining seven kilometres will be completed over the 2012/13 MTEF.
- The African Renaissance Roads Upgrading Programme (ARRUP), which encompasses the upgrading of roads to blacktop standards. The following are some projects currently in progress:
 - Main Road P700 is located between Ulundi and Empangeni. The project entails the upgrading of 95 kilometres of gravel road to a blacktop surface. Approximately 32 kilometres have been completed to date, and the remaining 63 kilometres will be completed over the 2012/13 MTEF.
 - Main Road P230 is located from Empangeni to Eshowe. The project entails the upgrading of 31.3 kilometres of gravel road to a blacktop surface and the construction of one underpass road.

Operation KuShunquthuli

The Operation *KuShunquthuli* programme focuses on transport infrastructure development in rural areas, which are the areas of emphasis for service delivery. The department has identified key projects that will be a stimulus in linking rural communities to the provincial hubs of activity. Some of the projects include the following:

- Main Road P127 is located from Impendle to Himeville. The project entails the upgrading of 55 kilometres of gravel road to a blacktop surface, of which 16 kilometres have been completed to date.
- Main Road P73 is located between Sipofu and Ixopo. The project is comprised of the upgrading of 75 kilometres of gravel road to blacktop standards, of which 10 kilometres have been completed, and a further 13 kilometres will be completed by the end of March 2012. The balance of 52 kilometres will be spread out over the 2012/13 MTEF.

Roads for rural development

The programme consists of the following major projects, among others:

- Main Road P58 is located between Diemount Store and Ezingoleni. The project comprises the upgrading of 26 kilometres to blacktop standards.
- Main Road P732 is located between Ezingoleni and Bushy Valley. The project consists of the upgrading of 19 kilometres of gravel road to blacktop standards.

Expanded Public Works Programme

The department will continue to use labour-intensive methodologies in order to create employment and will continue to give preference to local suppliers of goods and services and undertake work using local *Vukuzakhe* contractors as far as is possible, in order to support growth of the local economy.

Learner transport

The department will continue to provide the learner transport services in KZN over the 2012/13 MTEF. The department received additional funding (shifted from Vote 5: Education) for 2012/13 only at this stage, and approximately 13 000 learners will be provided with transport. The department is in the process of finalising the details of the funding required for the last two years of the MTEF with the Department of Education. Transport's main functions will include the provision of transport services (transportation of learners), monitoring the services of the service providers and service design.

4. Receipts and financing

4.1 Summary of receipts

Table 12.1 gives the sources of funding of Vote 12 over the seven-year period 2008/09 to 2014/15. The table also compares actual and budgeted receipts against actual and budgeted payments.

The department receives a provincial allocation in the form of an equitable share, and national conditional grant allocations for the maintenance and construction of road infrastructure, the subsidising of bus transport in the province and in respect of EPWP projects.

Table 12.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Provincial allocation	3 092 580	3 601 075	3 811 715	4 433 772	4 470 772	4 470 772	5 045 133	5 395 168	6 237 669
Conditional grants	1 309 475	1 570 723	2 040 505	2 139 957	2 157 272	2 157 272	2 373 740	2 368 976	2 486 273
Sani Pass Road grant	30 000	34 347	-	-	-	-	-	-	-
Transport Disaster Management grant	616 773	-	-	-	29 736	29 736	-	-	-
Public Transport Operations grant	-	587 396	714 587	773 473	773 473	773 473	808 279	852 325	895 350
EPWP Integrated Grant for Provinces	-	83 900	153 130	129 836	117 415	117 415	64 290	-	-
Provincial Roads Maintenance grant (was IGP)	662 702	865 080	958 390	1 236 648	1 236 648	1 236 648	1 501 171	1 516 651	1 590 923
Provincial Disaster Relief grant	-	-	214 398	-	-	-	-	-	-
Total receipts	4 402 055	5 171 798	5 852 220	6 573 729	6 628 044	6 628 044	7 418 873	7 764 144	8 723 942
Total payments	5 025 223	5 164 996	5 958 923	6 573 729	6 628 044	6 628 044	7 418 873	7 764 144	8 723 942
Surplus/(Deficit) before financing	(623 168)	6 802	(106 703)	-	-	-	-	-	-
Financing									
of which									
Provincial roll-overs	-	-	432	-	-	-	-	-	-
Provincial cash resources	16 000	-	100 000	-	-	-	-	-	-
Surplus/(deficit) after financing	(607 168)	6 802	(6 271)	-	-	-	-	-	-

The Provincial Roads Maintenance grant (previously the Infrastructure Grant to Provinces or IGP) is aimed at accelerating the construction, maintenance, upgrading and rehabilitation of new and existing transport infrastructure. National Treasury discontinued the IGP in 2011/12, and replaced it with a specific grant for Education, Health and Transport. The increase in this grant results from a decision taken at a national level to change the way the grant is allocated between the three sectors, as well as inflationary increments. This grant in Vote 12: Transport supplements existing infrastructure budgets in transport infrastructure, and functions in a similar manner to the IGP.

In 2008/09, the amount of R16 million against provincial cash resources relates to additional funding for the higher than anticipated 2008 wage agreement.

The 2008/09 deficit of R607.168 million was mainly due to excessive cost increases on committed projects, which resulted from increased construction costs such as petrol, cement, steel, bitumen and other construction indices. In addition, the Department of Trade and Industry (DTI) withdrew funding of R77.500 million due to the budget for the Critical Infrastructure Programme for 2007/08 being limited. In terms of Section 34(2) of the PFMA, the department is liable for the repayment of the over-expenditure, which resulted in a first charge against its budget in 2009/10 (see Section 5.3 below).

The department received various conditional grants over the period including the Sani Pass Road grant, the Public Transport Operations grant, the EPWP Integrated Grant for Provinces and disaster grants relating to various disasters that have occurred in KZN, such as the flood disaster in the South Coast area.

The surplus of R6.802 million in 2009/10 was part of the department's pledge of R17 million to assist with the Provincial Recovery Plan. There was also under-spending on the Public Transport Operations grant of R54.146 million as a result of problems experienced with the eThekweni bus service, as well as the withdrawal of the contract with Remnant Alton bus company. As a result, National Treasury, by way of a Gazette notice, reduced the grant by R60 million at the end of March 2010, and re-allocated it to the North West province. The department then had to finance the difference of R5.854 million between the amount moved to the North West province (R60 million) and the actual amount under-spent (R54.146 million) from its equitable share. This difference of R5.854 million therefore caused the

department's pledge of R17 million not to be met. If the R5.854 million did not have to be funded from the department's equitable share portion, the department would have under-spent its equitable share allocation by R18.500 million, exceeding their pledge by R1.500 million.

In 2010/11, R100 million was allocated to continue with the construction of the John Ross Highway, the upgrading of the R102 linking the Dube TradePort (DTP) and the King Shaka International Airport (KSIA), the Sani Pass road, as well as funding for the higher than anticipated 2010 wage agreement.

Also in 2010/11, the department received funding of R153.130 million in respect of the EPWP Integrated Grant for Provinces. The department also received a roll-over of R432 066 in 2010/11 from 2009/10 in respect of this grant. This amount relates to funds received in March 2010 from National Treasury, for exceeding the 2009/10 EPWP targets. The funds were received too late in 2009/10 to be allocated to the department for spending, and were therefore allocated in 2010/11.

The deficit of R6.271 million in 2010/11 resulted largely from unforeseen repairs undertaken in respect of flood damage in the Ladysmith area that occurred toward the end of 2010.

In 2011/12, the department received funding of R129.836 million in respect of the EPWP Integrated Grant for Provinces. However, in the 2011/12 Adjusted Appropriation, R12.421 million in respect of this grant was suspended from the department and re-allocated to Vote 3: Agriculture, Environmental Affairs and Rural Development – R8.316 million; Vote 4: Economic Development and Tourism (R536 000), Vote 5: Education (R536 000), Vote 7: Health (R536 000), Vote 8: Human Settlements (R536 000), and Vote 14: Public Works (R1.961 million), in line with Schedule 8 of DORA, 2011.

The department also received R37 million suspended from Vote 5: Education to enable the department to undertake part of the learner transport functions, such as the planning of the routes and procurement of the required service providers, and hence the increase in the provincial allocation from the 2011/12 Main to the Adjusted Appropriation. A further allocation was provided in 2012/13 in this regard, and the department is in the process of finalising the 2013/14 and 2014/15 allocations with the Department of Education.

As at the end of December 2011, the department was projecting to fully spend its 2011/12 allocation. The department's budget is showing a healthy growth over the MTEF.

4.2 Departmental receipts collection

Table 12.2 below indicates the estimated departmental receipts for Vote 12. Details of departmental receipts are presented in *Annexure – Vote 12: Transport*.

Table 12.2: Details of departmental receipts

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Tax receipts	870 604	997 227	1 083 507	1 080 000	1 080 000	1 181 831	1 250 000	1 350 000	1 450 000
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	870 604	997 227	1 083 507	1 080 000	1 080 000	1 181 831	1 250 000	1 350 000	1 450 000
Sale of goods and services other than capital assets	90 445	92 150	106 198	84 569	84 569	101 498	100 000	105 000	110 000
Transfers received	571	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	39 616	42 364	46 952	37 866	37 866	37 866	40 000	40 000	40 000
Interest, dividends and rent on land	279	90	42	127	127	398	150	150	150
Sale of capital assets	3 100	6 687	4 009	4 250	4 250	4 250	4 500	4 500	4 500
Transactions in financial assets and liabilities	4 211	944	5 271	1 136	1 136	4 403	1 200	1 250	1 300
Total	1 008 826	1 139 462	1 245 979	1 207 948	1 207 948	1 330 246	1 395 850	1 500 900	1 605 950

Table 12.2 shows that there is a steady increase in the amount of revenue collected by the department over the seven-year period. The increase in revenue collection can be attributed to improved revenue collection strategies, higher than anticipated applications for new and renewal of motor vehicle licences, as well as higher than anticipated applications for learners' and drivers' licences.

The projections for the 2012/13 MTEF were based on the projected end-of-year collection for 2011/12, coupled with an incremental estimation for the various categories each year, as well as the increase in licence fee tariffs, and were adjusted by the expected change in the vehicle population over time. The increased tariffs are approved by the department, in consultation with Provincial Treasury. This practice will continue until motor vehicle licence fees are aligned to other provinces and international best practice, which is an exercise currently being undertaken by the nine provinces, collectively.

As reflected in Table 12.2 above, the majority of the department's revenue is derived from *Tax receipts (Motor vehicle licences)* collected in terms of the Road Traffic Act. This revenue consists of motor vehicle registration and licence fees, and the sale of personalised and specific number plates. The increase from 2009/10 onward is mainly due to the higher than anticipated applications for new and renewal of motor vehicle licences, as well as improved registration in respect of classification of vehicles, such as abnormal loads and special vehicles. The high 2011/12 Revised Estimate can be attributed to the increase in the number of re-classified vehicles and higher than anticipated applications for new and renewal of motor vehicle licences. The projections over the MTEF are based on the 2011/12 revenue collected, as well as the increase in licence fee tariffs, and inflationary increments.

The high amount against *Sale of goods and services other than capital assets* in 2010/11 is due to the higher than anticipated increase in applications for learners' licences and applications and renewal of drivers' licences, as well as the conversion of drivers' licences. The low 2011/12 Main Appropriation was due to the department budgeting conservatively, resulting in the higher than anticipated collection in the 2011/12 Revised Estimate. The increase over the MTEF can be ascribed to the increase in course fees, issue of permits, etc., as well as inflationary increments.

The amount of R571 000 in 2008/09 against *Transfers received* consists of revenue received from the sale of scrap, waste and other used current goods.

Fines, penalties and forfeits reflects the collection of traffic fines resulting from road traffic infringements. The increase in 2009/10 and 2010/11 can be attributed to improved recovery strategies and measures put in place for the collection of fines receivable (such as traffic fines, parking transgressions, etc.). The decrease in the 2011/12 Main Appropriation and over the 2012/13 MTEF in comparison to 2010/11 can be attributed to conservative budgeting due to the difficulty in budgeting for this category because of its uncertain nature, as well as measures such as speed over distance monitoring put in place by the department to assist in the reduction of speeding offences.

Interest, dividends and rent on land mainly consists of items such as interest on staff debts. The fluctuating trend can be attributed to the difficulty in accurately projecting for these items due to their uncertain nature.

Sale of capital assets reflects the sale of redundant vehicles and departmental plant. The department decentralised the auctioning function to the provincial departments in the latter part of 2008/09, who now undertake the auctioning of their own vehicles and plant. The fluctuating trend can be attributed to the difficulty in projecting with certainty the collection of these receipts. The increase over the MTEF is due to inflationary increments.

The department also collects revenue from *Transactions in financial assets and liabilities*, which is made up of recoveries of staff debts and stale cheques. The fluctuations over the seven-year period can be attributed to the difficulty in budgeting for this category due to its uncertain nature. The high collection in the 2011/12 Revised Estimate is due to improved revenue and debt collection strategies relating to recoveries from previous years.

4.3 Agency receipts

Tables 12.3 and 12.4 below present details of agency receipts that are received by the department.

Table 12.3: Details of agency receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Agency receipt	741 973	6 196	7 420	7 420	7 420	7 420	7 858	8 290	8 290
Bus Subsidies (NDoT)	731 800	-	-	-	-	-	-	-	-
South African Road Agency Limited (SANRAL)	10 173	6 196	7 420	7 420	7 420	7 420	7 858	8 290	8 290
Total	741 973	6 196	7 420	7 420	7 420	7 420	7 858	8 290	8 290

Table 12.4: Details of payments and estimates of agency receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Agency receipt	753 452	6 794	7 420	7 420	7 420	7 420	7 858	8 290	8 290
Bus Subsidies (NDoT)	743 764	-	-	-	-	-	-	-	-
South African Road Agency Limited (SANRAL)	9 688	6 794	7 420	7 420	7 420	7 420	7 858	8 290	8 290
Total	753 452	6 794	7 420	7 420	7 420	7 420	7 858	8 290	8 290

The agency funding for bus subsidies from NDoT ended in 2008/09, and was replaced from 2009/10 onward by the Public Transport Operations grant to subsidise public transport.

The department receives funding from the South African National Roads Agency Limited (SANRAL), to cater for an extended overload control function on the national road network in the province.

The increase in 2012/13 and 2013/14 is due to inflationary increments. The budget remains constant in 2014/15 due to conservative budgeting, as a result of the uncertainty over the amount that will be transferred to the department. This also explains the fluctuations over the seven-year period under review.

5. Payment summary

This section summarises the payments and budget estimates for the vote in terms of programmes and economic classification. Details of the economic classification per programme are presented in *Annexure – Vote 12: Transport*.

5.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- The cost-cutting measures, as reissued by Provincial Treasury in 2012/13, will be adhered to over the 2012/13 MTEF.
- Provision was made for the carry-through costs of the 2011 wage agreement and an inflationary wage adjustment of 5 per cent for each of the three years of the 2012/13 MTEF, and an annual 1.5 per cent pay progression.
- Provision has been made for the filling of vacant posts.
- The incremental budgeting approach was used for the 2012/13 MTEF, as was the case in the 2011/12 MTEF.
- All inflation related increases are based on CPI projections.

5.2 Additional allocations for the 2010/11 to 2012/13 MTEF

Table 12.5 shows additional funding received by the department over the three MTEF periods: 2010/11, 2011/12 and 2012/13. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants. The purpose of 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 carry-through allocations for the 2010/11 and 2011/12 MTEF periods (i.e. for the financial year 2014/15) are based on the incremental percentage used in the 2012/13 MTEF.

Table 12.5: Summary of additional provincial allocations for 2010/11 to 2012/13 MTEF

R thousand	2010/11	2011/12	2012/13	2013/14	2014/15
2010/11 MTEF period	31 948	35 669	39 430	41 599	44 094
Carry-through of 2009/10 Adjustments Estimate - 2009 wage agreement	31 423	35 118	38 851	40 988	43 447
Policy on Incapacity Leave and Ill Health Retirement (PILIR)	525	551	579	611	647
2011/12 MTEF period		307 972	505 522	672 959	713 318
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement		41 057	29 196	23 974	25 412
Provincial priorities - Maintenance of the provincial road network		269 250	479 452	653 022	692 203
National Cabinet decision to cut provinces by 0.3 per cent		(2 335)	(3 126)	(4 037)	(4 297)
2012/13 MTEF period			205 543	149 767	677 544
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement			14 716	15 451	16 224
Provincial priorities - Road maintenance backlog			84 746	134 316	661 320
Learner transport (portion moved from Education)			106 081	-	-
Total	31 948	343 641	750 495	864 325	1 434 956

In the 2010/11 MTEF, additional funding was allocated for the carry-through effect of the higher than anticipated 2009 wage agreement and for PILIR.

Over the 2011/12 MTEF, the department received additional funding for the maintenance of the provincial road network, and carry-through costs of the higher than anticipated 2010 wage agreement. Also, in the 2011/12 MTEF, National Cabinet took a decision to cut all national votes and the provincial equitable share by 0.3 per cent. The bulk of this equitable share reduction in KZN was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus of the province. The balance was sourced proportionately from all 16 provincial votes. The effect of this on the department is a slight reduction over the entire period.

In the 2012/13 MTEF, additional funding was allocated for the carry-through effect of the higher than anticipated 2011 wage agreement. Also, in the 2012/13 MTEF, the department received an additional allocation in respect of the provincial road maintenance backlog, which is particularly high in 2013/14 and 2014/15, as well as funding in respect of learner transport suspended from Vote 5: Education in 2012/13. The department is in the process of finalising the details of the funding required for the last two years of the MTEF with the Department of Education.

5.3 Summary by programme and economic classification

The services rendered by the department are categorised under five programmes, which are aligned to the revised uniform budget and programme structure of the Transport sector, which was revised in 2011. The department's mission is to provide the public with integrated and accessible road and public transport infrastructure and to promote road and public transport safety, through the interaction of these five programmes.

Tables 12.6 and 12.7 provide a summary of the vote's payments and budgeted estimates over the seven-year period, by programme and economic classification, respectively.

Table 12.6: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
1. Administration	228 554	427 401	362 581	249 070	249 070	249 070	261 977	281 832	301 718
2. Transport Infrastructure	4 142 443	3 529 273	4 252 323	4 746 431	4 779 746	4 779 746	5 398 753	5 724 944	6 528 299
3. Transport Operations	113 228	653 313	770 535	878 888	915 888	915 888	1 022 862	964 678	1 050 913
4. Transport Regulation	444 223	479 700	517 698	619 209	609 209	609 209	670 796	724 540	771 016
5. Community Based Programme	96 775	75 309	55 786	80 131	74 131	74 131	64 485	68 150	71 996
Total	5 025 223	5 164 996	5 958 923	6 573 729	6 628 044	6 628 044	7 418 873	7 764 144	8 723 942
Unauth. exp. (1 st charge) not available for spending	-	(185 492)	(185 666)	-	-	-	-	-	-
Baseline available for spending after 1st charge	5 025 223	4 979 504	5 773 257	6 573 729	6 628 044	6 628 044	7 418 873	7 764 144	8 723 942

Note: Programme 1 includes MEC remuneration: Salary: R1 566 089

Table 12.7: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	2 303 971	2 350 654	2 939 527	3 737 210	3 583 329	3 581 604	4 335 264	4 631 545	5 326 708
Compensation of employees	817 227	911 071	1 023 620	1 185 899	1 185 899	1 185 899	1 335 000	1 433 000	1 512 000
Goods and services	1 486 652	1 439 583	1 915 907	2 551 311	2 397 430	2 395 705	3 000 264	3 198 545	3 814 708
Interest and rent on land	92	-	-	-	-	-	-	-	-
Transfers and subsidies to:	36 874	604 977	726 582	782 132	824 232	825 835	910 169	862 684	906 796
Provinces and municipalities	6 450	500	550	-	600	600	650	700	750
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	593 250	715 294	773 473	810 473	810 473	900 360	852 325	895 350
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	30 424	11 227	10 738	8 659	13 159	14 762	9 159	9 659	10 696
Payments for capital assets	2 684 236	2 023 788	2 107 096	2 054 387	2 220 387	2 220 387	2 173 440	2 269 915	2 490 438
Buildings and other fixed structures	2 620 225	1 994 001	2 058 342	1 989 697	2 155 697	2 155 697	2 108 750	2 205 225	2 425 748
Machinery and equipment	61 626	25 325	44 705	64 690	64 690	64 690	64 690	64 690	64 690
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	2 385	4 462	4 049	-	-	-	-	-	-
Payments for financial assets	142	185 577	185 718	-	96	218	-	-	-
Total	5 025 223	5 164 996	5 958 923	6 573 729	6 628 044	6 628 044	7 418 873	7 764 144	8 723 942
Unauth. exp. (1 st charge) not available for spending	-	(185 492)	(185 666)	-	-	-	-	-	-
Baseline available for spending after 1st charge	5 025 223	4 979 504	5 773 257	6 573 729	6 628 044	6 628 044	7 418 873	7 764 144	8 723 942

As explained previously, the department was liable for the repayment of previous year's over-expenditure, resulting in a first charge against the department's budget in 2009/10 and 2010/11, which is reflected under Programme 1: Administration and against *Payments for financial assets*. This is reflected as a footnote in Tables 12.6 and 12.7 above.

The spending in 2008/09 is inflated by the over-expenditure incurred in that year, which resulted from increased construction costs, as well as the withdrawal of funding by the DTI toward the John Ross Highway, as mentioned previously.

The increases under Programme 2: Transport Infrastructure over the seven-year period are specifically related to the department's investment in the provincial road network, housed under *Goods and services* and *Buildings and other fixed structures*. The high 2008/09 amount is due to the over-expenditure in that year, as previously explained. The increase in 2010/11 is mainly attributed to funding allocated to continue with the construction of the John Ross Highway, the upgrading of the R102 linking DTP and KSIA, and the Sani Pass road. The increase in the 2011/12 Adjusted Appropriation mainly relates to reprioritised funds from Programmes 4 and 5 to provide for the higher than anticipated rehabilitation of roads undertaken, in line with a detailed technical analysis of the road conditions in KZN. The increase over the MTEF relates to additional funding for the provincial road maintenance backlog, as well as inflationary increments.

Programme 3: Transport Operations shows a significant increase from 2009/10 onward due to the allocation in respect of the Public Transport Operations grant received from NDoT in 2009/10 for the payment of bus subsidies to bus operators, reflected against *Transfers and subsidies to: Public corporations and private enterprises*. The increase in the 2011/12 Adjusted Appropriation resulted from R37 million suspended from Vote 5: Education and allocated to Vote 12: Transport to undertake part of the provincial learner transport function, such as the planning of routes and procurement of the required service providers. The high amount in 2012/13 in comparison to 2013/14 is due to the additional funding allocated in 2012/13 only at this stage in respect of learner transport, as the department is still finalising details of the funding for the last two years of the MTEF with the Department of Education. This is also reflected under *Transfers and subsidies to: Public corporations and private enterprises*.

Programme 4: Transport Regulation reflects steady growth over the seven-year period. The growth relates to the investment in the computerised licence testing project and an increase in law enforcement and road safety campaigns. The increase in the 2011/12 Main Appropriation and over the MTEF can be ascribed to the enhancement of law enforcement and road safety campaigns, which form part of the additional funding for roads and other economic functions, as well as inflationary increments. The decrease in the

2011/12 Adjusted Appropriation relates to funds reprioritised to Programme 2 to provide for the higher than anticipated rehabilitation of roads undertaken.

The decrease in 2009/10 and 2010/11 against Programme 5: Community Based Programme can be attributed to savings due to cost-cutting, reprioritised to Programme 2 to cater for the higher than anticipated 2009 and 2010 wage agreements. The decrease in the 2011/12 Adjusted Appropriation is due to funds reprioritised to Programme 2 to provide for the rehabilitation of roads. The decrease over the MTEF in comparison to the 2011/12 Main Appropriation is mainly due to the department not allocating funds relating to the EPWP training under this programme, at this stage. The department has indicated that the full allocation for the 2012/13 EPWP Integrated Grant for Provinces has been allocated to Programme 2, where the EPWP projects are housed. The department is currently in the process of introducing a new curriculum for the EPWP training. Once the module is finalised and implemented, funding required will be shifted to this programme.

Compensation of employees shows a steady increase over the seven-year period. The increase can be attributed to the filling of vacant posts, as well as the higher than anticipated annual wage agreements.

The slight decrease against *Goods and services* in 2009/10 can be attributed to cost-cutting on spending items, such as travelling and subsistence, communication costs, etc. The amounts in both 2008/09 and 2010/11 are inflated due to the over-expenditure in these two years. The 2008/09 over-expenditure mainly resulted from the excessive cost increases on committed projects, as well as the withdrawal of funding by DTI. The extended road safety awareness campaigns conducted in the 2008/09 festive season also contributed to the high spending. The over-expenditure in 2010/11 was due to roads and infrastructure damage caused by floods in December 2010 and January 2011. The increase in the 2011/12 Main Appropriation is mainly due to substantial additional funding allocated to cater for the maintenance of the provincial road network. These allocations are carried through over the MTEF period. The decrease in the 2011/12 Adjusted Appropriation relates to funds moved to *Buildings and other fixed structures* in line with a detailed technical analysis of KZN's road conditions. The department is focusing on major repair of roads which is classified as capital. The increase over the MTEF is also attributed to additional funding in respect of the provincial road maintenance backlog.

The high 2008/09 amount against *Transfers and subsidies to: Provinces and municipalities* mainly relates to transfers to the Msunduzi Municipality and the eThekweni Metro in respect of infrastructure planning, such as the construction of bus shelters, or extension of roads that relate to transport infrastructure in support of the Taxi Recapitalisation Programme. There are no amounts in respect of these functions from 2009/10 onward due to a decision taken by the department to take over this function itself, as a result of non-submission of business plans by the relevant municipalities. In the 2011/12 Adjusted Appropriation, funds were shifted in respect of motor vehicle licences from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities*, in line with an amendment of the SCOA classification for motor vehicle licences. The department has adjusted its figures for prior years and going forward.

Transfers and subsidies to: Households caters mainly for staff exit costs, which fluctuate over the period. The high 2008/09 amount is due to a claim of R15 million against the department for the court settlement relating to a bicycle accident where the department was found to have been at fault, as well as the payment of additional legal fees in respect to claims against the department.

Buildings and other fixed structures in 2008/09 is inflated by the over-expenditure in that period. The low expenditure in 2009/10 is due to cost-cutting. The increase in the 2011/12 Adjusted Appropriation is due to funds reprioritised from *Goods and services* in line with a detailed technical analysis of KZN's road conditions, as previously explained. The increase over the MTEF is attributed to inflationary increments.

The low 2009/10 amount against *Machinery and equipment* relates to enforced savings. The increase in 2011/12 is due to provision for the appointment of new staff, as well as the replacement of computer equipment, vehicles, etc., that are damaged or obsolete. This allocation remains constant from 2012/13 onward, but will be reviewed in future MTEFs.

The amounts against *Software and other intangible assets* from 2008/09 to 2010/11 relate to the once-off upgrades of computer software licences, hence there are no projections in 2011/12 and over the MTEF.

5.4 Summary of payments and estimates by district municipal area

Table 12.8 provides a summary of spending (excluding administrative costs) by the department in each district municipality.

Table 12.8: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14	2014/15
eThekweni	793 209	844 861	905 844	995 130	1 148 000
Ugu	321 571	239 215	255 607	281 206	315 891
uMgungundlovu	989 695	784 993	984 071	966 081	1 083 339
Uthukela	287 725	670 063	729 714	801 409	908 527
Umzinyathi	270 422	289 513	313 914	343 854	387 660
Amajuba	124 017	150 954	164 513	180 757	207 954
Zululand	441 631	529 732	576 058	632 230	713 892
Umkhanyakude	230 498	245 542	267 406	293 684	326 622
uThungulu	587 623	940 757	1 022 236	1 121 177	1 276 408
Ilembe	312 511	327 931	356 437	391 004	436 372
Sisonke	339 303	298 356	324 849	356 723	396 933
Total	4 698 205	5 321 917	5 900 649	6 363 255	7 201 598

The department reprioritised its budget to support the Provincial Spatial Economic Development Strategy (PSEDS), and service delivery is equitably distributed throughout the province. Budget allocations are determined and projects are prioritised based on various factors, including the relative size of the affected community, the poverty index in the area and the comparative extent of the backlog in the area. As such, there is an equitable balance between areas of high economic activity and large populations, and areas of high poverty levels but low population numbers, hence the increase in spending against Uthukela, Amajuba and Umkhanyakude District Municipalities.

As reflected in Table 12.8, the highest expenditure is shown against the department's head office in the uMgungundlovu District Municipality, in respect of projects that cannot be easily split across the individual district municipalities over the five-year period. The slightly higher 2012/13 amount in comparison to 2014/15 relates to the learner transport funding. The department will shift the funding to the relevant districts, once the amounts have been finalised.

The expenditure in the eThekweni Metro can be mainly ascribed to the Public Transport Operations grant, as well as additional funding received for the roads providing access to DTP and KSIA, the construction of P577 (Duffs Road to KwaDabeka) and the upgrading of access roads and pedestrian bridges.

A significant portion of the spending occurs in uThungulu, and this relates to the upgrading of the John Ross Highway and other ARRUP projects. The Zululand District Municipality reflects spending on ARRUP projects, as well as other major projects such as the P235 and part of the P700.

The significant increase against Uthukela in the 2011/12 Revised Estimate and over the MTEF relates to projects such as re-graveling, pedestrian bridges and access roads being undertaken in the area.

The expenditure in the Ugu district municipal area is in respect of projects such as P73-1 Umzumbe, P68-St Faith, P58-Nqabeni to Harding, etc. The spending against the Sisonke district municipal area relates to projects in Umzimkulu to improve the area, as well as the upgrading of the P318 Sani Pass.

5.5 Summary of conditional grant payments and estimates

Tables 12.9 and 12.10 provide a summary of the conditional grant payments and budgeted estimates over the seven-year period, by grant name and economic classification, respectively. Detailed information on the conditional grants is presented in the *Annexure – Vote 12: Transport*.

Note that the historical figures set out in Tables 12.9 and 12.10 above reflect actual expenditure per grant, and should not be compared to those figures reflected in Table 12.1, which represent the actual receipts for each grant.

Table 12.9: Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Sani Pass Road grant	30 000	34 347	-	-	-	-	-	-	-
Transport Disaster Management grant	616 773	-	-	-	29 736	29 736	-	-	-
Public Transport Operations grant	-	593 250	715 294	773 473	773 473	773 473	808 279	852 325	895 350
EPWP Integrated Grant for Provinces	-	83 900	153 562	129 836	117 415	117 415	64 290	-	-
Provincial Roads Maintenance grant (was IGP)	662 702	865 080	958 390	1 236 648	1 236 648	1 236 648	1 501 171	1 516 651	1 590 923
Provincial Disaster Relief grant	-	-	214 398	-	-	-	-	-	-
Total	1 309 475	1 576 577	2 041 644	2 139 957	2 157 272	2 157 272	2 373 740	2 368 976	2 486 273

Table 12.10: Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	-	83 900	367 960	129 836	147 151	147 151	1 565 461	1 516 651	1 590 923
Compensation of employees									
Goods and services	-	83 900	367 960	129 836	147 151	147 151	1 565 461	1 516 651	1 590 923
Other									
Transfers and subsidies to:	-	593 250	715 294	773 473	773 473	773 473	808 279	852 325	895 350
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	593 250	715 294	773 473	773 473	773 473	808 279	852 325	895 350
Non-profit institutions									
Households									
Payments for capital assets	1 309 475	899 427	958 390	1 236 648	1 236 648	1 236 648	-	-	-
Buildings and other fixed structures	1 309 475	899 427	958 390	1 236 648	1 236 648	1 236 648	-	-	-
Machinery and equipment									
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total	1 309 475	1 576 577	2 041 644	2 139 957	2 157 272	2 157 272	2 373 740	2 368 976	2 486 273

There is a significant increase against the conditional grant allocation over the period under review, particularly from 2010/11 onward, as explained per grant below:

Sani Pass Road grant: Once-off amounts of R30 million and R34.347 million were allocated against *Buildings and other fixed structures* for the upgrading of the P318 Sani Pass in 2008/09 and 2009/10, respectively.

Transport Disaster Management grant: A once-off amount of R616.773 million was allocated against *Buildings and other fixed structures* in 2008/09 for repairs to roads damaged by the flood disaster in the South Coast area. The 2011/12 Adjusted Appropriation and Revised Estimate amounts were allocated against *Goods and services* in respect of roads and infrastructure damage caused by floods in December 2010 and January 2011.

Public Transport Operations grant: Funds were allocated against *Transfers and subsidies to: Public corporations and private enterprises* for the Public Transport Operations grant from 2009/10 onward, as previously explained. The increase over the MTEF is due to the growth in the grant.

EPWP Integrated Grant for Provinces: Funds were allocated against *Goods and services* from 2009/10. Due to the incentive nature of the grant, a further amount is being allocated in 2012/13 only, at this stage. The low 2011/12 Adjusted Appropriation compared to the Main Appropriation is due to R12.421 million being suspended from the department and re-allocated to several departments, in line with Section 8 of DORA 2011.

Provincial Roads Maintenance grant: The grant allocation, which has increased significantly over the seven years under review, is in respect of maintenance and construction of road infrastructure in KZN. The increase over the MTEF is due to the growth in the grant. The allocations are reflected against

Buildings and other fixed structures from 2008/09 to 2011/12. The MTEF estimates are now reclassified under *Goods and services*, as the department will be undertaking road maintenance work with this grant, as opposed to construction.

Provincial Disaster Relief grant: A once-off amount of R214.398 million was allocated against *Goods and services* in 2010/11 for repair to roads and infrastructure damage caused by floods in 2009/10 in the South Coast area.

5.6 Summary of infrastructure payments and estimates

Table 12.11 presents a summary of infrastructure payments and estimates by category for the vote.

Note that the *Maintenance and repairs* category includes the salary of the *Zimbabwe* contractors and other departmental staff that undertake maintenance. A more detailed listing of infrastructure projects to be undertaken by the department can be found in the *Annexure – Vote 12: Transport*.

Table 12.11: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
New and replacement assets	448 695	483 226	412 100	564 775	370 775	370 775	355 289	334 573	354 343
Existing infrastructure assets	3 483 216	2 827 245	3 651 194	3 972 190	4 199 505	4 199 505	4 817 629	5 157 792	5 939 776
Upgrades and additions	1 868 418	1 416 145	1 121 335	1 026 927	1 210 927	1 210 927	1 147 422	1 204 007	1 338 097
Rehabilitation, renovations and refurbishments	303 112	94 630	524 907	397 995	573 995	573 995	606 039	666 645	733 308
Maintenance and repairs	1 311 686	1 316 470	2 004 952	2 547 268	2 414 583	2 414 583	3 064 168	3 287 140	3 868 371
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Current									
Capital									
<i>Capital infrastructure</i>	2 620 225	1 994 001	2 058 342	1 989 697	2 155 697	2 155 697	2 108 750	2 205 225	2 425 748
<i>Current infrastructure</i>	1 311 686	1 316 470	2 004 952	2 547 268	2 414 583	2 414 583	3 064 168	3 287 140	3 868 371
Total	3 931 911	3 310 471	4 063 294	4 536 965	4 570 280	4 570 280	5 172 918	5 492 365	6 294 119

Note: *Current infrastructure* includes salary costs of *Zimbabwe* contractors, as well as *Compensation of employees* of maintenance staff.

The infrastructure expenditure and budget increase substantially over the seven-year period under review. This is due to the increase in construction activities in respect of infrastructure investment in the province, as well as construction projects relating to the 2010 World Cup (such as the DTP and KSIA) and additional funding in respect of the maintenance of the provincial road network, and the provincial maintenance backlog. The high 2008/09 amount is inflated by the over-expenditure incurred in that year, against *Upgrades and additions*.

New and replacement assets increases steadily over the period under review and includes the construction of the P700 (Ulundi to Hluhluwe/Imfolozi Game Reserve), the construction of the P577 (Duffs Road to KwaDabeka) and the upgrading of access roads (to clinics and schools) and pedestrian bridges. The decrease in the 2011/12 Adjusted Appropriation is due to internal reprioritisation to offset spending pressures against *Upgrades and additions* and *Rehabilitation, renovations and refurbishments* in respect of rehabilitation work undertaken, as explained previously. Further reprioritisation was undertaken over the MTEF for the same purpose.

The amounts against *Upgrades and additions* from 2008/09 onward include several large road construction projects, including the P318 Sani Pass, the roads to support DTP and KSIA, the P496 (the John Ross Highway linking Empangeni and Richards Bay), ARRUP road projects and access roads. The increase in the 2011/12 Adjusted Appropriation relates to funds shifted from *New and replacement assets*, as explained above. The increase over the MTEF in comparison to the 2011/12 Main Appropriation is mainly due to reprioritisation of funds from *New and replacement assets*, as well as inflationary increases.

The low 2009/10 expenditure against *Rehabilitation, renovations and refurbishments* relates to funds reprioritised to *Upgrades and additions* to offset spending pressures caused by increased costs in construction, as well as toward flood damage in the South Coast area in 2009/10. The high expenditure in 2010/11 is in respect of the rehabilitation of roads undertaken in the Ladysmith area as a result of flood damage toward the end of 2010. The increase in the 2011/12 Adjusted Appropriation is due to funds

shifted from *Goods and services* in Programmes 4 and 5 to cater for the higher than anticipated rehabilitation of roads undertaken in line with a detailed technical analysis of KZN's road conditions. This is carried through over the MTEF.

Maintenance and repairs caters for routine, preventative, mechanical and other maintenance. The growth against this category relates to maintenance of the existing road network. The high expenditure in 2010/11 includes amounts of R432 066 rolled over from 2009/10 relating to the EPWP Integrated Grant for Provinces, and R214.398 million in the form of a Provincial Disaster Relief grant for repair to roads and infrastructure damage caused by floods in 2009/10, as well as an increase in the salaries of the *Zibambele* contractors from December 2010. The decrease in the 2011/12 Adjusted Appropriation is due to funds shifted to *Rehabilitation, renovations and refurbishments* relating to rehabilitation of roads undertaken in line with a detailed technical analysis of KZN's road conditions. The increase over the MTEF includes additional funding in respect of the maintenance of the provincial road network.

5.7 Summary of Public Private Partnerships – Nil

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.9 Transfers to other entities

Table 12.12 below reflects departmental transfers to other entities.

Table 12.12: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
						2011/12				
Bus operators	3.2: Public Transport Services	-	593 250	715 294	773 473	773 473	773 473	808 279	852 325	895 350
Service providers (learner transport)	3.2: Public Transport Services	-	-	-	-	37 000	37 000	92 081	-	-
Total		-	593 250	715 294	773 473	810 473	810 473	900 360	852 325	895 350

The amount against Bus operators from 2009/10 onward relates to the Public Transport Operations grant for the payment of bus subsidies to operators.

The amounts against Service providers (learner transport) in the 2011/12 Adjusted Appropriation and in 2012/13 relate to funds suspended from Vote 5: Education to enable the department to undertake part of the provincial learner transport function, such as the planning of routes and procurement of the required service providers. A total of R106.081 million was moved from Vote 5: Education. However, a portion (R14 million) of the total amount was allocated against *Goods and services* for the monitoring and design services. The department is still finalising details of the funding for the last two years of the MTEF with the Department of Education.

5.10 Transfers to local government

Table 12.13 details the transfers to local government, summarised according to categories A, B and C. Detailed information on the departmental transfers to local government by transfer/grant type, category and municipality is presented in the *Annexure – Vote 12: Transport*.

Table 12.13: Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
					2011/12				
Category A	-	-	-	-	-	-	-	-	-
Category B	6 000	-	-	-	-	-	-	-	-
Category C	-	-	-	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
Total	6 000	-	-	-	-	-	-	-	-

The amount in 2008/09 against Category B municipalities relates to Municipal Transport Planning and Infrastructure in respect of the construction and upgrading of public transport infrastructure in support of the Taxi Recapitalisation Programme. As explained previously, there are no amounts against these categories from 2009/10, as the department has taken over these functions.

The amounts against *Transfers and subsidies to: Provinces and municipalities* in Table 12.7 above are in respect of motor vehicle licences. As previously explained, during the 2011/12 Adjustments Estimate, funds were moved in respect of motor vehicle licences from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities*, due to an amendment of the SCOA classification for motor vehicle licences. These funds will not be transferred to any municipality and, therefore, the amounts are not reflected in Table 12.13.

5.11 Transfers and subsidies

Table 12.14 below is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a substantial increase from 2009/10 to 2014/15 due to the allocation in respect of the Public Transport Operations grant. Details are provided in the paragraphs below the table.

Table 12.14: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
1. Administration	20 102	5 017	6 069	7 251	7 851	7 851	8 628	8 951	9 001
Provinces and municipalities	450	500	550	-	600	600	650	700	750
Motor vehicle licences	450	500	550	-	600	600	650	700	750
Households	19 652	4 517	5 519	7 251	7 251	7 251	7 978	8 251	8 251
Other transfers to households	17 653	-	1 551	-	-	2 035	2 035	2 035	2 035
Social benefits	1 999	4 517	3 968	7 251	7 251	5 216	5 943	6 216	6 216
2. Transport Infrastructure	4 863	5 773	3 504	1 358	5 358	6 919	1 131	1 358	2 395
Households	4 863	5 773	3 504	1 358	5 358	6 919	1 131	1 358	2 395
Other transfers to households	2 220	-	2 580	-	-	-	-	-	-
Social benefits	2 643	5 773	924	1 358	5 358	6 919	1 131	1 358	2 395
3. Transport Operations	11 470	593 250	715 294	773 473	810 473	810 473	900 360	852 325	895 350
Provinces and municipalities	6 000	-	-	-	-	-	-	-	-
Municipal Transport Planning and Infrastructure	6 000	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	593 250	715 294	773 473	810 473	810 473	900 360	852 325	895 350
Bus operators	-	593 250	715 294	773 473	773 473	773 473	808 279	852 325	895 350
Service providers (learner transport)	-	-	-	-	37 000	37 000	92 081	-	-
Households	5 470	-	-	-	-	-	-	-	-
Other transfers to households	5 451	-	-	-	-	-	-	-	-
Social benefits	19	-	-	-	-	-	-	-	-
4. Transport Regulation	439	937	1 715	50	550	592	50	50	50
Households	439	937	1 715	50	550	592	50	50	50
Other transfers to households	439	937	1 709	50	550	592	50	50	50
Social benefit	-	-	6	-	-	-	-	-	-
Total	36 874	604 977	726 582	782 132	824 232	825 835	910 169	862 684	906 796

Under Programme 1, *Provinces and municipalities* relates to the payment of motor vehicle licences.

Under Programme 3, *Transfers and subsidies* is made up as follows:

- *Provinces and municipalities* relates to Municipal Transport Planning and Infrastructure transfers for infrastructure planning, such as the construction of bus shelters, or extension of roads, as explained.
- *Public corporations and private enterprises* relates to:
 - o The Public Transport Operations grant for the payment of bus subsidies to operators from 2009/10 onward.
 - o The amounts in the 2011/12 Adjusted Appropriation and 2012/13 are in respect of learner transport. No provision has been made in 2013/14 and 2014/15 in this regard, as the department is still finalising details of the funding with the Department of Education.

Transfers and subsidies to: Households under all four programmes caters for staff exits, which are difficult to predict, accounting for the fluctuations over the period under review. The high amount in 2008/09 against Programme 1 relates to a claim of R15 million against the department for the court settlement relating to a bicycle accident where the department was found to be at fault.

6. Programme description

The services rendered by the department are categorised under five programmes, which conform to the uniform budget and programme structure of the Transport sector.

The payments and budgeted estimates for each programme are summarised in terms of economic classification, details of which are presented in the *Annexure – Vote 12: Transport*.

6.1 Programme 1: Administration

The purpose of Programme 1 is to provide the department with the overall management and administrative, strategic, financial and corporate support services (including human resource management, labour relations and legal services) in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.

The programme consists of four sub-programmes in line with the sector specific budget format, namely: Office of the MEC, Management, Corporate Support, and Departmental Strategy.

Tables 12.15 and 12.16 below summarise payments and budgeted estimates relating to Programme 1 for the financial years 2008/09 to 2014/15.

Table 12.15: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Office of the MEC	8 872	9 998	10 996	13 454	13 454	13 454	14 586	15 859	16 731
Management	59 136	261 315	202 717	35 285	35 285	35 285	37 396	39 696	41 879
Corporate Support	148 307	144 760	130 650	178 918	178 918	178 918	187 026	201 437	216 902
Departmental Strategy	12 239	11 328	18 218	21 413	21 413	21 413	22 969	24 840	26 206
Total	228 554	427 401	362 581	249 070	249 070	249 070	261 977	281 832	301 718
Unauth. exp. (1 st charge) not available for spending	-	(185 492)	(185 666)	-	-	-	-	-	-
Baseline available for spending after 1st charge	228 554	241 909	176 915	249 070	249 070	249 070	261 977	281 832	301 718

Table 12.16: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	199 217	227 828	166 007	236 664	236 057	235 942	248 194	267 726	287 562
Compensation of employees	54 914	79 047	83 091	113 609	113 609	113 609	125 657	138 966	146 608
Goods and services	144 303	148 781	82 916	123 055	122 448	122 333	122 537	128 760	140 954
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	20 102	5 017	6 069	7 251	7 851	7 851	8 628	8 951	9 001
Provinces and municipalities	450	500	550	-	600	600	650	700	750
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	19 652	4 517	5 519	7 251	7 251	7 251	7 978	8 251	8 251
Payments for capital assets	9 232	9 023	4 837	5 155	5 155	5 155	5 155	5 155	5 155
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	9 232	4 561	788	5 155	5 155	5 155	5 155	5 155	5 155
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	4 462	4 049	-	-	-	-	-	-
Payments for financial assets	3	185 533	185 668	-	7	122	-	-	-
Total	228 554	427 401	362 581	249 070	249 070	249 070	261 977	281 832	301 718
Unauth. exp. (1 st charge) not available for spending	-	(185 492)	(185 666)	-	-	-	-	-	-
Baseline available for spending after 1st charge	228 554	241 909	176 915	249 070	249 070	249 070	261 977	281 832	301 718

As explained previously, in terms of Section 34(2) of the PFMA, the department was liable for the repayment of the 2008/09 over-expenditure, resulting in a first charge of R185.492 million and R185.466 million against the department's budget in 2009/10 and 2010/11, respectively. Apart from these first charge amounts, the department was also liable for a first charge of R200 000 in line with SCOPA Resolution 12 of 2009. The first charge amounts are reflected under the sub-programme: Management, against *Payments for financial assets*, and the amounts available for spending in 2009/10 and 2010/11 were reduced by the instalment amounts, as reflected in the footnote of Tables 12.15 and 12.16 above.

Programme 1 shows a steady increase over the period under review. The increase in 2011/12 and over the MTEF relates to annual wage adjustments and the filling of vacant posts.

Besides the first charge reflected against the sub-programme: Management, the 2009/10 spending was high due to the redefining of units that were previously reflected against other programmes, such as the movement of the communications function from Programme 4 and the information technology function from Programme 2 to Programme 1. The high 2009/10 and 2010/11 amounts relate to the first charge, hence the decrease in 2011/12 and over the MTEF.

The Corporate Support sub-programme reflects a steady increase over the period under review. The decrease in 2009/10 and 2010/11 can be attributed to cost-cutting. The increase in 2011/12 and over the MTEF is in respect of annual salary adjustments and the filling of vacant posts.

The sub-programme: Departmental Strategy increases from 2010/11 onward mainly due to the annual salary increments, as well as the filling of vacant posts.

The low expenditure in 2008/09 against *Compensation of employees* relates to the slower than anticipated pace of filling vacant posts. The substantial increase in 2011/12 and over the MTEF is to cater for annual salary adjustments and the filling of vacant posts.

The low spending against *Goods and services* in 2010/11 is due to cost-cutting. The slight decrease in the 2011/12 Adjusted Appropriation is in respect of funds moved to *Transfers and subsidies to: Provinces and municipalities* for motor vehicle licences. The slight drop in the 2011/12 Revised Estimate can be ascribed to funds moved to *Payments for financial assets* for the write-off of irrecoverable staff debts.

Transfers and subsidies to: Households reflects a high 2008/09 amount due to the R15 million paid as a claim against the department for a court settlement, as explained previously. The allocations over the MTEF provide for staff exit costs.

The amounts against *Machinery and equipment* are mainly in respect of computer and office equipment, vehicles, etc., that are damaged or obsolete, as well as the appointment of new staff. The decrease in 2010/11 is due to cost-cutting. This allocation remains constant from 2011/12 onward, but will be reviewed in future MTEFs.

The amounts against *Software and other intangible assets* in 2009/10 and 2010/11 relate to a once-off upgrade of computer software licences, hence there are no projections in 2011/12 and over the MTEF.

The amounts against *Payments for financial assets* relate to the write-off of irrecoverable staff debts. As explained, the substantial amounts in 2009/10 and 2010/11 are in respect of the department's first charge for the 2008/09 over-expenditure.

6.2 Programme 2: Transport Infrastructure

The purpose of Programme 2 is to promote accessibility and safe and affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth.

Programme 2 is aimed at determining the needs for the development of road, freight and public transport infrastructure, implementing maintenance programmes, providing access roads for communities to unlock economic potential, and promoting community development and eco-tourism.

The programme consists of five sub-programmes in line with the sector specific budget format, namely: Programme Support Infrastructure, Infrastructure Planning, Infrastructure Design, Construction and Maintenance.

Tables 12.17 and 12.18 below summarise the payments and budgeted estimates relating to Programme 2: Transport Infrastructure, for the financial years 2008/09 to 2014/15.

Table 12.17: Summary of payments and estimates - Programme 2: Transport Infrastructure

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Programme Support Infrastructure	167 787	168 358	159 583	163 963	163 963	163 963	175 708	179 542	180 976
Infrastructure Planning	32 474	35 444	10 886	31 253	31 253	31 253	34 707	36 316	36 619
Infrastructure Design	10 271	15 000	18 560	14 250	14 250	14 250	15 420	16 721	16 585
Construction	2 620 225	1 994 001	2 058 342	1 989 697	2 155 697	2 155 697	2 108 750	2 205 225	2 425 748
Maintenance	1 311 686	1 316 470	2 004 952	2 547 268	2 414 583	2 414 583	3 064 168	3 287 140	3 868 371
Total	4 142 443	3 529 273	4 252 323	4 746 431	4 779 746	4 779 746	5 398 753	5 724 944	6 528 299

Table 12.18: Summary of payments and estimates by economic classification - Programme 2: Transport Infrastructure

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	1 486 092	1 518 789	2 165 327	2 718 478	2 581 759	2 580 194	3 251 974	3 481 463	4 063 258
Compensation of employees	459 312	494 606	549 509	635 670	635 670	635 670	715 429	757 436	799 281
Goods and services	1 026 780	1 024 183	1 615 818	2 082 808	1 946 089	1 944 524	2 536 545	2 724 027	3 263 977
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	4 863	5 773	3 504	1 358	5 358	6 919	1 131	1 358	2 395
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 863	5 773	3 504	1 358	5 358	6 919	1 131	1 358	2 395
Payments for capital assets	2 651 349	2 004 703	2 083 469	2 026 595	2 192 595	2 192 595	2 145 648	2 242 123	2 462 646
Buildings and other fixed structures	2 620 225	1 994 001	2 058 342	1 989 697	2 155 697	2 155 697	2 108 750	2 205 225	2 425 748
Machinery and equipment	28 739	10 702	25 127	36 898	36 898	36 898	36 898	36 898	36 898
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	2 385	-	-	-	-	-	-	-	-
Payments for financial assets	139	8	23	-	34	38	-	-	-
Total	4 142 443	3 529 273	4 252 323	4 746 431	4 779 746	4 779 746	5 398 753	5 724 944	6 528 299

There has been a significant increase in the level of funding allocated to this programme over the seven-year period under review.

The amount against the sub-programme: Programme Support Infrastructure can be attributed to the provision for administrative functions, such as planning and design of construction projects for all regions. The slight decrease in 2010/11 is due to savings reprioritised, as a result of the moratorium on the filling of non-critical vacant posts, to the Infrastructure Design sub-programme to cater for the higher than anticipated 2010 wage agreement. The increase in the MTEF relates to provision made for the filling of vacant posts, as well as inflationary increments.

The high amounts against the Infrastructure Planning sub-programme in 2008/09 and 2009/10 were due to planning undertaken for the construction of the taxi ranks and bus stations in the build-up for the 2010 World Cup, hence the drop in 2010/11. The increase in 2011/12 and over the MTEF is in respect of the integrated modal transport facilities such as the IPTNs.

The increase from 2009/10 to 2010/11 against the sub-programme: Infrastructure Design relates to the design projects undertaken in respect of the 2010 World Cup, hence the decrease in 2011/12. The increase over the MTEF is due to inflationary increments in respect of annual wage agreements, as well as design projects for road and transport infrastructure including the necessary support functions, such as Environmental Impact Assessments, Traffic Impact Assessments, survey, expropriation, material investigations and testing.

The amount in 2008/09 against the sub-programme: Construction includes R616.773 million that was allocated in respect of the Transport Disaster Management grant to cover the costs of repairs that resulted from the flood disaster in the South Coast area, and R30 million in respect of the Sani Pass Road grant for the upgrading of the P318 Sani Pass. The high 2008/09 amount was also inflated by the over-expenditure that occurred in that year, which resulted from increased construction costs, as well as the withdrawal of funding by DTI. The increase in the 2011/12 Adjusted Appropriation relates to reprioritised funds from the sub-programme: Maintenance to fund the higher than anticipated rehabilitation of roads undertaken in line with a detailed technical analysis of the road conditions in KZN. The slight growth over the MTEF is due to inflationary increments. This accounts for the trend against *Buildings and other fixed structures*.

The increase in 2010/11 against the sub-programme: Maintenance included the roll-over of R432 066 relating to the EPWP Integrated Grant for Provinces and R214.398 million allocated in the form of a Provincial Disaster Relief grant for repair to roads and infrastructure damage caused by floods in 2009/10 in the South Coast area. In addition, funds were moved from Programmes 1 and 5 to cater for the higher than anticipated 2010 wage agreement and to fund the increase in the salaries of the *Zibambele* contractors from December 2010. The increase in the 2011/12 Main Appropriation and over the MTEF relates mainly to additional funding for the maintenance of the provincial road network and the provincial maintenance backlog. The 2011/12 Adjusted Appropriation includes R29.736 million in respect of flood damaged roads that occurred toward the end of 2010. This was offset by funds reprioritised to the Construction sub-programme, as explained above. Also, R12.421 million was suspended from this sub-programme to various other departments in respect of the EPWP Integrated Grant for Provinces. This also explains the trend against *Goods and services*.

The low expenditure against *Machinery and equipment* in 2009/10 is mainly due to cost-cutting. This allocation remains constant from 2011/12 onward, but will be reviewed in future MTEFs.

The amount against *Software and other intangible assets* in 2008/09 was in respect of the once-off upgrade of computer software licences, and hence there are no projections made from 2009/10 onward.

Amounts against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 2: Transport Infrastructure

Table 12.19 illustrates some of the main service delivery measures pertaining to Programme 2: Transport Infrastructure. The performance indicators provided comply largely with the customised measures for the Transport sector.

Table 12.19: Service delivery measures – Programme 2: Transport Infrastructure

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
1. Construction					
1.1 Surfaced roads	• Kilometres of new surfaced roads constructed	3	4	2	2
	• Kilometres of gravel roads upgraded to surfaced roads	85	85	85	85
1.2 Gravel roads	• Kilometres of gravel roads constructed	285	285	285	285
	• Kilometres of surfaced roads rehabilitated	149	200	205	210
2. Maintenance					
2.1 Surfaced roads	• No. of square metres surfaced roads resealed	1 900 000	1 900 000	1 940 000	2 000 000
	• No. of square metres of blacktop patching	165 000	200 000	220 000	240 000
2.2 Gravel roads	• Kilometres of roads gravelled	1 100	2 000	2 200	2 400
2.3 Maintain gravel roads	• Kilometres of roads bladed	100 000	110 000	115 000	120 000

6.3 Programme 3: Transport Operations

The purpose of Programme 3 is to plan, regulate and facilitate the provision of integrated land transport services through co-ordination and co-operation with national planning authorities, non-governmental organisations (NGOs) and the private sector to enhance the mobility of all communities, especially those without or with limited access, and to implement road safety education and awareness programmes.

The programme consists of three sub-programmes in line with the sector specific budget format, namely: Programme Support Operations, Public Transport Services and Transport Safety and Compliance.

The main functions include the development of policies and plans for public and freight transport service and supporting infrastructure, the regulation of public and freight transport services, and the enforcement of legislation in respect of public transport.

Tables 12.20 and 12.21 summarise payments and estimates relating to Programme 3.

Table 12.20: Summary of payments and estimates - Programme 3: Transport Operations

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Programme Support Operations	29 741	12 238	6 581	31 167	31 167	31 167	26 770	27 616	38 409
Public Transport Services	-	593 307	750 223	784 544	821 544	821 544	926 913	865 254	934 747
Transport Safety and Compliance	83 487	47 768	13 731	63 177	63 177	63 177	69 179	71 808	77 757
Total	113 228	653 313	770 535	878 888	915 888	915 888	1 022 862	964 678	1 050 913

Table 12.21: Summary of payments and estimates by economic classification - Programme 3: Transport Operations

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	101 218	59 361	54 531	105 139	105 139	105 139	122 226	112 077	155 287
Compensation of employees	18 971	22 573	23 342	34 614	34 614	34 614	41 778	40 232	42 445
Goods and services	82 247	36 788	31 189	70 525	70 525	70 525	80 448	71 845	112 842
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	11 470	593 250	715 294	773 473	810 473	810 473	900 360	852 325	895 350
Provinces and municipalities	6 000	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	593 250	715 294	773 473	810 473	810 473	900 360	852 325	895 350
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 470	-	-	-	-	-	-	-	-
Payments for capital assets	540	694	710	276	276	276	276	276	276
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	540	694	710	276	276	276	276	276	276
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	8	-	-	-	-	-	-	-
Total	113 228	653 313	770 535	878 888	915 888	915 888	1 022 862	964 678	1 050 913

There is a significant increase against this programme from 2009/10 onward, due to the allocation of the Public Transport Operations grant received from NDoT for the payment of bus subsidies to bus operators. This function was previously administered on an agency basis. This is allocated under the sub-programme: Public Transport Services, against *Transfers and subsidies to: Public corporations and private enterprises*. The increase in the 2011/12 Adjusted Appropriation relates to funds shifted from Vote 5: Education in respect of learner transport. This also explains the increase against *Transfers and subsidies to: Public corporations and private enterprises* over the same period. The department will continue to provide the learner transport services over the 2012/13 MTEF in the province. However, only the 2012/13 funding has been allocated at this stage, as the department is still finalising details of the funding for the last two years of the MTEF with the Department of Education. A total of R106.081 million was received from Education in 2012/13, of which the bulk (R92.081 million) of the funding was allocated against *Transfers and subsidies to: Public corporations and private enterprises* for the transportation of learners. The balance of R14 million was allocated against *Goods and services* for monitoring and design services.

The decrease in 2009/10 and 2010/11 against the sub-programme: Programme Support Operations and against *Goods and services* is due to cost-cutting. The increase in 2011/12 is to provide for the filling of vacant posts, as well as the annual wage agreement. The decrease in 2012/13 and 2013/14 can be ascribed to reprioritised funds to Programme 2 to cater for the increasing need of maintenance of the provincial road network. The increase in 2014/15 is in respect of filling vacant posts, and will be reviewed in future MTEFs.

The sub-programme: Transport Safety and Compliance decreased substantially in 2009/10 and 2010/11 due to cost-cutting, where funds were reprioritised to Programme 2 to offset spending pressures such as repairs and maintenance to roads damaged by floods. The increase in 2011/12 and over the MTEF relates to the filling of vacant posts and inflationary increments.

Compensation of employees increased from 2011/12 onward. This can be attributed to the filling of funded vacant posts, as well as the annual wage agreements.

As previously explained, the decrease in *Goods and services* in 2009/10 and 2010/11 is due to cost-cutting. The 2012/13 amount is high in comparison to 2013/14, due to the additional funding of R14 million allocated in respect of learner transport for the monitoring and design services. Further amounts will be allocated, once the funding requirements are finalised with Vote 5: Education for 2013/14 and 2014/15.

The amount against *Transfers and subsidies to: Provinces and municipalities* in 2008/09 was in respect of the upgrading of public transport facilities in support of the Taxi Recapitalisation Programme, as previously explained. There are no allocations from 2009/10 onward, as the department now undertakes this function themselves.

The decrease against *Machinery and equipment* in 2011/12 is due to cost-cutting. The allocations remain constant over the MTEF, and will be reviewed in future MTEFs.

Service delivery measures – Programme 3: Transport Operations

Table 12.22 below illustrates some of the main service delivery measures applicable to Programme 3. The performance indicators provided comply largely with the customised measures for the Transport sector.

Table 12.22: Service delivery measures – Programme 3: Transport Operations

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
1. Facilitate behavioural and attitude change of road users	• No. of schools involved in road safety education	350	950	950	950	
	• No. of adults trained	35 000	41 700	43 800	43 800	
	• No. of school children trained	131 250	480 000	480 000	480 000	
2. An integrated public transport system	• Kilometres of public transport subsidised	n/a	40 600 000	41 000 000	41 000 000	
	• Kilometres of subsidised monitored	n/a	28 000 000	28 500 000	29 000 000	
	• Kilometres of public transport routes issued	n/a	39 592	40 384	41 192	
3. Learner transport	• No. of schools receiving learner transport services	171	171	171	171	
	• No. of learners transported	10 000	13 000	13 000	13 000	

6.4 Programme 4: Transport Regulation

The purpose of this programme is to ensure the provision of a safe road environment through the regulation of traffic on public infrastructure, law enforcement and the registration and licensing of vehicles and drivers. The programme consists of four sub-programmes in the 2012/13 MTEF, in line with the sector specific budget format, namely: Programme Support Regulation, Operator Licence and Permits, Transport Administration and Licensing, and Law Enforcement.

Tables 12.23 and 12.24 below summarise payments and estimates for the period 2008/09 to 2014/15.

Table 12.23: Summary of payments and estimates - Programme 4: Transport Regulation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Programme Support Regulation	2 971	3 160	6 543	25 000	15 000	15 000	13 000	14 500	16 375
Transport Administration and Licensing	99 996	102 730	104 061	121 130	121 130	121 130	130 303	140 564	148 295
Operator Licence and Permits	17 245	17 309	42 319	34 785	24 785	24 785	36 810	38 567	40 688
Law Enforcement	324 011	356 501	364 775	438 294	448 294	448 294	490 683	530 909	565 658
Total	444 223	479 700	517 698	619 209	609 209	609 209	670 796	724 540	771 016

Table 12.24: Summary of payments and estimates by economic classification - Programme 4: Transport Regulation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	420 889	469 444	497 990	597 183	586 631	586 586	648 770	702 514	748 990
Compensation of employees	268 774	298 410	357 173	385 174	385 174	385 174	433 266	475 120	501 251
Goods and services	152 023	171 034	140 817	212 009	201 457	201 412	215 504	227 394	247 739
Interest and rent on land	92	-	-	-	-	-	-	-	-
Transfers and subsidies to:	439	937	1 715	50	550	592	50	50	50
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	439	937	1 715	50	550	592	50	50	50
Payments for capital assets	22 895	9 291	17 966	21 976	21 976	21 976	21 976	21 976	21 976
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	22 895	9 291	17 966	21 976	21 976	21 976	21 976	21 976	21 976
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	28	27	-	52	55	-	-	-
Total	444 223	479 700	517 698	619 209	609 209	609 209	670 796	724 540	771 016

The increase in the 2011/12 Main Appropriation against the Programme Support Regulation sub-programme is in line with the expansion of the components. The decrease in the 2011/12 Adjusted Appropriation can be ascribed to funds moved to the sub-programme: Law Enforcement due to non-filling of vacant posts as a result of a review of the department's organisational structure, in order to cater for the higher than anticipated 2011 wage agreement. The decrease over the MTEF is due to further reprioritisation of funds to the sub-programme: Law Enforcement to cater for the department's investment in the computerised licence testing project and an increase in law enforcement and road safety campaigns.

The sub-programme: Transport Administration and Licensing increases steadily over the period under review, and caters for the registration and licensing of vehicles and drivers.

The increase in 2010/11 against the sub-programme: Operator Licence and Permits can be ascribed to the expansion of the component. The drop in the 2011/12 Main Appropriation and over the MTEF was in line with the amended programme and budget structure, as funds were reprioritised to the Programme Support Regulation sub-programme. The decrease in the 2011/12 Adjusted Appropriation relates to savings identified under *Goods and services* due to cost-cutting. These savings were moved to *Buildings and other fixed structures* in Programme 2 to cater for the higher than anticipated rehabilitation of roads undertaken in line with a detailed technical analysis of the provincial road conditions.

The increase against the sub-programme: Law Enforcement from 2009/10 onward can be attributed to the employment of additional traffic officers to enhance law enforcement on roads, which increased spending against *Compensation of employees*, and the extended road safety awareness campaigns conducted from the festive season onward, which is reflected against *Goods and services*. The increase in the 2011/12 Adjusted Appropriation can be attributed to funds moved from the Programme Support Regulation sub-programme to cater for the higher than anticipated 2011 wage agreement.

The high 2009/10 amount against *Goods and services* can be attributed to road safety campaigns. As explained above, the decrease in 2010/11 is due to savings reprioritised to *Compensation of employees*. The decrease in the 2011/12 Adjusted Appropriation is due to funds reprioritised to Programme 2, as previously explained. The increase over the MTEF relates to the enhanced road safety campaign that will be undertaken, costs associated with the filling of vacant posts, as well as inflationary increments.

The decrease against *Machinery and equipment* in 2009/10 can be attributed to cost-cutting. The increase in 2010/11 is due to provision for the appointment of new staff, as well as computer equipment, vehicles, etc., that are damaged or obsolete. This allocation remains constant from 2011/12 onward, but will be reviewed in future MTEFs.

Service delivery measures – Programme 4: Transport Regulation

Table 12.25 illustrates the main service delivery measures relating to Programme 4.

Table 12.25: Service delivery measures – Programme 4: Transport Regulation

Outputs		Performance indicators	Estimated performance		Medium-term targets	
			2011/12	2012/13	2013/14	2014/15
1.	Transport administration and licensing	No. of licence compliance inspections executed	259 887	267 000	275 000	283 000
		No. of new vehicles registered	78 000	80 000	82 000	84 000
2.	Operator licence permits	No. of operator permits to be converted to licences	1 300	1 900	960	450
		No. of abnormal load permits issued	12 000	17 800	18 700	19 600
3.	Traffic law enforcement	No. of vehicles caught exceeding the speed limit	295 576	280 798	266 758	266 758
		No. of vehicles checked in road blocks	2 040 000	2 040 000	2 040 000	2 040 000
		No. of road blocks held	36 000	36 000	36 000	36 000
		No. of vehicles screened	6 000 000	6 000 000	6 000 000	6 000 000
		No. of vehicles weighed	145 000	150 000	155 000	155 000
		No. of vehicles overloaded	27 265	25 901	24 605	24 605
		No. of vehicles detained	7 820	7 429	7 057	7 057
		No. of hours weighbridges are operated	27 000	20 000	20 000	20 000

6.5 Programme 5: Community Based Programme

The purpose of this programme is to direct and manage the implementation of programmes and strategies that lead to the development and empowerment of communities. These include the following:

- The strategic planning and monitoring of programmes to further BBBEE.
- Programmes to bring about the development and empowerment of impoverished communities.
- The co-ordination of EPWP in the province.

The programme consists of four sub-programmes in line with the sector specific budget format, namely: Programme Support Community Based, Community Development, Innovation and Empowerment and EPWP Co-ordination and Monitoring. Tables 12.26 and 12.27 below summarise this programme's payments and estimates.

Table 12.26: Summary of payments and estimates - Programme 5: Community Based Programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Programme Support Community Based	17 940	11 293	4 215	6 780	6 780	6 780	7 009	7 274	7 674
Community Development	25 193	26 352	16 854	22 014	22 014	22 014	18 628	19 885	20 077
Innovation and Empowerment	49 638	31 613	31 368	29 903	26 903	26 903	31 947	33 551	36 396
EPWP Co-ordination and Monitoring	4 004	6 051	3 349	21 434	18 434	18 434	6 901	7 440	7 849
Total	96 775	75 309	55 786	80 131	74 131	74 131	64 485	68 150	71 996

Table 12.27: Summary of payments and estimates by economic classification - Programme 5: Community Based Programme

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	96 555	75 232	55 672	79 746	73 743	73 743	64 100	67 765	71 611
Compensation of employees	15 256	16 435	10 505	16 832	16 832	16 832	18 870	21 246	22 415
Goods and services	81 299	58 797	45 167	62 914	56 911	56 911	45 230	46 519	49 196
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	220	77	114	385	385	385	385	385	385
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	220	77	114	385	385	385	385	385	385
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	3	3	-	-	-
Total	96 775	75 309	55 786	80 131	74 131	74 131	64 485	68 150	71 996

The budget for the sub-programme: Programme Support Community Based reflects the provision for the administrative functions for community-based programmes in accordance with the uniform budget and programme structure for the sector. The decrease in 2009/10 and 2010/11 is due to cost-cutting. The slight increase over the MTEF is mainly due to the filling of vacant posts.

The sub-programme: Community Development decreased in 2010/11 due to savings moved as a result of cost-cutting.

The high 2008/09 amount against the sub-programme: Innovation and Empowerment was in respect of learnerships in support of the EPWP projects. This also explains the high amount against *Goods and services*, as the appointments are on a contractual basis, and are included as part of the project costs. The decrease from 2009/10 onward is due to the *Zibambele* contractors that were moved to the sub-programme: Maintenance under Programme 2 against *Goods and services*. The decrease in the 2011/12 Adjusted Appropriation can be attributed to funds moved to *Buildings and other fixed structures* in Programme 2 to cater for the higher than anticipated rehabilitation of roads undertaken in line with a detailed technical analysis of the road conditions in KZN.

The substantial increase in the 2011/12 Main Appropriation against the EPWP Co-ordination and Monitoring sub-programme is due to the allocation in respect of the EPWP Integrated Grant for Provinces. The decrease in the 2011/12 Adjusted Appropriation is due to funds moved to *Buildings and other fixed structures* in Programme 2 to cater for the higher than anticipated rehabilitation of roads undertaken in line with a detailed technical analysis of the road conditions in KZN. As previously explained, the decrease over the MTEF, in comparison to the 2011/12 Main Appropriation, is mainly due to the department not allocating funds relating to the EPWP training under this sub-programme, at this stage. The department receives the EPWP Integrated Grant for Provinces in the first year of the MTEF. However, the full budget has been allocated to Programme 2, where the EPWP projects are housed. The training budget for 2012/13 has not been allocated to this sub-programme, at this stage. This is because the department is currently in the process of introducing a new curriculum for the EPWP training. Once the module is finalised and implemented, funding required will be shifted to this sub-programme.

Compensation of employees reflects an increasing trend over the period, with the exception of 2010/11, which can be attributed to non-filling of vacant posts due to a review of the department's organisational structure. The increase over the MTEF is in line with the expansion of the components.

The low amounts in 2009/10 and 2010/11 against *Goods and services* were mainly due to cost-cutting. The decrease in the 2011/12 Adjusted Appropriation relates to savings identified due to cost-cutting

moved to *Buildings and other fixed structures* in Programme 2 to cater for the higher than anticipated rehabilitation of roads undertaken in line with a detailed technical analysis of the road conditions in KZN.

The low 2009/10 amount against *Machinery and equipment* is due to cost-cutting. The increase in 2010/11 onward is in line with the appointment of new staff, as well as the replacement of damage or obsolete computer and office equipment.

Service delivery measures – Programme 5: Community Based Programme

Table 12.28 below reflects the main service delivery measures relevant to Programme 5.

Table 12.28: Service delivery measures – Programme 5: Community Based Programme

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
1. Job creation and poverty alleviation	• No. of persons employed – EPWP projects	57 000	57 000	59 000	62 000	
	• No. of person days of work created – EPWP projects	5 240 000	5 280 000	5 450 000	5 570 000	
	• No. of full-time equivalents	22 782	22 950	23 715	24 835	
	• No. of youth employed (16 – 35)	11 400	8 200	9 000	10 200	
	• No. of women employed	34 200	28 500	39 100	39 800	
	• No. of people living with disabilities employed	8	150	165	195	
	• No. of people trained	17 100	9 000	10 500	11 500	

7. Other programme information

7.1 Personnel numbers and costs

Personnel numbers per programme for full-time equivalent positions are given in Table 12.29 below for the previous and current financial years, along with estimates over the MTEF.

The increase over the MTEF is due to the department budgeting for the vote's full structure. Filling of vacant posts will be undertaken in phases over the MTEF.

Table 12.29: Personnel numbers and costs per programme

	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
Personnel numbers							
1. Administration	280	316	286	302	343	353	360
2. Transport Infrastructure	2 300	2 258	2 150	2 212	2 390	2 440	2 500
3. Transport Operations	58	72	66	81	91	95	95
4. Transport Regulation	1 511	1 621	1 468	1 596	1 674	1 700	1 710
5. Community Based Programme	26	29	25	27	35	35	35
Total	4 175	4 296	3 995	4 218	4 533	4 623	4 700
Total personnel cost (R thousand)	817 227	911 071	1 023 620	1 185 899	1 335 000	1 433 000	1 512 000
Unit cost (R thousand)	196	212	256	281	295	310	322

Table 12.30 below reflects the summary of personnel numbers in the department, specifying the number of posts in the Human Resources and Finance components, incorporating Financial Management services, SCM and associated services.

The decrease in 2011 is mainly due to the high staff turnover in respect of engineers, land surveyors, etc., as well as the non-filling of vacant posts. The department could not fill the vacant posts due to a review of the department's organisational structure. The department uses contract workers for support functions. The department is anticipating the review to be completed by the end of 2011/12, and will start filling vacant posts from 2012/13 onward.

Table 12.30: Details of departmental personnel numbers and costs

	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Total for department									
Personnel numbers (head count)	4 175	4 296	3 995	4 423	4 423	4 218	4 533	4 623	4 700
Personnel cost (R thousand)	817 227	911 071	1 023 620	1 185 899	1 185 899	1 185 899	1 335 000	1 433 000	1 512 000
Human resources component									
Personnel numbers (head count)	92	57	86	85	85	67	85	90	95
Personnel cost (R thousand)	16 650	18 285	29 165	23 494	23 494	21 000	26 000	28 500	30 500
Head count as % of total for department	2.20	1.33	2.15	1.92	1.92	1.59	1.88	1.95	2.02
Personnel cost as % of total for department	2.04	2.01	2.85	1.98	1.98	1.77	1.95	1.99	2.02
Finance component									
Personnel numbers (head count)	86	86	87	95	95	85	121	126	130
Personnel cost (R thousand)	24 472	19 339	35 850	24 848	24 848	23 000	36 500	40 000	43 000
Head count as % of total for department	2.06	2.00	2.18	2.15	2.15	2.02	2.67	2.73	2.77
Personnel cost as % of total for department	2.99	2.12	3.50	2.10	2.10	1.94	2.73	2.79	2.84
Full time workers									
Personnel numbers (head count)	3 825	3 956	3 655	4 090	4 090	3 885	4 180	4 270	4 347
Personnel cost (R thousand)	769 102	855 962	958 932	1 115 390	1 115 390	1 115 390	1 257 440	1 347 683	1 421 991
Head count as % of total for department	91.62	92.09	91.49	92.47	92.47	92.11	92.21	92.36	92.49
Personnel cost as % of total for department	94.11	93.95	93.68	94.05	94.05	94.05	94.19	94.05	94.05
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	350	340	340	333	333	333	353	353	353
Personnel cost (R thousand)	48 125	55 109	64 688	70 509	70 509	70 509	77 560	85 317	90 009
Head count as % of total for department	8.38	7.91	8.51	7.53	7.53	7.89	7.79	7.64	7.51
Personnel cost as % of total for department	5.89	6.05	6.32	5.95	5.95	5.95	5.81	5.95	5.95

7.2 Training

Tables 12.31 and 12.32 give a summary of departmental spending and information on training for the period 2008/09 to 2010/11, and budgeted expenditure for the period 2011/12 to 2014/15.

Table 12.31: Payments and estimates on training

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
1. Administration	3 629	1 766	1 552	9 546	9 546	9 546	10 500	11 078	11 687
2. Transport Infrastructure	14 291	2 982	4 359	31 498	31 498	31 498	34 647	36 553	38 563
3. Transport Operations	295	31	19	8 244	8 244	8 244	9 068	9 567	10 093
4. Transport Regulation	964	640	727	24 046	24 046	24 046	26 450	27 905	29 440
5. Community Based Programme	13 629	17 434	7 491	39 072	39 072	39 072	42 979	45 343	47 837
Total	32 808	22 853	14 148	112 406	112 406	112 406	123 644	130 446	137 620

Table 12.32: Information on training

	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Number of staff	4 175	4 296	3 995	4 423	4 423	4 218	4 533	4 623	4 700
Number of personnel trained	1 691	1 740	1 204	1 500	1 500	1 500	1 600	1 600	1 600
of which									
Male	620	929	613	850	850	850	900	900	900
Female	1 071	811	591	650	650	650	700	700	700
Number of training opportunities	677	192	100	265	265	265	265	265	265
of which									
Tertiary	636	-	-	-	-	-	-	-	-
Workshops	-	13	13	15	15	15	15	15	15
Seminars	41	5	4	-	-	-	-	-	-
Other	-	174	83	250	250	250	250	250	250
Number of bursaries offered	64	184	185	200	200	200	200	200	200
External	-	175	143	185	185	185	185	185	185
Internal	64	9	42	15	15	15	15	15	15
Number of interns appointed	22	27	65	35	35	35	35	35	35
Number of learnerships appointed	65	172	189	185	185	185	185	185	185
Number of days spent on training	62	3	232	200	200	200	200	200	200

It is noted that the tables include information relating to the Traffic Training College and the Technical Training Centre and, as such, the amounts are far higher than the item *Training and development* in the *Annexure – Table 12.B*.

The training budget in Programme 2 includes costs for technical training for the *Zibambele* contractors for road maintenance. The training under Programme 4 includes the costs for the Traffic Training College in respect of the training of traffic officers, and the training conducted under Programme 5 relates to training, learnerships and mentorships for the *Vukuzakhe* projects.

The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. The department has set aside 2 per cent of the total personnel costs in this regard. The training needs will be reviewed on an ongoing basis. This requirement gives credence to government policy on human resource development. To facilitate this process, the department is affiliated to the line function Sectoral Education and Training Authority (SETA), and the Construction Education and Training Authority (CETA).

The decrease in the training budget against Programmes 1 to 4 in 2009/10 and 2010/11 and against Programme 5 in 2010/11 can be attributed to cost-cutting. The department undertook in-house training in order to control expenditure and to cater for the payment of its first charge.

The increase in the training budget against Programme 1 in 2011/12 and over the MTEF relates to the increase in the training needs of the programme coupled with additional administrative functions, arising from the revised budget and programme structure in 2011/12.

The increase in the training budget against Programme 2 in 2011/12 and over the MTEF is a reflection of greater emphasis being placed by the department on training for the *Zibambele* contractors within the construction and maintenance categories.

The increase in the training budget against Programme 3 in 2011/12 and over the MTEF can be attributed to training in respect of safety and compliance programmes such as road safety education, including pedestrian safety.

Similarly, the substantial increase against Programme 4 from 2011/12 onward is in respect of traffic safety programmes.

The number of personnel trained decreases from 1 691 personnel in 2008/09 to 1 600 personnel in 2014/15 due to a reduction in the number of internships offered, as well as a reduction in training opportunities in Tertiary and Seminars due to cost-cutting.

The increase in the number of bursaries offered, on the other hand, reflects the initiative by the department to attract professionals, such as engineers and surveyors.

ANNEXURE – VOTE 12: TRANSPORT

Table 12.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	870 604	997 227	1 083 507	1 080 000	1 080 000	1 181 831	1 250 000	1 350 000	1 450 000
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences	870 604	997 227	1 083 507	1 080 000	1 080 000	1 181 831	1 250 000	1 350 000	1 450 000
Sale of goods and services other than capital assets	90 445	92 150	106 198	84 569	84 569	101 498	100 000	105 000	110 000
Sale of goods and services produced by dept. (excl. capital assets)	90 445	92 150	106 198	84 569	84 569	101 498	100 000	105 000	110 000
Sales by market establishments									
Administrative fees	90 445	92 150	106 198	84 569	84 569	101 498	100 000	105 000	110 000
Other sales	-	-	-	-	-	-	-	-	-
Of which									
Other									
Sale of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:	571	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions	571	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	39 616	42 364	46 952	37 866	37 866	37 866	40 000	40 000	40 000
Interest, dividends and rent on land	279	90	42	127	127	398	150	150	150
Interest	279	90	42	127	127	398	150	150	150
Dividends									
Rent on land									
Sale of capital assets	3 100	6 687	4 009	4 250	4 250	4 250	4 500	4 500	4 500
Land and subsoil assets									
Other capital assets	3 100	6 687	4 009	4 250	4 250	4 250	4 500	4 500	4 500
Transactions in financial assets and liabilities	4 211	944	5 271	1 136	1 136	4 403	1 200	1 250	1 300
Total	1 008 826	1 139 462	1 245 979	1 207 948	1 207 948	1 330 246	1 395 850	1 500 900	1 605 950

Table 12.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
	2011/12								
Current payments	2 303 971	2 350 654	2 939 527	3 737 210	3 583 329	3 581 604	4 335 264	4 631 545	5 326 708
Compensation of employees	817 227	911 071	1 023 620	1 185 899	1 185 899	1 185 899	1 335 000	1 433 000	1 512 000
Salaries and wages	739 698	815 406	912 622	1 101 113	1 101 113	1 101 113	1 247 322	1 338 541	1 411 796
Social contributions	77 529	95 665	110 998	84 786	84 786	84 786	87 678	94 459	100 204
Goods and services	1 486 652	1 439 583	1 915 907	2 551 311	2 397 430	2 395 705	3 000 264	3 198 545	3 814 708
of which									
Administrative fees	55	56	75	60	60	52	65	70	74
Advertising	51 518	17 241	7 546	19 471	19 471	24 951	11 883	12 988	13 727
Assets <R5000	7 285	8 478	7 044	4 102	4 102	6 407	4 385	4 524	4 772
Audit cost: External	3 241	6 327	6 790	7 186	7 186	6 976	7 750	7 232	7 629
Bursaries (employees)	1 716	6 247	2 283	2 651	2 651	2 563	2 902	4 118	4 344
Catering: Departmental activities	7 959	10 474	5 721	3 977	3 977	8 089	4 253	4 486	4 732
Communication	39 794	36 857	28 067	39 014	39 014	36 607	39 775	43 862	46 273
Computer services	25 777	31 282	37 989	24 270	24 270	32 889	24 945	27 363	28 868
Cons/prof: Business & advisory services	169 989	126 782	76 939	240 950	223 788	143 499	237 956	235 193	289 190
Cons/prof: Infrastructure & planning	46 735	100 534	77 710	106 734	106 734	78 769	109 958	112 706	118 905
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	3 233	11 080	7 327	6 491	6 491	14 212	5 939	6 321	6 668
Contractors	863 778	774 587	1 366 371	1 792 182	1 655 463	1 599 915	2 249 223	2 425 451	2 958 543
Agency & support/outourced services	15 480	13 909	6 865	11 303	11 303	11 592	12 152	11 875	12 527
Entertainment	2 988	457	75	883	883	917	943	996	1 050
Fleet services (incl. GMT)	131	-	2	1	1	1	1	1	1
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	111	177	155	185	185	206	194	198	210
Inventory: Fuel, oil and gas	15 069	40 964	56 354	46 184	46 184	50 897	50 300	52 958	55 871
Inventory: Learner and teacher supp material	1 210	909	1 484	377	377	438	402	423	446
Inventory: Materials and supplies	17 862	20 578	28 644	20 913	20 913	23 684	22 321	23 670	24 972
Inventory: Medical supplies	6 562	5 841	1 013	6 082	6 082	5 571	6 522	6 881	7 259
Inventory: Medicine	-	-	3 881	-	-	2 244	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	988	-	-	-	-	-	-	-	-
Inventory: Other consumables	12 185	28 211	57 258	13 066	13 066	33 142	13 968	14 736	15 546
Inventory: Stationery and printing	19 408	15 210	11 828	9 351	9 351	12 504	5 727	5 548	5 852
Lease payments	30 379	52 502	7 232	67 247	67 247	147 729	70 762	74 735	78 845
Rental and hiring	-	-	1 905	-	-	-	-	-	-
Property payments	30 043	44 158	49 473	52 211	52 211	59 436	54 871	58 980	62 224
Transport provided: Departmental activity	19 603	10 294	6 821	216	216	7 965	232	244	257
Travel and subsistence	73 658	65 287	42 676	65 643	65 643	64 048	51 513	50 970	53 248
Training and development	4 635	5 148	6 716	5 903	5 903	4 447	6 309	6 657	7 023
Operating expenditure	4 626	2 278	1 260	1 236	1 236	4 837	1 323	1 397	1 473
Venues and facilities	10 634	3 715	8 403	3 422	3 422	11 118	3 690	3 962	4 179
Interest and rent on land	92	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	92	-	-	-	-	-	-	-	-
Transfers and subsidies to	36 874	604 977	726 582	782 132	824 232	825 835	910 169	862 684	906 796
Provinces and municipalities	6 450	500	550	-	600	600	650	700	750
Provinces	450	500	550	-	600	600	650	700	750
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	450	500	550	-	600	600	650	700	750
Municipalities	6 000	-	-	-	-	-	-	-	-
Municipalities	6 000	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	593 250	715 294	773 473	810 473	810 473	900 360	852 325	895 350
Public corporations	-	593 250	715 294	773 473	810 473	810 473	900 360	852 325	895 350
Subsidies on production	-	593 250	715 294	773 473	773 473	773 473	808 279	852 325	895 350
Other transfers	-	-	-	-	37 000	37 000	92 081	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	30 424	11 227	10 738	8 659	13 159	14 762	9 159	9 659	10 696
Social benefits	4 677	4 643	5 840	2 085	2 585	2 627	2 085	2 085	2 085
Other transfers to households	25 747	6 584	4 898	6 574	10 574	12 135	7 074	7 574	8 611
Payments for capital assets	2 684 236	2 023 788	2 107 096	2 054 387	2 220 387	2 220 387	2 173 440	2 269 915	2 490 438
Buildings and other fixed structures	2 620 225	1 994 001	2 058 342	1 989 697	2 155 697	2 155 697	2 108 750	2 205 225	2 425 748
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	2 620 225	1 994 001	2 058 342	1 989 697	2 155 697	2 155 697	2 108 750	2 205 225	2 425 748
Machinery and equipment	61 626	25 325	44 705	64 690	64 690	64 690	64 690	64 690	64 690
Transport equipment	3 806	4 265	-	-	-	-	-	-	-
Other machinery and equipment	57 820	21 060	44 705	64 690	64 690	64 690	64 690	64 690	64 690
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	2 385	4 462	4 049	-	-	-	-	-	-
Payments for financial assets	142	185 577	185 718	-	96	218	-	-	-
Total	5 025 223	5 164 996	5 958 923	6 573 729	6 628 044	6 628 044	7 418 873	7 764 144	8 723 942
Unauth. exp. (1 st charge) not available for spending	-	(185 492)	(185 666)	-	-	-	-	-	-
Baseline available for spending after 1st charge	5 025 223	4 979 504	5 773 257	6 573 729	6 628 044	6 628 044	7 418 873	7 764 144	8 723 942

Table 12.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	199 217	227 828	166 007	236 664	236 057	235 942	248 194	267 726	287 562
Compensation of employees	54 914	79 047	83 091	113 609	113 609	113 609	125 657	138 966	146 608
Salaries and wages	48 496	69 091	72 318	102 726	102 726	102 726	111 814	123 854	130 665
Social contributions	6 418	9 956	10 773	10 883	10 883	10 883	13 843	15 112	15 943
Goods and services	144 303	148 781	82 916	123 055	122 448	122 333	122 537	128 760	140 954
of which									
Administrative fees	-	-	-	-	-	(16)	-	-	-
Advertising	23 840	12 414	4 345	4 325	4 325	4 047	4 624	4 879	5 147
Assets <R5000	354	910	81	895	895	897	957	909	958
Audit cost: External	1 835	6 247	6 766	7 109	7 109	6 605	7 668	7 145	7 537
Bursaries (employees)	1 587	6 247	2 255	2 169	2 169	2 121	2 387	3 574	3 770
Catering: Departmental activities	4 904	7 907	559	2 709	2 709	2 502	2 898	3 056	3 224
Communication	12 710	13 426	8 310	12 487	12 487	9 883	12 417	13 944	14 710
Computer services	-	-	63	-	-	10 416	-	-	-
Cons/prof: Business & advisory services	33 861	29 655	17 777	37 575	36 968	21 221	34 157	33 964	31 891
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	2 541	1 152	1 361	4 714	4 714	8 594	4 040	4 317	4 554
Contractors	17 649	27 347	11 946	2 188	2 188	12 969	10 112	11 216	21 077
Agency & support/outsource services	1 810	6 322	3 440	7 264	7 264	4 352	7 834	7 320	7 722
Entertainment	-	237	73	3	3	111	3	4	4
Fleet services (incl. GMT)	-	-	1	1	1	1	1	1	1
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	15	21	7	25	25	42	28	30	32
Inventory: Fuel, oil and gas	1 699	1 217	1 711	215	215	933	230	243	256
Inventory: Learner and teacher supp material	472	802	1 220	342	342	316	366	386	407
Inventory: Materials and supplies	214	535	117	77	77	123	82	87	92
Inventory: Medical supplies	6 551	5 841	968	1 435	1 435	1 316	1 534	1 618	1 707
Inventory: Medicine	-	-	3 870	-	-	2 193	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	988	-	-	-	-	-	-	-	-
Inventory: Other consumables	2 675	874	119	107	107	102	114	120	127
Inventory: Stationery and printing	7 702	3 136	1 223	267	267	852	285	301	318
Lease payments	3 416	3 910	2 608	15 940	15 940	10 249	15 915	16 871	17 799
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	3 086	6 684	5 350	8 632	8 632	7 712	8 297	9 863	10 405
Transport provided: Departmental activity	13 322	897	4	4	4	160	5	5	5
Travel and subsistence	1 041	11 368	6 922	10 716	10 716	12 584	4 461	4 558	4 623
Training and development	98	1 532	1 551	3 821	3 821	1 239	4 084	4 309	4 546
Operating expenditure	1 933	83	65	15	15	408	16	17	18
Venues and facilities	-	17	204	20	20	601	22	23	24
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	20 102	5 017	6 069	7 251	7 851	7 851	8 628	8 951	9 001
Provinces and municipalities	450	500	550	-	600	600	650	700	750
Provinces	450	500	550	-	600	600	650	700	750
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	450	500	550	-	600	600	650	700	750
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	19 652	4 517	5 519	7 251	7 251	7 251	7 978	8 251	8 251
Social benefits	1 999	1 461	1 551	2 035	2 035	2 035	2 035	2 035	2 035
Other transfers to households	17 653	3 056	3 968	5 216	5 216	5 216	5 943	6 216	6 216
Payments for capital assets	9 232	9 023	4 837	5 155	5 155	5 155	5 155	5 155	5 155
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	9 232	4 561	788	5 155	5 155	5 155	5 155	5 155	5 155
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	9 232	4 561	788	5 155	5 155	5 155	5 155	5 155	5 155
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	4 462	4 049	-	-	-	-	-	-
Payments for financial assets	3	185 533	185 668	-	7	122	-	-	-
Total	228 554	427 401	362 581	249 070	249 070	249 070	261 977	281 832	301 718
Unauth. exp. (1 st charge) not available for spending	-	(185 492)	(185 666)	-	-	-	-	-	-
Baseline available for spending after 1st charge	228 554	241 909	176 915	249 070	249 070	249 070	261 977	281 832	301 718

Table 12.D: Details of payments and estimates by economic classification - Programme 2: Transport Infrastructure

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	1 486 092	1 518 789	2 165 327	2 718 478	2 581 759	2 580 194	3 251 974	3 481 463	4 063 258
Compensation of employees	459 312	494 606	549 509	635 670	635 670	635 670	715 429	757 436	799 281
Salaries and wages	422 906	452 657	501 755	593 823	593 823	593 823	675 860	715 241	754 215
Social contributions	36 406	41 949	47 754	41 847	41 847	41 847	39 569	42 195	45 066
Goods and services	1 026 780	1 024 183	1 615 818	2 082 808	1 946 089	1 944 524	2 536 545	2 724 027	3 263 977
of which									
Administrative fees	46	47	25	50	50	46	53	56	59
Advertising	3 919	2 415	1 695	8 251	8 251	7 621	781	1 104	1 189
Assets <R5000	5 401	3 880	6 051	1 935	1 935	3 401	2 068	2 182	2 302
Audit cost: External	1 297	-	-	-	-	300	-	-	-
Bursaries (employees)	115	-	28	351	351	322	375	396	418
Catering: Departmental activities	788	1 181	3 152	582	582	3 195	622	656	692
Communication	10 868	12 073	10 281	11 561	11 561	11 750	12 359	13 039	13 756
Computer services	18 037	21 589	24 282	10 870	10 870	9 964	11 620	12 259	12 933
Cons/prof: Business & advisory services	317	339	158	38	38	8 768	41	43	45
Cons/prof: Infrastructure & planning	41 493	99 801	68 493	105 883	105 883	72 533	109 049	111 747	117 893
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	277	8 476	4 377	355	355	4 073	379	400	422
Contractors	838 448	701 475	1 322 478	1 775 889	1 639 170	1 531 073	2 229 686	2 404 685	2 927 391
Agency & support/outsourced services	2 999	2 266	1 660	1 471	1 471	4 829	1 573	1 659	1 750
Entertainment	2 558	77	-	789	789	723	843	890	938
Fleet services (incl. GMT)	14	-	1	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	72	111	106	112	112	114	117	119	126
Inventory: Fuel, oil and gas	4 741	28 945	43 211	33 020	33 020	36 321	36 228	38 111	40 207
Inventory: Learner and teacher supp material	-	-	1	1	1	1	1	1	1
Inventory: Materials and supplies	17 524	19 781	28 376	20 816	20 816	23 247	22 217	23 559	24 855
Inventory: Medical supplies	10	-	23	4 624	4 624	4 239	4 963	5 236	5 524
Inventory: Medicine	-	-	4	-	-	44	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	25 130	53 105	12 609	12 609	31 803	13 479	14 220	15 002
Inventory: Stationery and printing	3 213	4 161	2 003	466	466	1 730	498	525	553
Lease payments	20 336	42 557	(9 765)	45 760	45 760	126 738	48 917	51 608	54 446
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	13 522	19 202	25 017	23 024	23 024	25 015	24 614	25 968	27 396
Transport provided: Departmental activity	6 058	8 027	6 275	212	212	6 835	227	239	252
Travel and subsistence	26 299	18 688	14 391	22 185	22 185	21 262	13 716	13 020	13 396
Training and development	2 257	2 610	4 359	1 115	1 115	2 421	1 192	1 258	1 327
Operating expenditure	1 831	810	594	261	261	1 980	279	295	311
Venues and facilities	4 340	542	5 437	578	578	4 176	648	752	793
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	4 863	5 773	3 504	1 358	5 358	6 919	1 131	1 358	2 395
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 863	5 773	3 504	1 358	5 358	6 919	1 131	1 358	2 395
Social benefits	2 220	2 245	2 580	-	-	-	-	-	-
Other transfers to households	2 643	3 528	924	1 358	5 358	6 919	1 131	1 358	2 395
Payments for capital assets	2 651 349	2 004 703	2 083 469	2 026 595	2 192 595	2 192 595	2 145 648	2 242 123	2 462 646
Buildings and other fixed structures	2 620 225	1 994 001	2 058 342	1 989 697	2 155 697	2 155 697	2 108 750	2 205 225	2 425 748
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	2 620 225	1 994 001	2 058 342	1 989 697	2 155 697	2 155 697	2 108 750	2 205 225	2 425 748
Machinery and equipment	28 739	10 702	25 127	36 898	36 898	36 898	36 898	36 898	36 898
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	28 739	10 702	25 127	36 898	36 898	36 898	36 898	36 898	36 898
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	2 385	-	-	-	-	-	-	-	-
Payments for financial assets	139	8	23	-	34	38	-	-	-
Total	4 142 443	3 529 273	4 252 323	4 746 431	4 779 746	4 779 746	5 398 753	5 724 944	6 528 299

Table 12.E: Details of payments and estimates by economic classification - Programme 3: Transport Operations

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	101 218	59 361	54 531	105 139	105 139	105 139	122 226	112 077	155 287
Compensation of employees	18 971	22 573	23 342	34 614	34 614	34 614	41 778	40 232	42 445
Salaries and wages	17 360	20 521	20 540	32 663	32 663	32 663	39 693	37 032	39 069
Social contributions	1 611	2 052	2 802	1 951	1 951	1 951	2 085	3 200	3 376
Goods and services	82 247	36 788	31 189	70 525	70 525	70 525	80 448	71 845	112 842
of which									
Administrative fees	-	-	-	-	-	3	-	-	-
Advertising	627	27	135	881	881	7 739	941	993	1 048
Assets <R5000	197	54	41	319	319	305	341	359	379
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	470	99	228	3	3	1 620	3	4	4
Communication	1 150	1 060	898	1 035	1 035	1 338	1 107	1 167	1 231
Computer services	241	223	3	13	13	12	14	15	16
Cons/prof: Business & advisory services	62 028	25 554	17 877	58 631	58 631	36 980	67 733	58 430	98 690
Cons/prof: Infrastructure & planning	-	-	992	-	-	-	-	-	-
Cons/prof: Laboratory services									
Cons/prof: Legal cost	6	352	950	68	68	266	73	77	81
Contractors	-	448	968	947	947	6 791	1 012	1 068	1 127
Agency & support/outsourced services	3 585	-	122	290	290	324	310	327	345
Entertainment									
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	-	-	13	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	165	284	1 517	1 517	1 425	1 622	1 711	1 805
Inventory: Learner and teacher supp material	19	-	1	-	-	30	-	-	-
Inventory: Materials and supplies	11	13	-	-	-	4	-	-	-
Inventory: Medical supplies	1	-	-	-	-	-	-	-	-
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	2 288	-	5	-	-	73	-	-	-
Inventory: Stationery and printing	-	196	1 679	226	226	825	242	255	269
Lease payments	5 376	3 313	1 983	1 780	1 780	1 634	1 903	2 008	2 118
Rental and hiring	-	-	1 905	-	-	-	-	-	-
Property payments	1 654	1 625	-	1 355	1 355	1 528	1 448	1 528	1 612
Transport provided: Departmental activity	-	-	-	-	-	139	-	-	-
Travel and subsistence	4 143	2 896	3 035	2 389	2 389	5 079	2 553	2 694	2 842
Training and development	-	31	19	-	-	59	-	-	-
Operating expenditure	-	668	33	35	35	302	38	40	42
Venues and facilities	451	64	18	1 036	1 036	4 049	1 108	1 169	1 233
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	11 470	593 250	715 294	773 473	810 473	810 473	900 360	852 325	895 350
Provinces and municipalities	6 000	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	6 000	-	-	-	-	-	-	-	-
Municipalities	6 000	-	-	-	-	-	-	-	-
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	593 250	715 294	773 473	810 473	810 473	900 360	852 325	895 350
Public corporations	-	593 250	715 294	773 473	810 473	810 473	900 360	852 325	895 350
Subsidies on production	-	593 250	715 294	773 473	773 473	773 473	808 279	852 325	895 350
Other transfers	-	-	-	-	37 000	37 000	92 081	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	5 470	-	-	-	-	-	-	-	-
Social benefits	19	-	-	-	-	-	-	-	-
Other transfers to households	5 451	-	-	-	-	-	-	-	-
Payments for capital assets	540	694	710	276	276	276	276	276	276
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	540	694	710	276	276	276	276	276	276
Transport equipment									
Other machinery and equipment	540	694	710	276	276	276	276	276	276
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	8	-	-	-	-	-	-	-
Total	113 228	653 313	770 535	878 888	915 888	915 888	1 022 862	964 678	1 050 913

Table 12.F: Details of payments and estimates by economic classification - Programme 4: Transport Regulation

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	420 889	469 444	497 990	597 183	586 631	586 586	648 770	702 514	748 990
Compensation of employees	268 774	298 410	357 173	385 174	385 174	385 174	433 266	475 120	501 251
Salaries and wages	236 538	257 770	308 733	356 214	356 214	356 214	402 308	442 459	466 794
Social contributions	32 236	40 640	48 440	28 960	28 960	28 960	30 958	32 661	34 457
Goods and services	152 023	171 034	140 817	212 009	201 457	201 412	215 504	227 394	247 739
of which									
Administrative fees	9	9	50	10	10	10	12	14	15
Advertising	21 536	2 025	1 331	3 801	3 801	3 515	3 201	3 543	3 738
Assets <R5000	1 252	3 615	834	829	829	1 690	887	935	986
Audit cost: External	109	80	24	77	77	71	82	87	92
Bursaries (employees)	14	-	-	131	131	120	140	148	156
Catering: Departmental activities	1 136	1 040	1 416	408	408	381	436	460	485
Communication	14 861	10 041	8 422	13 668	13 668	13 328	13 611	15 415	16 263
Computer services	7 499	9 443	13 641	13 387	13 387	12 497	13 311	15 089	15 919
Cons/prof: Business & advisory services	11 168	17 515	7 439	92 757	82 205	44 803	102 487	108 579	122 389
Cons/prof: Infrastructure & planning	489	733	16	-	-	234	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	409	1 100	639	1 354	1 354	1 279	1 447	1 527	1 611
Contractors	3 733	45 162	30 616	13 060	13 060	42 297	8 308	8 371	8 831
Agency & support/outsource services	7 060	5 311	1 642	2 278	2 278	2 087	2 435	2 569	2 710
Entertainment	220	132	-	91	91	83	97	102	108
Fleet services (incl. GMT)	117	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	24	45	23	47	47	45	48	48	51
Inventory: Fuel, oil and gas	8 617	10 548	11 082	11 132	11 132	11 927	11 900	12 555	13 246
Inventory: Learner and teacher supp material	719	107	262	34	34	91	35	36	38
Inventory: Materials and supplies	113	249	151	20	20	310	22	24	25
Inventory: Medical supplies	-	-	22	23	23	16	25	27	28
Inventory: Medicine	-	-	7	-	-	7	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	6 694	2 207	4 161	168	168	997	180	190	200
Inventory: Stationery and printing	8 493	7 579	6 866	8 389	8 389	8 798	4 698	4 462	4 707
Lease payments	1 131	2 653	12 520	3 654	3 654	9 004	3 906	4 121	4 348
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	11 774	16 647	19 106	19 144	19 144	25 181	20 452	21 557	22 743
Transport provided: Departmental activity	-	101	100	-	-	-	-	-	-
Travel and subsistence	37 276	30 283	16 667	25 100	25 100	19 179	25 167	24 773	26 136
Training and development	1 855	821	725	934	934	698	998	1 053	1 111
Operating expenditure	862	650	568	925	925	2 096	990	1 045	1 102
Venues and facilities	4 853	2 938	2 487	588	588	668	629	664	701
Interest and rent on land	92	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	92	-	-	-	-	-	-	-	-
Transfers and subsidies to	439	937	1 715	50	550	592	50	50	50
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	439	937	1 715	50	550	592	50	50	50
Social benefits	439	937	1 709	50	550	592	50	50	50
Other transfers to households	-	-	6	-	-	-	-	-	-
Payments for capital assets	22 895	9 291	17 966	21 976	21 976	21 976	21 976	21 976	21 976
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	22 895	9 291	17 966	21 976	21 976	21 976	21 976	21 976	21 976
Transport equipment	3 806	4 265	-	-	-	-	-	-	-
Other machinery and equipment	19 089	5 026	17 966	21 976	21 976	21 976	21 976	21 976	21 976
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	28	27	-	52	55	-	-	-
Total	444 223	479 700	517 698	619 209	609 209	609 209	670 796	724 540	771 016

Table 12.G: Details of payments and estimates by economic classification - Programme 5: Community Based Programme

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	96 555	75 232	55 672	79 746	73 743	73 743	64 100	67 765	71 611
Compensation of employees	15 256	16 435	10 505	16 832	16 832	16 832	18 870	21 246	22 415
Salaries and wages	14 398	15 367	9 276	15 687	15 687	15 687	17 647	19 955	21 053
Social contributions	858	1 068	1 229	1 145	1 145	1 145	1 223	1 291	1 362
Goods and services	81 299	58 797	45 167	62 914	56 911	56 911	45 230	46 519	49 196
of which									
Administrative fees	-	-	-	-	-	9	-	-	-
Advertising	1 596	360	40	2 213	2 213	2 029	2 336	2 469	2 605
Assets <R5000	81	19	37	124	124	114	132	139	147
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	661	247	366	275	275	391	294	310	327
Communication	205	257	156	263	263	508	281	297	313
Computer services	-	27	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	62 615	53 719	33 688	51 949	45 946	31 727	33 538	34 177	36 175
Cons/prof: Infrastructure & planning	4 753	-	8 209	851	851	6 002	909	959	1 012
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	3 948	155	363	98	98	6 785	105	111	117
Agency & support/outsource services	26	10	1	-	-	-	-	-	-
Entertainment	210	11	2	-	-	-	-	-	-
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	-	-	6	1	1	5	1	1	1
Inventory: Fuel, oil and gas	12	89	66	300	300	291	320	338	357
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies									
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	528	-	(132)	182	182	167	195	206	217
Inventory: Stationery and printing	-	138	57	3	3	299	4	5	5
Lease payments	120	69	(114)	113	113	104	121	127	134
Rental and hiring									
Property payments	7	-	-	56	56	-	60	64	68
Transport provided: Departmental activity	223	1 269	442	-	-	831	-	-	-
Travel and subsistence	4 899	2 052	1 661	5 253	5 253	5 944	5 616	5 925	6 251
Training and development	425	154	62	33	33	30	35	37	39
Operating expenditure	-	67	-	-	-	51	-	-	-
Venues and facilities	990	154	257	1 200	1 200	1 624	1 283	1 354	1 428
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	-	-	-	-	-	-	-	-	-
Social benefits									
Other transfers to households									
Payments for capital assets	220	77	114	385	385	385	385	385	385
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	220	77	114	385	385	385	385	385	385
Transport equipment									
Other machinery and equipment	220	77	114	385	385	385	385	385	385
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	3	3	-	-	-
Total	96 775	75 309	55 786	80 131	74 131	74 131	64 485	68 150	71 996

Table 12.H: Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2011/12	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	-	83 900	367 960	129 836	147 151	147 151	1 644 967	1 516 651	1 590 923
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	83 900	367 960	129 836	147 151	147 151	1 644 967	1 516 651	1 590 923
of which									
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets <R5000	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	-	-	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	83 900	367 960	129 836	147 151	147 151	1 644 967	1 516 651	1 590 923
Agency & support/outourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	-	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating expenditure	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	593 250	715 294	773 473	773 473	773 473	808 279	852 325	895 350
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	593 250	715 294	773 473	773 473	773 473	808 279	852 325	895 350
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	593 250	715 294	773 473	773 473	773 473	808 279	852 325	895 350
Subsidies on production	-	593 250	715 294	773 473	773 473	773 473	808 279	852 325	895 350
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 309 475	899 427	958 390	1 236 648	1 236 648	1 236 648	-	-	-
Buildings and other fixed structures	1 309 475	899 427	958 390	1 236 648	1 236 648	1 236 648	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	1 309 475	899 427	958 390	1 236 648	1 236 648	1 236 648	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 309 475	1 576 577	2 041 644	2 139 957	2 157 272	2 157 272	2 453 246	2 368 976	2 486 273

Table 12.I: Payments and estimates by economic classification: Sani Pass Road grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	30 000	34 347	-	-	-	-	-	-	-
Buildings and other fixed structures	30 000	34 347	-	-	-	-	-	-	-
Other fixed structures	30 000	34 347	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	30 000	34 347	-	-	-	-	-	-	-

Table 12.J: Payments and estimates by economic classification: Transport Disaster Management grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	-	-	-	-	29 736	29 736	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	29 736	29 736	-	-	-
of which									
Contractors	-	-	-	-	29 736	29 736	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	616 773	-	-	-	-	-	-	-	-
Buildings and other fixed structures	616 773	-	-	-	-	-	-	-	-
Other fixed structures	616 773	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	616 773	-	-	-	29 736	29 736	-	-	-

Table 12.K: Payments and estimates by economic classification: Public Transport Operations grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	593 250	715 294	773 473	773 473	773 473	808 279	852 325	895 350
Public corporations and private enterprises	-	593 250	715 294	773 473	773 473	773 473	808 279	852 325	895 350
Private enterprises	-	593 250	715 294	773 473	773 473	773 473	808 279	852 325	895 350
Subsidies on production	-	593 250	715 294	773 473	773 473	773 473	808 279	852 325	895 350
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	593 250	715 294	773 473	773 473	773 473	808 279	852 325	895 350

Table 12.L: Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	-	83 900	153 562	129 836	117 415	117 415	64 290	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	83 900	153 562	129 836	117 415	117 415	64 290	-	-
of which									
Contractors	-	83 900	153 562	129 836	117 415	117 415	64 290	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	83 900	153 562	129 836	117 415	117 415	64 290	-	-

Table 12.M: Payments and estimates by economic classification: Provincial Roads Maintenance grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	-	-	-	-	-	-	1 580 677	1 516 651	1 590 923
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	1 580 677	1 516 651	1 590 923
of which									
Contractors	-	-	-	-	-	-	1 580 677	1 516 651	1 590 923
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	662 702	865 080	958 390	1 236 648	1 236 648	1 236 648	-	-	-
Buildings and other fixed structures	662 702	865 080	958 390	1 236 648	1 236 648	1 236 648	-	-	-
Other fixed structures	662 702	865 080	958 390	1 236 648	1 236 648	1 236 648	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	662 702	865 080	958 390	1 236 648	1 236 648	1 236 648	1 580 677	1 516 651	1 590 923

Table 12.N: Payments and estimates by economic classification: Provincial Disaster Relief grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	-	-	214 398	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	214 398	-	-	-	-	-	-
of which									
Contractors	-	-	214 398	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	214 398	-	-	-	-	-	-

Table 12.O: Details of payments of infrastructure by category

No.	Project name	Municipality/ Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available	MTEF forward estimates		
			Surface; gravel (include earth and access roads); public transport; bridges; drainage structures, etc.	Units (i.e. number of kilometres/square metres facilities)	Date: Start	Date: Finish						2012/13	2013/14	2014/15	
R thousand															
New and replacement assets															
1.	P577 (ARRUP)	Durban	Surface	14 km	01 Apr 2003	31 Mar 2015	Equitable share (ES)	Programme 2	-	-	-	-	98 880	10 424	-
2.	Access roads	Whole KZN	Gravel	Several	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	-	-	-	101 769	161 604	182 858
3.	Pedestrian bridges	Whole KZN	Bridges	Several	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	-	-	-	120 140	126 147	133 085
4.	Integrated Public Transport facilities	Ulundi	Structures	1	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	-	-	-	34 500	36 398	38 400
Total New and replacement assets									4 500	739 900	660 900	355 289	334 573	354 343	
Upgrades and additions															
1.	P496 (RNI)	Empangeni	Surface	13 km	01 Oct 2005	31 Mar 2015	ES	Programme 2	6 750	900 000	501 400	-	100 917	106 631	112 725
2.	P318 (RNI)	PMB	Surface	14 km	01 Nov 2006	31 Mar 2015	ES	Programme 2	1 090	262 490	148 542	-	73 670	77 354	81 608
3.	DubeTradePort roads	eThekweni	Construction	Several	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	-	-	-	171 951	180 548	190 235
4.	ARRUP roads	uThungulu	Construction	Several	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	-	-	-	275 263	305 817	428 699
5.	Access roads	Whole KZN	Construction	Several	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	-	-	-	420 952	424 823	414 769
6.	Computerised learner licence testing	Whole KZN	System	Several	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	-	-	-	34 800	34 800	34 800
7.	Road safety improvements	Whole KZN	Maintenance	Several	01 Apr 2011	31 Mar 2015	ES	Programme 2	-	-	-	-	2 800	-	-
8.	P700 (ARRUP)	Empangeni	Surface	95 km	01 May 2004	31 Mar 2015	ES	Programme 2	2 900	475 188	401 188	-	67 069	74 034	75 261
Total Upgrades and additions									10 740	1 637 678	1 051 130	1 147 422	1 204 007	1 338 097	
Rehabilitation, renovations and refurbishments															
1.	P47/4	Empangeni	Rehabilitation	8 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	-	40 317	-	-
2.	P48	Empangeni	Rehabilitation	6 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	-	48 903	53 761	54 355
3.	P34/4	Empangeni	Rehabilitation	15 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	-	40 317	44 270	4 477
4.	P522/2	Ladysmith	Rehabilitation	5 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	-	40 317	44 269	44 759
5.	P1/9	Ladysmith	Rehabilitation	9 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	-	23 145	25 290	25 569
6.	P6/2	Ladysmith	Rehabilitation	15 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	-	66 079	72 741	64 042
7.	P6/1	PMB	Rehabilitation	11 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	-	83 238	91 717	92 731
8.	P21/1	PMB	Rehabilitation	5 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	-	77 916	85 826	86 775
9.	P22/2	PMB	Rehabilitation	18 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	-	63 214	69 576	70 346
10.	P400	Durban	Rehabilitation	6 km	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	-	66 077	72 752	88 476
Other	Various	Whole KZN	Rehabilitation	Several	01 Apr 2012	31 Mar 2015	ES	Programme 2	-	-	-	-	56 516	106 443	201 778
Total Rehabilitation, renovations and refurbishments									-	-	-	-	606 039	666 645	733 308
Maintenance and repairs															
1.	Durban	Durban	Reseals	64.05 km	01 Apr 2012	31 Mar 2015	ES & Prov.Rd.Mtn grant	Programme 2	-	-	-	-	20 449	20 679	26 825
2.	PMB	PMB	Reseals	78 km	01 Apr 2012	31 Mar 2015	ES & Prov.Rd.Mtn grant	Programme 2	-	-	-	-	27 809	28 122	34 841
3.	Ladysmith	Ladysmith	Reseals	47.5 km	01 Apr 2012	31 Mar 2015	ES & Prov.Rd.Mtn grant	Programme 2	-	-	-	-	24 129	24 400	30 230
4.	Empangeni	Empangeni	Reseals	60 km	01 Apr 2012	31 Mar 2015	ES & Prov.Rd.Mtn grant	Programme 2	-	-	-	-	24 129	2 440	3 022
5.	Routine	Whole KZN	Routine	Several	01 Apr 2012	31 Mar 2015	ES & Prov.Rd.Mtn grant	Programme 2	-	-	-	-	850 376	892 140	1 089 094
6.	Preventative	Whole KZN	Preventative	Several	01 Apr 2012	31 Mar 2015	ES & Prov.Rd.Mtn grant	Programme 2	-	-	-	-	778 803	927 272	1 090 047
7.	Safety	Whole KZN	Safety	Several	01 Apr 2012	31 Mar 2015	ES & Prov.Rd.Mtn grant	Programme 2	-	-	-	-	227 944	236 938	281 792
8.	Special	Whole KZN	Special	Several	01 Apr 2012	31 Mar 2015	ES & Prov.Rd.Mtn grant	Programme 2	-	-	-	-	25 156	2 545	3 153
9.	Mechanical	Whole KZN	Mechanical	Several	01 Apr 2012	31 Mar 2015	ES & Prov.Rd.Mtn grant	Programme 2	-	-	-	-	549 576	589 900	496 909
10.	Maintenance administration	Whole KZN	Maintenance adm.	Several	01 Apr 2012	31 Mar 2015	ES & Prov.Rd.Mtn grant	Programme 2	-	-	-	-	511 308	522 740	688 782
Other	Various	Whole KZN	Other	Several	01 Apr 2012	31 Mar 2015	ES & Prov.Rd.Mtn grant	Programme 2	-	-	-	-	24 489	39 964	123 676
Total Maintenance and repairs									-	-	-	-	3 064 168	3 287 140	3 868 371
Infrastructure transfers - current									-	-	-	-	-	-	-
Infrastructure transfers - capital									-	-	-	-	-	-	-
Total Infrastructure									15 240	2 377 578	1 712 030	5 172 918	5 492 365	6 294 119	

Table 12.P: Summary of transfers to local government (Municipal Transport Planning & Infrastructure)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	-	-	-	-	-	-	-	-	-
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	6 000	-	-	-	-	-	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	6 000	-	-	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	-	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
B KZN241 Endumeni	-	-	-	-	-	-	-	-	-
B KZN242 Nqutu	-	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	-	-	-	-	-	-	-
B KZN245 Umvoti	-	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
B KZN252 Newcastle	-	-	-	-	-	-	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZN271 Umhlabuyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	-	-	-	-	-	-	-	-	-
B KZN274 Hlabisa	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	-	-	-	-	-	-	-	-	-
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
B KZN431 Ingwe	-	-	-	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 Umzimkulu	-	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	6 000	-	-	-	-	-	-	-	-

VOTE 13

Social Development

Operational budget	R 2 046 245 911
MEC remuneration	R 1 566 089
Total amount to be appropriated	R 2 047 812 000
Responsible MEC	Mrs. W. G. Thusi, MEC for Social Development
Administering department	Social Development
Accounting officer	Head: Social Development

1. Overview

Vision

The vision of the Department of Social Development is to: *Enhance the quality of life through an integrated system of social development services.*

Mission statement

The department's mission is: *The promotion of developmental social welfare services and community development to the people of KwaZulu-Natal in partnership with stakeholders.*

Strategic objectives

Strategic policy direction: By focussing on its role in the enhancement of the quality of life of the people of KwaZulu-Natal, the department seeks to align its operations and strategic position with the overall aim of government to ensure a long and healthy life for all, as well as to create sustainable rural communities.

The strategic objectives of the department include the following:

Governance and institutional development

- To provide social infrastructure that supports integrated service delivery based on demand for the Social Development sector.
- To provide an effective district management system.

Reduce child, adult and older persons' poverty

- To improve income and asset generating capability of poor families and communities to enhance their livelihoods.
- To implement youth programmes that assist youth to access decent work and participate in the mainstream economy.
- To increase the effectiveness and response capacity of non-profit organisations (NPOs) who render youth development services.
- To implement a comprehensive rural poverty reduction strategy ensuring universal access to basic services.
- To create a sustainable environment for service delivery organisations (NPOs) through capacity development, partnerships, collaborations, agency agreements and cluster protocols.

Social cohesion

- To support and strengthen families and community interventions that foster social cohesion.
- To create an environment that enables the promotion of older persons and protection of their rights.
- To protect and promote the rights of people with disabilities including social security rights.
- To reduce the risk of sexual and physical violence against women (gender based violence).
- To reduce the incidence and minimise the psychosocial impact of HIV and AIDS.
- To promote gender equality with the view of dismantling patriarchy including addressing issues of masculinity.
- To develop evidence-based programmes and services that address the needs and challenges of vulnerable children and youth.
- To improve sector performance through rigorous research, planning and business process improvement consistent with the demand for social development services.
- To significantly reduce social crime.
- To reduce substance abuse.
- To invest in and ensure the provision of quality services to children, youth and older persons, including those in need of care and protection.

Core functions

Social welfare services

- Children (alternative care, early childhood development and child protection services).
- Restorative services (substance abuse, social crime prevention and support, victim empowerment).
- Special needs (older persons, persons with disabilities, gender, families and youth).
- HIV and AIDS (Home/Community Based Care (HCBC), National Integrated Plan (NIP) sites for children and youth infected and affected, care and support).

Development and research

- Youth development (EPWP), *Masupatsela* Youth Pioneer Programme (youth ambassadors), empowerment of disabled persons and gender issues).
- Sustainable livelihood (building sustainable communities and poverty reduction partnerships).
- Institutional capacity building and support (building capacity of service delivery organisations – NPOs).
- Research and demography (research on population and development issues for planning purposes, demographic analysis and community surveys).
- Population capacity development and advocacy (capacity development and advocacy on population and development issues).

Legislative mandate

In carrying out these core functions, the department is governed by various acts and policies. The basic tenets of the Constitution, as embodied in Chapter 2, contain the Bill of Rights, which emphasises equality, human dignity, freedom and security of the person, health care, food, water and social security and the rights of the child. The department administers all or part of the following Acts:

- The Constitution of South Africa (Act No. 108 of 1996)
- Not for Profit Organisations Act (Act No. 71 of 1997)
- Social Services Professions Act (Act No. 110 of 1978, as amended)
- Children's Act (Act No. 38 of 2005, as amended)

- Older Persons Act (Act No. 13 of 2006)
- White Paper Population Policy for South Africa of 1998
- Probation Services Act (Act No. 116 of 1991, as amended)
- Prevention and Treatment of Drug Dependency Act (Act No. 20 of 1992)
- Domestic Violence Act (Act No. 116 of 1998)
- White Paper on Social Welfare, 1997
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Public Service Act (Act No. 103 of 1994) and Public Service Regulations of 2001
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Child Justice Act (Act No. 75 of 2008)
- Prevention of and Treatment for Substance Abuse Act (Act No. 70 of 2008)
- Advisory Board on Social Development Act (Act No. 3 of 2001)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)
- Promotion of Equality and Prevention of Unfair Discrimination Act (Act No. 4 of 2000)
- Social Assistance Act (Act No. 59 of 1992)
- Social Work Act (Act No. 102 of 1998)
- Skills Development Act (Act No. 9 of 1999)
- South African Qualifications Authority Act (Act No. 58 of 1995)

2. Review of the 2011/12 financial year

Section 2 provides a review of 2011/12, outlining the main achievements and progress made by the department, as well as providing a brief discussion on the challenges and new developments.

Youth development and special programmes

The department implemented various youth development programmes and initiatives. During the year, 92 youth NPOs delivering youth development services received funding, 196 youths were placed into income generating projects and this led them to receiving a stipend. Furthermore, 211 youths were trained on technical skills such as computers, bricklaying, electrical and carpentry. The department formed a strategic partnership with the Office of the Premier and this culminated into 302 *Masupatsela* youth cadres being recruited as youth ambassadors. A total of 254 work opportunities were created for youth as cleaners, gardeners and administration officers in the department's infrastructure projects.

Professional compliance and quality assurance

The department, in partnership with the South African Council for Social Services Professions, trained 200 social workers on human rights and the minimum standards pertaining to ethical practices of social workers, social auxiliary workers and student social workers. A total of 162 social workers were trained on the norms and standards for Social Welfare Services.

Early childhood development, older persons and persons with disabilities

The department trained government departments and NGOs on the Norms and Standards for Child Protection. The provincial Child Protection Week was celebrated. A workshop was undertaken on the strategy for children living and working on the streets.

The department rolled out the Older Persons Act and protocol on the management of elder abuse, to departmental staff and NGOs. The department undertook Early Childhood Development (ECD) dialogues in the province which served as a platform for creating awareness on ECD. These dialogues will form the basis for deliberations at the National ECD Conference to be co-ordinated by the national Department of Social Development (DSD).

The department also funded and monitored 51 old age homes and 267 service centres. The International Day of Older Persons was commemorated in the uThungulu District Municipality.

The department provided training for persons with disabilities on the United Nation's Convention on the Rights of Persons with Disabilities and the Policy on the Management of Protective Workshops (an HCBC programme providing employment for persons with disabilities). The department funded five NPOs providing services to families, and a consultative workshop was held on the Mediation Strategy for families.

Social crime prevention

The department continued with the implementation of the Child Justice Act and, consequently, 2 672 children in conflict with the law were assessed, 551 children completed diversion programmes and 272 children in conflict with the law were admitted into secure care centres managed by government.

In addition to the above, the Policy Framework for Diversion Programmes was finalised and the norms and standards for secure care centres was completed. Attention was also paid to the infrastructural rehabilitation of the Kwa-Pata Place of Safety and Excelsior Secure Care Centre. The department finalised the development of five therapeutic programmes for children in conflict with the law.

Victim Empowerment Programme (VEP)

Victim empowerment services were strengthened by partnerships with the United Nations (UN) Office on Drugs and Crime and the European Union. Consequently, co-ordination of VEP Provincial Forums was facilitated and intersectoral co-ordination of structures was maintained. Such structures included the Human Trafficking Task Team, Provincial Gender Machinery (an Office of the Premier initiative to bring about women empowerment and gender equality in KZN), Victims' Charter, Anti-Rape Strategy, Sexual Offences Task Team and the Restorative Justice Committee. Staff and stakeholders were capacitated on human trafficking regulations, migrants' rights, healing and restoration programme and the development of a victims' register.

Substance abuse programme

In 2011/12, the department registered one half-way house. The department also held consultations with the Central Drug Authority and fully participated in the provincial Substance Abuse Forum. NPOs implemented prevention and awareness programmes, including the roll-out of the *Ke Moja* awareness campaign, a national campaign to raise awareness of the dangers of drug abuse.

HIV and AIDS programme

A total of 75 community care-givers were trained on the care of the care-givers project (*Thogomelo*) and child protection. Partnerships with civil society organisations and the business sector were established. The department also participated in the Provincial AIDS Council. The department funded 215 NPOs providing HCBC services at community care centres, and 14 293 children made vulnerable by HIV and AIDS received services.

Research and demography

The department designed studies, developed tools for field work and collected data for analysis of two major research projects based on teenage pregnancy and male involvement in HIV and AIDS. The results thereof will be available in 2012/13. The department established a Provincial Research Forum in which research activities are co-ordinated and disseminated.

Population capacity development and advocacy

World Population Day, attended by more than 10 000 people, was commemorated in Ixopo. The department also disseminated information relating to population and development to 600 stakeholders.

3. Outlook for the 2012/13 financial year

Section 3 looks at the key focus areas of 2012/13, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments.

Professional compliance and quality assurance

In order to improve professionalism and improved quality of services rendered by social services, the department will conduct training on human rights and the minimum standards pertaining to ethical practices of social work professionals, in partnership with the South African Council for Social Services Professions. The department will also ensure implementation of norms and standards for Social Welfare Services by all the service offices, through monitoring visits. Training on the Situational Supervision Model for social workers will be conducted to ensure that quality supervision is rendered to all social work professionals.

Older persons, disability, families and gender

The department is planning to increase the number of older persons accessing community based care and support services from 13 493 to 21 018. Capacity building sessions on the Older Persons' Act and abuse of older persons will be held with NPOs and government departments.

The department intends to roll-out training on the UN Convention on the Rights of Persons with Disabilities to departmental staff. The department plans to conduct training on autism, sign language and *My confidence* (training designed to boost self confidence among disabled persons).

The department intends to implement a firm strategy that will bring back the essence of the family in communities. In doing so, the department will increase the funding to NPOs in all district municipalities, including rural and under-sourced communities.

Implementation of the Child Justice and the Children's Acts

The department will focus on the filling of vacant posts and the accreditation of service providers for the effective implementation of the Child Justice Act, as well as capacity development on pre-sentence investigation reporting. The department will also focus on service delivery issues relating to the implementation of the Act.

To intensify the implementation of the Children's Act, the department plans to, among others, increase the staff dedicated to partial care services, appoint data capturers dedicated to the facilitation of ECD and EPWP training, undertake ECD awareness programmes, call for proposals from NGOs to render services for new programmes, as well as appoint additional staff at cluster and service offices and child care facilities.

Substance abuse programme

The department will facilitate the implementation of the Youth model (programme developed by DSD for treatment centres), at the two state rehabilitation centres (Madadeni Rehabilitation Centre and Newlands Park Centre), and the implementation of the Guiding Recovery of Women (GROW) initiative and the Prevention and Awareness models. The department will also sustain the funding of NPOs in the field of substance abuse, the alignment to the Prevention and Awareness models and ensure alignment to the Prevention of and Treatment for Substance Abuse Act, once the regulations are finalised.

Victim empowerment

The department will increase the number of shelters for victims of crime and violence from 14 to 31 with the specific focus on rural and under-sourced areas. Capacity building sessions for management of the Provincial Victim Empowerment forum will be held and the web-based system for an electronic victims register implemented.

HIV and AIDS programme

The department will, among others, strengthen the partnership between NPOs and civil society organisations, as well as the business sector, in order to increase the number of NPOs delivering HIV and AIDS prevention programmes. The department also plans to increase the number of community caregivers who are receiving stipends and expansion of the HCBC.

Sustainable livelihood

In 2012/13, the department will focus on increasing the understanding of vulnerabilities and opportunities for households and communities. This will be done through conducting household and community

profiles, increasing the number of households participating in food production programmes and improving access to food for households through community development initiatives.

Research and demography

Research population projects, focusing on women and youth, will be implemented. Furthermore, the department will finalise the two main research studies based on teenage pregnancy and male involvement in HIV and AIDS. Focus will also be on targeted municipalities in respect of demographic profiles.

Population capacity development and advocacy

The department will develop a capacity building plan, as well as an advocacy plan, to promote the implementation of the population policy of South Africa. The department will also provide statistical and population data on district and local municipalities, and establish a Provincial Population and Development Forum consisting of government departments and municipalities.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 13.1 below gives the sources of funding for the Department of Social Development over the seven-year period, 2008/09 to 2014/15. The table also compares actual and budgeted receipts against actual and budgeted payments. Details are presented in *Annexure – Vote 13: Social Development*.

The department had no conditional grant funding from 2008/09 to 2009/10. In 2010/11, the Social Sector EPWP Incentive Grant for Provinces was introduced. In the 2012/13 MTEF, the department will not receive the conditional grant as National Treasury has reprioritised funds toward other job creation programmes in government.

Table 13.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Provincial allocation	1 198 113	1 361 280	1 665 482	1 948 462	1 948 462	1 948 462	2 047 812	2 293 980	2 401 373
Conditional grants	-	-	2 700	4 494	4 494	4 494	-	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	2 700	4 494	4 494	4 494	-	-	-
Total receipts	1 198 113	1 361 280	1 668 182	1 952 956	1 952 956	1 952 956	2 047 812	2 293 980	2 401 373
Total payments	1 232 408	1 361 280	1 416 423	1 952 956	1 952 956	1 831 609	2 047 812	2 293 980	2 401 373
Surplus/(Deficit) before financing	(34 295)	-	251 759	-	-	121 347	-	-	-
Financing									
of which									
Provincial cash resources	8 939	-	-	-	-	-	-	-	-
Surplus/(deficit) after financing	(25 356)	-	251 759	-	-	121 347	-	-	-

The department over-spent its budget in 2008/09 by R25.356 million, mainly due to pressures in *Goods and services* caused partly by various disasters in the province, including floods and runaway fires. In 2008/09, the department received a further allocation of R8.939 million, which was primarily to fund the pressures created by the higher than anticipated 2008 wage agreement.

The above-mentioned pressures in *Goods and services* continued in 2009/10 (although no pressure is evident in Table 13.1) which resulted in a Provincial Treasury intervention in 2010/11 in SCM, in terms of Section 18(2)(e) of the PFMA, with a view to bringing the expenditure under control.

In 2010/11, the department under-spent its allocation by R251.759 million, due to the rigorous vetting of NPOs to ensure compliance with S38(i)(j) of the PFMA, which resulted in transfer payments being delayed until SLAs were signed, as well as savings on *Goods and services* due to the above-mentioned Provincial Treasury intervention in SCM. In addition to these savings, vehicles ordered during the year were only delivered in April 2011, there were posts that were filled during the year and others which were still in the process of being filled, yet were budgeted for the entire year. Also, cost-cutting on the purchase of *Machinery and equipment* further reduced the expenditure.

The department is projecting to end 2011/12 with net under-spending of R121.347 million partly due to delays in filling funded vacant posts because of a review of the departmental structure. In addition, there was low spending on maintenance of existing infrastructure due to lack of capacity in the Department of Public Works. The low spending is also due to the Provincial Treasury intervention in SCM and delays in signing of SLAs with NPOs. Also, the fact that the implementation of transfer is from the date of signing with no arrear payments, as per recommendation by the A-G, contributed to the under-spending.

The department's budget increases steadily over the 2012/13 MTEF.

4.2 Departmental receipts collection

Table 13.2 provides a summary of the receipts that the department is responsible for collecting.

Table 13.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	2 884	4 035	3 221	3 160	3 160	5 235	3 286	3 460	3 593
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	50	34	97	15	15	6	16	17	19
Sale of capital assets	-	1 889	2 289	-	-	-	-	-	-
Transactions in financial assets and liabilities	1 628	1 037	1 410	1 545	1 545	909	925	971	1 020
Total	4 562	6 995	7 017	4 720	4 720	6 150	4 227	4 448	4 632

The revenue collected by the department is minimal and relates mainly to commission on insurance, housing rent, patient fees (collected from two rehabilitation centres) and the sale of hand crafts that are produced by two state-run centres. This is reflected against *Sale of goods and services other than capital assets*. The peak in 2009/10 is largely due to the sale of tender documents. In 2010/11, the department did not sell any tender document as there were no tenders advertised, hence the reduction in that year. The department is projecting to over-collect against this category in 2011/12, due to the unanticipated collection of housing rent from SASSA officials who are occupying departmental staff houses.

The other main source of revenue for the department is *Transactions in financial assets and liabilities*, which consists primarily of debt recovery. The low recovery during 2008/09 and 2009/10 is mainly due to lower collection, as debt balances have been reduced over time.

The peak in revenue collected in 2010/11 against *Interest, dividends and rent on land* is in respect of interest on debt recoveries from pension benefits of ex-employees.

Revenue against *Sale of capital assets* includes the disposal of redundant motor vehicles and equipment.

4.3 Donor funding – Nil

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregate level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 13: Social Development*.

5.1 Key assumptions

The following key assumptions form the basis of the 2012/13 MTEF budget of the department:

- Inflation related items have been based on CPI projections.

- Provision was made for the carry-through costs of the 2011 wage agreement and an inflationary wage adjustment of 5 per cent for each of the three years of the 2012/13 MTEF, as well as the annual 1.5 per cent pay progression.
- The department provided for a six per cent increase of tariffs for private welfare organisations.
- The cost-cutting measures, as reissued by Provincial Treasury in 2012/13, will be adhered to over the 2012/13 MTEF.

5.2 Additional allocations for the 2010/11 to 2012/13 MTEF

Table 13.3 shows additional funding received by the department over the three MTEF periods: 2010/11, 2011/12 and 2012/13. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of the 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 carry-through allocations for the 2010/11 and 2011/12 MTEF periods (i.e. for the financial year 2014/15) are based on the incremental percentage used in the 2012/13 MTEF.

Table 13.3: Summary of additional provincial allocations for the 2010/11 to 2012/13 MTEF

R thousand	2010/11	2011/12	2012/13	2013/14	2014/15
2010/11 MTEF period	17 340	19 358	21 398	22 575	23 929
Carry-through of 2009/10 Adjustments Estimate - 2009 wage agreement	17 034	19 037	21 061	22 219	23 553
Policy on Incapacity Leave and Ill Health Retirement (PILIR)	306	321	337	356	377
2011/12 MTEF period		74 786	72 142	58 091	61 576
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement		27 099	25 978	27 620	29 277
Provincial priorities - Existing infrastructure assets and maintenance		48 713	47 482	32 114	34 041
National Cabinet decision to cut provinces by 0.3 per cent		(1 026)	(1 318)	(1 643)	(1 742)
2012/13 MTEF period			7 238	159 193	138 498
Carry-through of 2011 wage agreement			7 238	7 600	7 980
Provincial priorities - Removal of existing infrastructure assets and maintenance in 2014/15			-	-	(34 041)
National priorities - Child and Youth Care and Victim Empowerment			-	151 593	164 559
Total	17 340	94 144	100 778	239 859	224 004

In the 2010/11 MTEF, funding was provided for the carry-through costs of the 2009 wage agreement, as well as an allocation for PILIR.

Over the 2011/12 MTEF, the department received funding for the carry-through costs of the 2010 wage agreement, as well as additional funding to cater for the maintenance of existing infrastructure assets and maintenance. The latter funding is for state owned facilities which are in need of upgrading and renovation to bring them to acceptable norms and standards as prescribed by the relevant legislation. These include children's homes, reform schools, secure care centres, places of safety, an old age home, protective workshops and substance dependency centres. This allocation reduces in 2013/14, in line with project requirements.

Also in the 2011/12 MTEF, National Cabinet took a decision to cut all national votes and the provincial equitable share by 0.3 per cent. The bulk of this equitable share reduction in KZN was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus of the province. The balance was sourced proportionately from all 16 provincial votes.

In the 2012/13 MTEF, the department received additional funding for the carry-through costs of the 2011 wage agreement. As mentioned, the allocation for existing infrastructure and maintenance is removed in 2014/15 in line with project requirements. The department received additional national priority funding over the 2012/13 MTEF for Child and Youth Care and Victim Empowerment. Funds have been reprioritised from the national social assistance baseline to enable provinces to increase the subsidies and the number of days the subsidy is paid to non-profit organisations providing early childhood care to 0-4 year olds. Provinces are expected to pay a subsidy to approved early child care service providers of R15

per child per day for 264 days. This subsidy will assist providers to pay improved wages, purchase learner training and support material, provide improved nutrition and maintain facilities. Provinces should make provision for the *Isibindi* project to appoint Child and Youth Care workers that provide direct support to children in their homes at community level. The department's allocation has also been moderately increased for victim empowerment programmes which were previously funded by the European Union.

5.3 Summary by programme and economic classification

Tables 13.4 and 13.5 provide a summary of payments and budgeted estimates for the three budget programmes of the department, as well as per economic classification. The department complies fully with the uniform programme structure for the Social Development sector.

The department's budget reflects positive growth from 2008/09 to 2014/15. Factors that contribute to the upward growth include policy changes that impact on the provisioning of social welfare services, various national priorities, the OSD for social workers, yearly improvement of service conditions, as well as an increase in the number of personnel.

Table 13.4: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	287 611	327 357	325 624	350 468	373 618	365 327	394 185	415 865	438 737
2. Social Welfare Services	831 748	927 830	978 042	1 439 055	1 415 905	1 302 979	1 474 925	1 689 624	1 763 817
3. Development and Research	113 049	106 093	112 757	163 433	163 433	163 303	178 702	188 491	198 819
Total	1 232 408	1 361 280	1 416 423	1 952 956	1 952 956	1 831 609	2 047 812	2 293 980	2 401 373

Note: Programme 1 includes MEC remuneration: Salary: R1 566 089

Table 13.5: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	743 966	859 264	846 623	1 071 938	1 126 427	1 052 931	1 214 658	1 260 772	1 306 106
Compensation of employees	413 540	510 860	576 981	725 440	739 364	713 961	809 852	829 489	875 084
Goods and services	330 426	348 404	269 642	346 498	387 063	338 970	404 806	431 283	431 022
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	392 608	404 750	476 927	713 972	618 183	572 274	640 566	800 638	859 943
Provinces and municipalities	755	785	800	-	850	850	1 500	1 583	1 670
Departmental agencies and accounts	594	631	637	1 458	1 458	1 968	1 062	1 113	1 157
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	390 393	398 352	472 605	706 064	609 075	563 842	631 789	791 553	850 388
Households	866	4 982	2 885	6 450	6 800	5 614	6 215	6 389	6 728
Payments for capital assets	95 834	83 602	83 905	167 046	208 346	206 404	192 588	232 570	235 324
Buildings and other fixed structures	70 597	78 403	72 302	121 606	159 606	159 606	145 828	177 368	177 084
Machinery and equipment	25 237	5 176	11 532	45 440	47 740	45 798	45 706	54 090	57 065
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	23	71	-	1 000	1 000	1 054	1 112	1 175
Payments for financial assets	-	13 664	8 968	-	-	-	-	-	-
Total	1 232 408	1 361 280	1 416 423	1 952 956	1 952 956	1 831 609	2 047 812	2 293 980	2 401 373

A total of R2.048 billion has been allocated to the department in 2012/13, reflecting an upward trend when compared to the 2011/12 Adjusted Appropriation. This increase includes the carry-through cost of the 2011 wage agreement.

Programme 1: Administration experienced spending pressures against *Goods and services* from 2009/10 to 2011/12, caused mainly by contractual obligations that are centralised under Programme 1, such as security services, cleaning services, property leases and SITA data lines, as well as running costs of the departmental fleet. The decrease in 2010/11 is due to cost-cutting. In the 2011/12 Adjusted Appropriation, the department shifted R23.150 million from various categories in Programme 2 to *Goods and services* in Programme 1 to address unanticipated pressures from contractual obligations. The department implemented a cost-cutting drive to curb this spending pressure and to enable it to keep to its commitment of a balanced budget in 2011/12.

Programme 2: Social Welfare Services grew significantly from 2008/09 to 2014/15, mainly due to allocations for national priorities (OSD for social workers, ECD, HCBC and Children in Conflict with the Law) which commenced in 2008/09 and, in the case of ECD and HCBC, grew strongly in 2009/10 and 2010/11. Furthermore, substantial ECD funding was allocated in the 2009/10 MTEF, which commenced in 2011/12. The decrease in the 2011/12 Revised Estimate is due to delays in the signing of SLAs with NPOs. Additional national priority funding has been allocated in respect of Child and Youth Care and Victim Empowerment in the 2012/13 MTEF, but commencing in 2013/14.

In Programme 3: Development and Research, the decrease in 2009/10 when compared to 2008/09 is as a result of a decline in payments to NGOs due to the previously mentioned forensic investigations into entity compliance to the PFMA. The growth in 2010/11 compared to 2009/10 relates to funding for the construction of one-stop development centres, and this growth is also reflected in 2011/12 and over the 2012/13 MTEF.

Generally, both service delivery programmes show strong growth over the MTEF, especially Programme 2, due to national priority funding (e.g. ECD and HCBC) which is housed in this programme.

The bulk of the budget comprises *Compensation of employees* and *Transfers and subsidies to: Non-profit institutions*, in line with the department's core functions. *Compensation of employees* shows strong growth from 2008/09 through to the 2012/13 MTEF, primarily due to general salary improvements, as well as additional funding received in 2007/08 for the employment of social auxiliary workers, which was a national priority. The growth in 2010/11 includes the carry-through costs of the 2009 wage agreement, as well as the implementation of the OSD for social workers, which included back-pay to 2008. The reduction in spending in the 2011/12 Revised Estimate is due to delays in filling vacant posts.

Goods and services shows a decrease in 2010/11, which is largely a result of the previously mentioned Provincial Treasury SCM intervention. In the 2011/12 Adjusted Appropriation, R40.565 million was moved from savings on transfer payments to *Goods and services* to address pressures from contractual obligations such as security services, cleaning services, property leases and SITA data-lines. The decrease in the 2011/12 Revised Estimate reflects that the pressures from contractual obligations are no longer prevalent. The growth over the 2012/13 MTEF includes inflationary increases.

Transfers and subsidies to: Provinces and municipalities caters for the payment of motor vehicle licences. These were previously budgeted for under *Goods and services* but, due to a change in the SCOA classification, they should be paid under *Transfers and subsidies to: Provinces and municipalities*. This was corrected in the 2011/12 Adjusted Appropriation, and the prior years' figures were restated for comparison purposes.

The category *Transfers and subsidies to: Departmental agencies and accounts* relates to the Health and Welfare Sector Education Training Authority (HWSETA). It is noted that the department reduced the 2012/13 MTEF allocation in comparison to the 2011/12 Main Appropriation, by removing funds related to training and development of staff to *Goods and services*, where the relevant items are situated in terms of SCOA. Prior years were adjusted accordingly for comparative purposes. The only funding remaining in this category is for payments to the HWSETA.

The low spending in 2008/09 and 2009/10 against *Transfers and subsidies to: Non-profit institutions* relates to a reprioritisation of funds from sustainable livelihood payments to *Payments for capital assets* for one-stop development centres. In addition, payments to NGOs declined due to the previously mentioned forensic investigations into entity compliance to the PFMA. The decrease in the 2011/12 Adjusted Appropriation, as well as the Revised Estimate is due to the delays in the signing of the SLAs with NPOs. Also affecting the decrease in the 2011/12 Adjusted Appropriation and Revised Estimate is a correction relating to the funding received for various national priorities (mainly ECD and HCBC), where a large portion was originally allocated to *Transfers and subsidies*, while a portion should have been allocated to *Compensation of employees* and *Goods and services*. The growth in the 2012/13 MTEF is attributable to the funding received for Child and Youth Care and Victim Empowerment, as well as a 6 per cent increase in subsidies for NGOs.

The fluctuating trend in *Transfers and subsidies to: Households* from 2008/09 to 2010/11 relates to staff exit costs and bursaries paid to students who study social work. In 2011/12, staff exit costs were higher than anticipated, as reflected in the 2011/12 Adjusted Appropriation. In 2008/09, as a result of forced cut-backs to reduce over-spending, the department deferred the payment of bursaries until 2009/10. The department further negotiated with DSD to take over the granting of bursaries to social work students, and funds were shifted to *Compensation of employees* to fund the wage agreement gap. The 2012/13 MTEF allocations cater for anticipated staff exits.

The increase in the 2011/12 Main Appropriation against *Buildings and other fixed structures* is due to the construction of one-stop development centres. In the 2011/12 Adjusted Appropriation, the department shifted funds from transfers to *Buildings and other fixed structures*. The shift was due to the funding for the roll-out of the ECD function being allocated to transfers when the 2011/12 Main Appropriation was prepared, but a portion should have been allocated to *Payments for capital assets* for the ECD facilities in the province. Contributing to the growth over the 2012/13 MTEF is a portion of the additional funding given for existing infrastructure assets and maintenance, according to project requirements.

The spending trend against *Machinery and equipment* shows negative growth in 2009/10 due to cost-cutting. The substantial increase in the 2011/12 main Appropriation is due to the department needing to replace redundant assets (particularly motor vehicles). Also impacting the increase is staffing levels for which the appropriate equipment needs to be procured. The high growth over the 2012/13 MTEF provides for the purchase of vehicles and office furniture due to the filling of vacant posts.

5.4 Summary of payments and estimates by district municipal area

Table 13.6 shows departmental spending according to district municipal area, excluding administrative costs.

Table 13.6: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14	2014/15
eThekweni	239 660	274 410	288 131	303 978	320 697
Ugu	34 814	45 804	48 094	50 739	53 530
uMgungundlovu	346 516	368 275	386 689	559 550	594 954
Uthukela	31 982	44 342	46 559	49 120	51 822
Umkhanyakude	37 200	45 340	47 607	50 225	52 987
Amajuba	21 952	31 065	32 618	34 412	36 305
Zululand	23 696	33 894	35 589	37 546	39 611
uThungulu	33 019	42 001	44 101	46 527	49 086
Ilembe	46 466	40 424	42 445	44 779	47 242
Sisonke	24 344	31 428	32 999	34 814	36 729
Sisonke	11 979	21 594	22 674	23 921	25 237
Total	851 628	978 577	1 027 506	1 235 611	1 308 200

Note that variances between district municipal areas are according to the size and the extent of services rendered by the department. It will be noticed that the urban areas (eThekweni and uMgungundlovu) received larger allocations when compared to the other district municipalities, due to the fact that service providers are mostly based in urban rather than in rural areas. The significant increases in wage costs, as well as funding for national priorities, including ECD, HCBC, OSD and the expansion of services relating to Children in Conflict with the Law, account for the increases in many district municipalities from 2010/11 onward. The large increase in 2011/12 is a result of a new national priority allocation for ECD, as shown in Table 13.6 above. The increase in payments to uMgungundlovu in 2013/14 is due to funding received in respect of the Child and Youth Care and Victim Empowerment national priorities.

5.5 Summary of conditional grant payments and estimates

Tables 13.7 below illustrate conditional grant payments and estimates for the period 2008/09 to 2014/15. The conditional grant falls under Programme 2: Social Welfare Services, against the sub-programme:

HIV and AIDS, and is reflected against *Transfers and subsidies to: Non-profit institutions*, as reflected in the *Annexure – Vote 13: Social Development*.

Table 13.7: Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Social Sector EPWP Incentive Grant for Provinces	-	-	2 700	4 494	4 494	4 494	-	-	-
Total	-	-	2 700	4 494	4 494	4 494	-	-	-

The department received funding of R2.700 million in 2010/11 for a new conditional grant, namely the Social Sector EPWP Incentive Grant for Provinces. The purpose of this grant was to subsidise NPOs that work in HCBC programmes for the Departments of Social Development and Health, to ensure volunteers that did not receive a stipend get a minimum form of remuneration. The conditional grant is expected to be fully spent in 2011/12. In the 2012/13 MTEF, the department will not receive the conditional grant as National Treasury has reprioritised funds toward other job creation programmes in government.

5.6 Summary of infrastructure payments and estimates

Table 13.8 summarises infrastructure spending by category over the seven-year period, while *Annexure – Vote 13: Social Development* gives details of infrastructure type.

Table 13.8: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
New and replacement assets	70 597	60 684	54 192	83 259	121 259	126 541	95 352	141 021	148 777
Existing infrastructure assets	-	24 351	25 455	83 220	83 220	77 938	95 026	70 761	44 614
Upgrades and additions	-	13 725	18 110	38 347	38 347	29 612	50 476	36 347	28 307
Rehabilitation, renovations and refurbishments	-	3 994	-	-	-	3 453	-	-	-
Maintenance and repairs	-	6 632	7 345	44 873	44 873	44 873	44 550	34 414	16 307
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Current									
Capital									
Capital infrastructure	70 597	78 403	72 302	121 606	159 606	159 606	145 828	177 368	177 084
Current infrastructure	-	6 632	7 345	44 873	44 873	44 873	44 550	34 414	16 307
Total	70 597	85 035	79 647	166 479	204 479	204 479	190 378	211 782	193 391

The amounts reflected relate to the provision of office and residential accommodation for staff in rural areas, the construction of one-stop development centres, secure care centres, as well as the maintenance of existing structures. The higher baseline against *New and replacement assets* in 2008/09 is mainly due to the introduction of one-stop development centres. The decrease in 2010/11 is due to funding for national priorities, initially intended for infrastructure development, being reprioritised to *Transfers and subsidies to: Non-profit institutions* for service delivery. The significant growth in the 2011/12 Main Appropriation is for the on-going construction of one-stop development centres and new office accommodation. During the 2011/12 Adjusted Appropriation, the department moved R38 million to *New and replacement assets* to address the needs for ECD facilities in the province.

The funding allocated against *Upgrades and additions* in 2010/11 was mainly for the repair of fire damage to the KwaBadala Old Age Home, as well as upgrade projects at the Richards Bay and Dundee district offices. The budget from 2012/13 includes a portion of the previously mentioned additional funding for infrastructure assets and maintenance, to cater for maintenance and repair of existing infrastructure assets such as district offices and state institutions such as a children's home and secure care centres (see Table 13.3), decreasing in 2013/14 according to project requirements.

The increase in *Maintenance and repairs* from 2008/09 to 2009/10 relates to the late processing of claims, which resulted in payments from previous years being processed in the following year. As mentioned above, the department was allocated additional funding from 2011/12 to cater for maintenance and repair of existing infrastructure assets, accounting for the increase in the *Maintenance and repairs* allocation from 2011/12 to 2013/14.

5.7 Public Private Partnerships (PPPs)

The department registered a PPP for the establishment of secure care centres to accommodate awaiting trial and sentenced children. The PPP project team was revived and a project plan was developed for the project. A site was identified and a preliminary site visit conducted in Vryheid. Three potential sites have been identified in Harding and one in Pietermaritzburg, which will be subjected to a preliminary site visit. There has been no expenditure incurred on PPP specific activities.

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.9 Transfers to other entities

Table 13.9 reflects transfers to entities such as NGOs, Faith-based Organisations (FBOs) and NPOs, which are reflected against *Transfers and subsidies to: Non-profit Institutions* in Table 13.5.

Table 13.9: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
		2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
						2011/12				
Substance Abuse, Prev. & Rehab		8 316	10 778	9 156	19 364	18 364	13 364	16 405	20 440	21 564
Out Patients Clinics	2.2: Subst Abuse, Prev & Rehab	-	-	491	520	520	520	549	579	611
Treatment Centres	2.2: Subst Abuse, Prev & Rehab	1 659	1 320	1 337	3 026	3 026	3 026	3 192	3 368	3 553
Welfare Organisations	2.2: Subst Abuse, Prev & Rehab	6 657	9 458	7 328	15 818	14 818	9 818	12 664	16 493	17 400
Care & Services to Older Persons		74 372	82 900	81 971	86 802	89 567	86 802	94 493	99 690	105 173
Homes for the Aged	2.3: Care & Serv. to Older Pers	46 391	51 008	45 766	48 424	49 689	48 424	52 422	55 305	58 347
Service Centres & Lunch Clubs	2.3: Care & Serv. to Older Pers	19 962	22 261	28 009	29 690	30 690	29 690	32 378	34 159	36 037
Welfare Organisations	2.3: Care & Serv. to Older Pers	8 019	9 631	8 196	8 688	9 188	8 688	9 693	10 226	10 789
Crime Prevention & Support		14 823	14 324	19 937	19 881	19 881	15 881	21 368	22 128	23 345
Welfare Organisations	2.4: Crime Prevention & Support	14 823	14 324	19 937	19 881	19 881	15 881	21 368	22 128	23 345
Services to Persons with Disabilities		39 958	44 733	46 337	52 641	59 641	47 641	64 113	66 382	70 033
Homes for Disabled	2.5: Serv. to Pers with Disabilities	21 593	22 509	26 907	29 582	33 082	24 582	36 094	36 821	38 846
Protective Workshops	2.5: Serv. to Pers with Disabilities	10 378	7 634	6 004	7 424	9 424	7 424	9 942	10 489	11 066
Welfare Organisations	2.5: Serv. to Pers with Disabilities	7 987	14 590	13 426	15 635	17 135	15 635	18 077	19 072	20 121
Child Care & Protection Services		218 297	213 411	234 384	413 170	305 657	304 365	323 472	451 225	490 506
Children's Homes	2.6: Child Care & Protect Serv	45 243	59 298	55 157	58 466	58 466	56 466	61 682	65 074	68 653
Early Childhood Development	2.6: Child Care & Protect Serv	111 188	110 951	118 351	274 301	166 788	170 496	176 965	296 660	327 440
Private Places of Safety	2.6: Child Care & Protect Serv	4 350	4 853	1 250	1 325	1 325	1 325	1 398	1 475	1 556
Shelters for Children	2.6: Child Care & Protect Serv	4 391	5 178	5 524	6 915	6 915	6 915	7 295	7 697	8 120
Welfare Organisations	2.6: Child Care & Protect Serv	53 125	33 131	54 102	72 163	72 163	69 163	76 132	80 319	84 737
Victim Empowerment		1 125	2 704	2 580	6 321	6 321	6 321	6 367	15 195	16 586
Shelters for Women	2.7: Victim Empowerment	1 125	2 704	2 580	6 321	6 321	6 321	6 367	15 195	16 586
HIV and AIDs		24 480	26 023	65 611	80 377	80 877	60 849	76 131	84 917	89 868
Home Community Based Care	2.8: HIV and AIDs	24 480	26 023	65 611	80 377	80 877	60 849	76 131	84 917	89 868
Care & Sup. Services to Families		2 341	3 091	2 991	3 624	4 883	3 624	4 662	5 435	5 734
Welfare Organisations	2.10: Care/Sup. Serv. to Families	2 341	3 091	2 991	3 624	4 883	3 624	4 662	5 435	5 734
Youth Development		-	-	1 253	9 552	9 552	9 367	9 599	8 182	8 632
Youth Development Services	3.2: Youth Development	-	-	1 253	9 552	9 552	9 367	9 599	8 182	8 632
Sustainable Livelihood		6 681	388	8 385	14 332	14 332	15 628	15 179	17 959	18 947
Community Projects	3.3: Sustainable Livelihood	6 681	388	8 385	14 332	14 332	15 628	15 179	17 959	18 947
Total		390 393	398 352	472 605	706 064	609 075	563 842	631 789	791 553	850 388

The department intends increasing tariffs to NPOs by 6 per cent in 2012/13 and stipends for home/community based care-givers serving people infected and affected by HIV and AIDS from R1 000 to R1 500 per month.

The department transfers funds to almost 2 000 entities in the province. In previous years, the department listed the main entities receiving transfers from the department, while the rest were combined and categorised as *Other*. In an attempt to provide relevant information regarding transfers to these entities, the table was redesigned to indicate transfers per category and sub-programme within Programmes 2 and 3. The department is in the process of compiling a complete database of all entities.

The increase in the 2011/12 Main Appropriation is mainly due to allocations for national priorities. The decrease in the 2011/12 Adjusted Appropriation, as well as the Revised Estimate is due to the delays in the signing of the SLAs with NPOs. Also affecting the decrease, is a correction relating to the funding received for various national priorities (mainly ECD and HCBC), where a large portion was originally allocated to *Transfers and subsidies*, while a portion should have been allocated to *Compensation of employees* and *Goods and services*.

Although the growth per entity is set at 6 per cent per year for the 2012/13 MTEF, the growth reflected in many sub-programmes in Table 13.9 is significantly higher than this, as the department has allocated funding for the anticipated growth in the number of entities being subsidised over the MTEF.

5.10 Transfers to local government – Nil

The department makes no transfer payments to local government. Although the payment of motor vehicle licences now falls under *Transfers and subsidies to: Provinces and municipalities*, in line with changes in the SCOA classification, these funds will not be transferred to any municipality, and therefore the table reflecting transfers to local government is excluded.

5.11 Transfers and subsidies

Table 13.10 below is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a fluctuating trend from 2008/09 to 2014/15 for the category as a whole.

Table 13.10: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	1 900	4 597	2 091	3 846	4 696	5 062	5 282	5 398	5 687
Provinces and municipalities	755	785	800	-	850	850	1 500	1 583	1 670
Motor vehicle licences	755	785	800	-	850	850	1 500	1 583	1 670
Departmental agencies and accounts	564	176	247	396	396	1 210	312	325	335
HWSETA	564	176	247	396	396	1 210	312	325	335
Households	581	3 636	1 044	3 450	3 450	3 002	3 470	3 490	3 682
Social benefits	581	3 636	1 044	3 450	3 450	3 002	3 470	3 490	3 682
2. Social Welfare Services	383 939	399 288	465 187	685 473	588 834	541 714	609 696	768 229	825 762
Departmental agencies and accounts	29	9	379	743	743	705	415	435	450
HWSETA	29	9	379	743	743	705	415	435	450
Non-profit institutions	383 712	397 964	462 967	682 180	585 191	538 847	607 011	765 410	822 809
Substance Abuse, Prevention & Rehab.	8 316	10 778	9 156	19 364	18 364	13 364	16 405	20 440	21 564
Care and Services to Older Persons	74 372	82 900	81 971	86 802	89 567	86 802	87 165	99 690	105 173
Crime Prevention and Support	14 823	14 324	19 937	19 881	19 881	15 881	21 368	22 128	23 345
Services to Persons with Disabilities	39 958	44 733	46 337	52 641	59 641	47 641	64 113	66 382	70 033
Child Care and Protection Services	218 297	213 411	234 384	413 170	305 657	304 365	330 800	451 223	490 506
Victim Empowerment	1 125	2 704	2 580	6 321	6 321	6 321	6 367	15 195	16 586
HIV and AIDS	2 341	3 091	65 611	3 624	80 877	60 849	76 131	84 917	89 868
Care and Support Services to Families	24 480	26 023	2 991	80 377	4 883	3 624	4 662	5 435	5 734
Households	198	1 315	1 841	2 550	2 900	2 162	2 270	2 384	2 503
Bursaries	198	-	-	-	-	-	-	-	-
Social benefits	-	1 315	1 841	2 550	2 900	2 162	2 270	2 384	2 503
3. Development and Research	6 769	865	9 649	24 653	24 653	25 498	25 588	27 011	28 494
Departmental agencies and accounts	1	446	11	319	319	53	335	353	372
HWSETA	1	446	11	319	319	53	335	353	372
Non-profit institutions	6 681	388	9 638	23 884	23 884	24 995	24 778	26 143	27 579
Youth Development	-	-	1 253	9 552	9 552	9 367	9 599	8 184	8 632
Sustainable Livelihood	6 681	388	8 385	14 332	14 332	15 628	15 179	17 959	18 947
Households	87	31	-	450	450	450	475	515	543
Social benefits	87	31	-	450	450	450	475	515	543
Total	392 608	404 750	476 927	713 972	618 183	572 274	640 566	800 638	859 943

The details of the various *Transfers and subsidies* include:

- *Provinces and municipalities* in Programme 1 reflects the payment of motor vehicle licences. These were previously budgeted for under *Goods and services* but, due to a change in the SCOA classification, are now paid under *Provinces and municipalities*. The prior year figures were restated for comparison purposes.
- The variable growth in all programmes from 2008/09 to 2011/12 against *Departmental agencies and accounts* is a result of cost-cutting. This category relates to the HWSETA, and the department has since reduced the 2012/13 MTEF allocation, by removing funds related to training and development of staff to *Goods and services*, where the relevant items are situated in terms of SCOA. Prior figures were adjusted accordingly for comparative purposes.

- The fluctuations against *Households* (all programmes) from 2008/09 to 2010/11 relate to staff exit costs and bursaries paid to students who study social work. In 2008/09, as a result of forced cut-backs to reduce over-spending, the department deferred the payment of bursaries until 2009/10. The department further negotiated with DSD to take over the granting of bursaries to social work students, and funds were shifted to *Compensation of employees* to fund the wage agreement gap
- The growth from 2008/09 to 2011/12 against *Non-profit institutions* in Programme 2 is due to additional national priorities such as ECD and HCBC (see Table 13.3). The fluctuation in Programme 3 in 2008/09 was due to the decrease in the roll-over of the former Integrated Social Development Services grant, as well as the shifting of funds to address spending pressures in Programmes 1 and 2 to fund the 5 per cent tariff increase in 2007/08. In 2009/10, expenditure was fairly low due to the effects of the forensic audit on various entities, to ensure compliance with Section 38(1)(j) of the PFMA. In 2010/11, spending increased due to the completion of the investigation. The substantial increase from 2013/14 is due to the funding relating to the Child and Youth Care and Victim Empowerment national priorities. Also contributing to the increase from 2010/11 to 2011/12 is the introduction of the Social Sector EPWP Incentive Grant for Provinces. The decrease in Child Care and Protection Services from the 2011/12 Main Appropriation to 2012/13 was to correct a misallocation of the budget with regard to national priority funding for ECD. Savings resulting from delays in the signing of SLAs were also moved to offset other spending pressures

6. Programme description

The services rendered by this department are categorised under three programmes, details of which are presented in the *Annexure – Vote 13: Social Development*. The department complies fully with the uniform budget and programme structure for the Social Development sector.

6.1 Programme 1: Administration

Programme 1: Administration consists of three sub-programmes, namely Office of the MEC, Corporate Management Services and District Management. The sub-programmes mainly provide overall strategic management and support services to the department, political and legislative interface between government, civil society and all relevant stakeholders, address policy interpretation and the strategic direction of the department and provide support with regard to corporate management, human resource management, logistics, communication, finance, and legal services, etc.

In rendering a support function to the core services of the department, the programme is geared toward building a developmental state, including the improvement of public service and strengthening democratic institutions. Strategically, Administration ensures good governance and institutional development through:

- Rendering administrative and strategic ministerial support services to the Executive Authority.
- Building financial management skills for all line managers, and enforce accountability for budget compliance.
- Providing effective and efficient human capital management.
- Overhauling the strategy and planning process to align with the organisational structure, budget timelines, and ensure alignment, capacity, and improve accountability through good governance, sound monitoring and evaluation to deliver across the department.
- Improving information technology, information systems and information management infrastructure to facilitate efficiency and timeous reporting.
- Building social infrastructure that supports integrated service delivery based on demand.
- Provision of an effective district management system.

Tables 13.11 and 13.12 below summarise payments and budgeted estimates relating to Programme 1.

Table 13.11: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Office of the MEC	10 703	11 843	12 904	14 460	14 460	15 884	14 446	15 240	16 078
Corporate Management Services	139 248	160 077	142 225	163 449	172 817	166 827	172 120	181 587	191 574
District Management	137 660	155 437	170 495	172 559	186 341	182 616	207 619	219 038	231 085
Total	287 611	327 357	325 624	350 468	373 618	365 327	394 185	415 865	438 737

Table 13.12: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	264 757	319 283	313 293	323 991	346 291	337 634	364 087	384 286	405 427
Compensation of employees	141 462	155 590	174 767	219 009	219 009	197 700	228 422	240 111	253 317
Goods and services	123 295	163 693	138 526	104 982	127 282	139 934	135 665	144 175	152 110
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 900	4 597	2 091	3 846	4 696	5 062	5 282	5 398	5 687
Provinces and municipalities	755	785	800	-	850	850	1 500	1 583	1 670
Departmental agencies and accounts	564	176	247	396	396	1 210	312	325	335
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	581	3 636	1 044	3 450	3 450	3 002	3 470	3 490	3 682
Payments for capital assets	20 954	3 477	10 240	22 631	22 631	22 631	24 816	26 181	27 623
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	20 954	3 477	10 169	22 631	21 631	21 631	23 762	25 069	26 448
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	71	-	1 000	1 000	1 054	1 112	1 175
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	287 611	327 357	325 624	350 468	373 618	365 327	394 185	415 865	438 737

There is a steady increase in the programme as a whole, from R287.611 million in 2008/09 to R365.327 million in the 2011/12 Revised Estimate. This increasing trend is mainly attributable to the filling of vacant posts, the upgrading of posts at district offices aimed at improving service delivery at district level, and the costs associated with hiring of office accommodation.

Expenditure against *Compensation of employees* reflects an upward trend from R141.462 million in 2008/09, to R219.009 million in the 2011/12 Main Appropriation, mainly due to the employment of additional staff, particularly in SCM and the district offices. The increase over the 2012/13 MTEF is due to the carry-through costs of the various wage agreements, funding shifted from Programmes 2 and 3 to cover the cost of upgraded salary levels for service office managers included under Programme 1, as well as a provision for the filling of posts.

In the 2011/12 Adjusted Appropriation, funds were shifted from Programme 2 to Programme 1 to address pressures due to increased costs of SITA data lines, lease payments, security services, cleaning services and shared SASSA costs, hence the increase in *Goods and services*. The 2011/12 Revised Estimate reflects further pressure in this category due to the misallocation of expenditure such as fleet services and telephone costs to be journalised to Programmes 2 and 3.

Transfers and subsidies to: Departmental agencies and accounts caters for payments to HWSETA, and the department has since reduced the allocation from 2012/13 by removing funds related to training and development of staff to *Goods and services*, where the relevant items of spending are situated in terms of SCOA.

The fluctuations in *Transfers and subsidies to: Households* from 2008/09 to 2011/12 relate to staff exit costs, which are difficult to budget for, hence the erratic trend.

Expenditure on *Machinery and equipment* is in respect of computer equipment, office furniture and motor vehicles, of which the latter is the largest contributor to this category. Cost-cutting reduced the 2009/10

and 2010/11 spending levels, as well as tight controls over the purchasing of vehicles, computer equipment and office furniture. The growth in the new MTEF provides for the replacement of the existing government transport, as well as computer equipment and furniture for new district offices.

An amount of R1 million was moved to *Software and other intangible assets* in the 2011/12 Adjusted Appropriation, to provide for anti-virus software and a firewall for the server. The growth over the 2012/13 MTEF provides for anticipated software licence fees, anti-virus software, etc.

6.2 Programme 2: Social Welfare Services

Programme 2 caters for the provision of developmental social welfare services. These services are either provided directly by the department or by subsidised welfare organisations. The Social Welfare Services programme has, for the MTEF, been aligned to the MTSF, as well as the provincial priorities primarily for building cohesive, caring, and sustainable communities.

In addition to the sub-programme: Professional and Administrative Support, the programme consists of a further nine sub-programmes which contribute to the fight against poverty as follows:

- Substance Abuse, Prevention and Rehabilitation covers prevention programmes, early intervention, in-patient and out-patient treatment, aftercare and re-integration.
- Care and Services to Older Persons includes prevention and treatment of elder abuse, counselling services, as well as the registration, subsidisation and monitoring of old age homes.
- Crime Prevention and Support focuses on crime prevention programmes, assessment of children and adults in conflict with the law, diversion of children in conflict with the law, the establishment of secure care centres for awaiting trial and sentenced children, etc.
- Services to Persons with Disabilities caters for the prevention of disabilities in children, subsidisation and management of protective workshops, counselling services and subsidisation and monitoring of residential care for people with disabilities.
- Child Care and Protection Services is the largest sub-programme, and covers early childhood development, protection of children including abused, abandoned and neglected children, prevention of abuse and neglect, and the rehabilitation and protection of children living on the streets, including subsidisation of shelters and drop-in centres. The sub-programme also caters for the placement and supervision of foster care cases, adoption services, monitoring of children's homes, etc.
- Victim Empowerment focuses on prevention of domestic violence and victim empowerment programmes, counselling services, restorative justice and subsidisation of shelters for abused women.
- HIV and AIDS includes prevention care and support programmes, counselling services, training of peer group counsellors, establishment and subsidisation of community care centres, recruitment and training of volunteers and community care-givers, payment of stipends to care-givers, etc.
- Social Relief includes financial and material assistance to individuals and families in material distress.
- Care and Support Services to Families includes parenting skills programmes, recommendations relating to the Maintenance Act, family preservation programmes, marriage and family counselling.

Tables 13.13 and 13.14 below reflect a summary of payments and estimates for this programme.

The substantial growth in this programme from 2008/09 to 2014/15 is due to the filling of posts, the funding of new private welfare organisations, improved tariffs in respect of all privately managed welfare organisations, nationally determined priorities, as well as allocations toward infrastructure rehabilitation.

Table 13.13: Summary of payments and estimates - Programme 2: Social Welfare Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Professional and Administrative Support	329 012	404 491	365 415	488 152	520 789	536 394	549 432	579 651	577 492
Substance Abuse, Prevention and Rehabilitation	24 805	27 733	29 770	42 747	41 747	43 269	44 043	46 465	49 021
Care and Services to Older Persons	79 657	87 595	89 844	99 312	102 078	93 571	107 692	113 615	119 864
Crime Prevention and Support	25 502	31 489	41 967	77 132	74 132	55 236	78 209	82 511	87 049
Services to Persons with Disabilities	53 633	59 239	62 101	64 040	74 040	72 782	78 112	82 408	86 941
Child Care and Protection Services	276 836	275 787	306 766	546 473	477 662	421 967	489 903	642 279	692 070
Victim Empowerment	1 125	2 704	2 580	7 665	7 665	4 647	8 087	16 691	18 165
HIV and AIDS	24 615	26 025	66 227	100 999	101 499	60 148	102 258	107 870	114 083
Social Relief	14 222	9 676	10 381	8 616	11 116	10 554	11 727	12 372	13 053
Care and Support Services to Families	2 341	3 091	2 991	3 919	5 177	4 411	5 462	5 762	6 079
Total	831 748	927 830	978 042	1 439 055	1 415 905	1 302 979	1 474 925	1 689 624	1 763 817

Table 13.14: Summary of payments and estimates by economic classification - Programme 2: Social Welfare Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	413 383	478 591	468 191	668 862	701 051	635 245	756 018	781 132	800 117
Compensation of employees	232 692	307 580	358 371	451 477	467 401	463 927	513 982	521 073	549 744
Goods and services	180 691	171 011	109 820	217 385	233 650	171 318	242 036	260 059	250 373
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	383 939	399 288	465 187	685 473	588 834	541 714	609 696	768 229	825 762
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	29	9	379	743	743	705	415	435	450
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	383 712	397 964	462 967	682 180	585 191	538 847	607 011	765 410	822 809
Households	198	1 315	1 841	2 550	2 900	2 162	2 270	2 384	2 503
Payments for capital assets	34 426	49 951	35 699	84 720	126 020	126 020	109 211	140 263	137 938
Buildings and other fixed structures	31 340	48 493	34 336	69 237	107 237	107 237	90 841	119 357	115 882
Machinery and equipment	3 086	1 435	1 363	15 483	18 783	18 783	18 370	20 906	22 056
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	23	-	-	-	-	-	-	-
Payments for financial assets	-	-	8 965	-	-	-	-	-	-
Total	831 748	927 830	978 042	1 439 055	1 415 905	1 302 979	1 474 925	1 689 624	1 763 817

The salaries and administrative costs for social workers in Programme 2 are paid from the sub-programme: Professional and Administrative Support, as the social workers' costs cannot be accurately linked to the various functions within the programme. The decrease in 2014/15 is due to the funding stream for the previously mentioned infrastructure asset (see Table 13.3), coming to an end, in line with project requirements.

Contributing to the overall increases (and across a number of sub-programmes) is the additional allocation for the following national priorities:

- Expansion of ECD (allocated to the Child Care and Protection Services sub-programme) which received new funding in 2008/09, with significant growth in 2010/11, as well as further funding in 2011/12 with carry-through effect (see Table 13.3).
- Expansion of HCBC (allocated to the HIV and AIDS sub-programme) with the additional funding commencing in 2008/09, with a substantial increase in 2010/11.
- Expansion of services to Children in Conflict with the Law (under the Crime Prevention and Support sub-programme) started in 2008/09, followed by strong growth over the ensuing financial years.
- Additional funding for the Child and Youth Care and Victim Empowerment national priority in 2013/14 and 2014/15 (see Table 13.3), which was allocated to transfers to NGOs.

The variable trend of spending under the Victim Empowerment sub-programme from 2008/09 to 2010/11 is dictated by claims received from NGOs who render services on behalf of the department. The high growth from 2012/13 onward caters for the continued roll-out of this service in the province.

In the 2011/12 Adjusted Appropriation, R91.489 million was shifted within Programme 2 from *Transfers and subsidies to: Non-profit institutions* to other economic classifications to correct the misallocation of the budget that occurred during the preparation of the 2011/12 EPRE with regard to national priority funding for ECD. The funding was originally allocated to transfers, but a portion should have been allocated to *Compensation of employees*, *Goods and services* and *Payments for capital assets* for the roll-out of the ECD function. In order to correct the misallocation, R22.292 million was moved to *Compensation of employees*, R27.897 million to *Goods and services* and R41.300 million to *Payments for capital assets*. This also explains the movement between the Child Care and Protection Services and the Professional and Administration Support sub-programmes.

The Social Relief sub-programme makes provision in the event of a natural disaster occurring in the province, accounting for the fluctuations in the prior years.

Compensation of employees from 2009/10 onward reflects a sharp rise, mainly due to the additional allocation for the OSD for social workers. The category also includes provision to fund a number of vacant posts for social workers. The passing of the Child Justice Act further necessitated the need to provide for human capital (in terms of additional social workers and probation officers), as well as facilities, including secure care centres. This is evident in the strong growth against *Compensation of employees* over the MTEF period.

The high spending against *Goods and services* in 2008/09 was due to escalating costs of catering and security services in state institutions, expenditure on disasters including temporary housing, food and blankets (midlands fire and south coast floods), as well as provision of office equipment for additional social workers appointed during the year. There was once-off spending in 2009/10 in respect of the training of staff and stakeholders on new legislative mandates such as the Children's Act and Older Persons' Act, hence the decrease in 2010/11. The high growth from 2011/12 to 2013/14 is due to the previously mentioned additional funding for the maintenance of various buildings and state institutions (see Table 13.3). The allocation for existing infrastructure and maintenance is removed in 2014/15 in line with project requirements.

As was the case in Programme 1, *Transfers and subsidies to: Departmental agencies and accounts* reflects low spending in 2008/09 and 2009/10, partly as a result of cost-cutting. As previously mentioned, the budget relates to the HWSETA, and the department reduced the allocation from 2011/12 by classifying staff training and development costs to *Goods and services*, in line with SCOA.

With regard to *Transfers and subsidies to: Non-profit institutions*, growth from 2008/09 to 2009/10 was steady, with significant growth in 2010/11. This was due to a marked increase in funding of various national priorities (ECD, HCBC and Children in Conflict with the Law) allocated in the 2008/09 MTEF process. There is further significant growth in 2011/12, related to additional funding allocated in the 2009/10 MTEF process. The category grows steadily over the 2012/13 MTEF.

Transfers and subsidies to: Households relates to staff exit costs, which are difficult to budget for, hence the erratic trend from 2008/09 to 2014/15.

Growth in *Buildings and other fixed structures* in 2011/12 is higher due to additional funding for the previously mentioned infrastructure assets (see Table 13.3). The increase in the 2011/12 Main Appropriation against this category is due to the construction of one-stop development centres. In the 2011/12 Adjusted Appropriation, the department shifted funds from transfers to *Buildings and other fixed structures*. The shift was due to the funding for the roll-out of the ECD function being allocated to transfers when the 2011/12 Main Appropriation was prepared, but a portion should have been allocated to *Payments for capital assets* for the ECD facilities in the province. Contributing to the growth over the 2012/13 MTEF is a portion of the additional funding given for existing infrastructure assets, according to project requirements.

The sharp drop in *Machinery and equipment* in 2009/10 is due to cost-cutting, whereby the department implemented tight controls over the purchasing of computer equipment and office furniture. The substantial increase in the 2011/12 Main Appropriation is due to the department needing to replace redundant assets (particularly motor vehicles). Also impacting the increase is staffing levels for which the

appropriate equipment needs to be procured. The growth over the 2012/13 MTEF provides for the purchase of vehicles, office furniture and computer equipment for social workers that have been appointed (and are still to be appointed), as the department has an obligation to recruit social work students who receive bursaries once they complete their studies.

Service delivery measures – Programme 2: Social Welfare Services

Table 13.15 below lists the main service delivery measures pertinent to this programme. The department's measures are aligned to those of the Social Development sector, and a three-year estimate is now provided to allow for easier alignment to the proposed budget allocation. A number of measures have been introduced in 2012/13 and are indicated as "New" in the 2011/12 Estimated performance.

Table 13.15: Service delivery measures – Programme 2: Social Welfare Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
1. Substance abuse, prevention and rehabilitation					
	• No. of public in-patient treatment centres	2	2	2	2
	• No. of private in-patient treatment centres funded by government	9	9	9	9
	• No. of service users who have accessed private in-patient substance abuse treatment centres funded by government	840	595	625	656
	• No. of service users who have accessed public in-patient substance abuse treatment centres	174	452	475	499
	• No. of children reached through <i>Ke Moja</i> Drug Prevention Programme	New	43 586	45 765	48 053
	• No. of youth reached through <i>Ke Moja</i> Drug Prevention Programme	New	26 697	28 031	29 433
2. Care and services to older persons					
	• No. of older persons in residential facilities managed by government	50	50	50	50
	• No. of older persons in funded residential facilities managed by NPOs	2 562	2 706	2 841	2 983
	• No. of older persons accessing community based care and support services	13 493	21 018	22 069	23 174
	• No. of older persons participating in the active ageing programme	8 511	15 804	16 594	17 424
	• No. of abused older persons who received services rendered by Social Workers	102	3 346	3 513	3 689
3. Crime prevention and support					
	• No. of children in conflict with the law assessed	2 672	5 197	5 457	5 730
	• No. of children in conflict with the law who completed diversion programmes	551	1 519	1 595	1 675
	• No. of children in conflict with the law awaiting trial in secure care centres managed by govt.	272	582	611	642
4. Services to persons with disabilities					
	• No. of persons with disabilities in residential facilities managed by government	50	100	105	110
	• No. of persons with disabilities in funded residential facilities managed by NPOs	New	1 058	1 111	1 167
	• No. of funded protective workshops for persons with disabilities managed by NPOs	17	2 028	2 129	2 235
	• No. of persons with disabilities accessing services in funded protective workshops managed by NPOs	1 349	73	77	81
	• No. of funded residential facilities for persons with disabilities managed by NPOs	17	19	19	19
	• No. of residential facilities for persons with disabilities run by government	1	1	1	1
5. Child care and protection services					
	• No. of children (0-5 years old) accessing registered ECD programmes	56 831	72 366	75 984	79 783
	• No. of children in need of care and protection placed in CYCC managed by government	575	1 007	1 057	1 110
	• No. of children in need of care an protection placed in CYCC managed by NPOs	2 020	2 991	3 141	3 298
	• No. of CYCC managed by government	9	10	11	12
	• No. of CYCC managed by funded NPOs	64	64	64	64
	• No. of children placed in foster care	12 406	31 075	32 629	34 260
6. Victim empowerment					
	• No. of service sites for victims of crime and violence managed by government	0	0	0	0
	• No. of funded sites for victim of crime and violence managed by NPOs	12	18	19	20
	• No. of victims of crime and violence in VEP service sites managed by government	0	0	0	0
	• No. of victims of crime and violence accessing funded VEP services sites managed by NPOs	315	585	614	645
	• No. of reported victims of human trafficking placed in rehabilitation programmes	New	64	67	70

Table 13.15: Service delivery measures – Programme 2: Social Welfare Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
7. HIV and AIDS					
	• No. of funded NPOs delivering HIV and AIDS prevention programmes	215	337	354	371
	• No. of orphans and other children made vulnerable by HIV and AIDS receiving services	14 293	28 125	29 531	31 008
8. Social relief					
	• No. of individuals who benefited from social relief of distress programmes	14 331	32 677	34 311	36 027
9. Care and support services to families					
	• No. of funded NPOs providing care and support services to families	10	43	45	47
	• No. of family members reunited with their families through services provided by funded NPOs	New	853	896	941
	• No. of families participating in family preservation services provided by government	New	11 212	11 773	12 362
	• No. of family members participating in family preservation services provided by funded NPOs	New	6 503	6 828	71 694
10. Generic issues					
	• No. of work opportunities created through EPWP in the Social Sector	New	9 353	9 821	10 312
	• Total no. of social work intake	New	56 366	59 184	62 143
	• No. of client benefiting from government social work services	New	180 881	189 925	199 421
	• No. of clients benefiting from funded NPO social work services	New	66 695	70 030	73 532

6.3 Programme 3: Development and Research

The Development and Research service delivery framework remains a pillar of the department's integrated developmental services. In line with the government's MTSF for 2009 to 2014, as well as the provincial priorities, the programme will also enable the most vulnerable citizens to access opportunities for sustainable livelihoods. Strategically, Development and Research is set to:

- Improve income, assets and capabilities of poor families to enhance their livelihood.
- Implement youth programmes that assist youth to access decent work and participate in the main stream economy.
- Increase the effectiveness and response capacity of NPO-delivered Youth Development Services.
- Implement a comprehensive rural poverty reduction strategy ensuring universal access to basic services.
- Create a sustainable environment for service delivery organisations (NPOs) through capacity development, partnerships, collaborations, agency agreements and cluster protocols.
- Improve sector performance through rigorous research, planning and business process improvement consistent with the demand for social development products.

Development and Research has five sub-programmes, namely Professional and Administrative Support, Youth Development, Sustainable Livelihood, Institutional Capacity Building and Support, Research and Demography and Population Capacity Development and Advocacy, that focus on the following:

- Youth development, by implementing youth programmes that assist youth to access and participate in the main stream economy, thus fighting crime and creating safer communities, implementation of the EPWP and linking *Masupatsela* youth cadres to economic opportunities, etc.
- Sustainable livelihood, addressing child, adult and older persons' poverty, supporting rural development and agrarian reform through the "one centre, one garden concept" and the establishment of community food banks (food storage facilities for consumption by indigent communities), etc.

- Institutional capacity building and support, by creating an environment for service delivery organisations (NPOs) through capacity development, partnerships, collaborations, etc.
- Management and implementation of research and demographic analysis to improve sector performance through rigorous research, planning, and business process improvement consistent with the demand for social development products in order to support the integration of population issues into policy making and planning.
- Population capacity development and advocacy which relates to the issues of capacity building, training to enhance understanding of the relationship between population and development issues, as well as advocacy and population information, education and communication.

Tables 13.16 and 13.17 reflect a summary of payments and estimates by programme and economic classification for the period 2008/09 to 2014/15.

Table 13.16: Summary of payments and estimates - Programme 3: Development and Research

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Professional and Administrative Support	98 248	104 607	97 879	121 709	121 709	126 528	136 029	141 547	149 294
Youth Development	583	122	2 193	13 851	13 851	13 851	13 898	14 530	15 327
Sustainable Livelihood	6 681	518	9 795	14 332	14 332	12 394	15 179	17 959	18 947
Institutional Capacity Building and Support	6 073	624	1 447	10 420	10 420	7 305	10 475	11 051	11 659
Research and Demography	949	41	341	1 438	1 438	1 097	1 438	1 593	1 681
Population Capacity Development and Advocacy	515	181	1 102	1 683	1 683	2 128	1 683	1 811	1 911
Total	113 049	106 093	112 757	163 433	163 433	163 303	178 702	188 491	198 819

Table 13.17: Summary of payments and estimates by economic classification - Programme 3: Development and Research

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	65 826	61 390	65 139	79 085	79 085	80 052	94 553	95 354	100 562
Compensation of employees	39 386	47 690	43 843	54 954	52 954	52 334	67 448	68 305	72 023
Goods and services	26 440	13 700	21 296	24 131	26 131	27 718	27 105	27 049	28 539
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	6 769	865	9 649	24 653	24 653	25 498	25 588	27 011	28 494
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1	446	11	319	319	53	335	353	372
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	6 681	388	9 638	23 884	23 884	24 995	24 778	26 143	27 579
Households	87	31	-	450	450	450	475	515	543
Payments for capital assets	40 454	30 174	37 966	59 695	59 695	57 753	58 561	66 126	69 763
Buildings and other fixed structures	39 257	29 910	37 966	52 369	52 369	52 369	54 987	58 011	61 202
Machinery and equipment	1 197	264	-	7 326	7 326	5 384	3 574	8 115	8 561
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	13 664	3	-	-	-	-	-	-
Total	113 049	106 093	112 757	163 433	163 433	163 303	178 702	188 491	198 819

In general, this programme shows a fluctuating trend from 2008/09 to 2010/11. The fluctuation in 2008/09 was due to the decrease in the roll-over of the former Integrated Social Development Services grant, as well as the shifting of funds to address spending pressures in Programmes 1 and 2 to fund the 5 per cent tariff increase in 2007/08. The negative growth in 2009/10 is due to cost-cutting, as well as the drop in *Transfers and subsidies to: Non-profit institutions* resulting from the forensic investigations into entity compliance to the PFMA.

The sharp reduction in the sub-programme: Sustainable Livelihood in 2009/10 was the result of the previously mentioned forensic investigations.

In 2008/09, the department commenced the construction of one-stop development centres against *Buildings and other fixed structures*, under the sub-programme: Professional and Administrative Support, hence the high spending from 2008/09 onward.

The sharp increase in the sub-programme: Youth Development from 2010/11 to 2011/12 and over the 2012/13 MTEF is due to reprioritisation within Programme 3 from Sustainable Livelihood to cater for youth projects.

The variable trend against the Institutional Capacity Building and Support sub-programme from 2008/09 to 2010/11 was due to the fact that capacity building was organised in-house, since more NPOs fell within the category of “nascent” and “emerging”. Over the 2012/13 MTEF, capacity building will be conducted by accredited service providers, through partnerships with institutions of higher learning, which will provide for improved governance within NPOs.

The downward trend against *Goods and services* from 2008/09 to 2009/10 was due to cost-cutting in order to defray spending pressures in other programmes within the vote.

As was the case in Programmes 1 and 2, expenditure on *Transfers and subsidies to: Departmental agencies and accounts* reflect negative growth in 2010/11, partly as a result of cost-cutting. As previously mentioned, this category relates to the HWSETA, and the department has since reduced the allocation from 2011/12 by removing funds related to training and development of staff to *Goods and services*, where the relevant items of spending are situated in terms of SCOA.

Spending against *Machinery and equipment* was negligible in 2009/10 due to cost-cutting, with the department having to replace a significant amount of furniture and computers in 2011/12, hence the marked increase in that year.

As a result of the containment of expenditure, the department was able to write-off long outstanding staff debts amounting to R13.664 million and R3 000 in 2009/10 and 2010/11 respectively, as shown against *Payments for financial assets*.

Service delivery measures – Programme 3: Development and Research

Table 13.18 below illustrates service delivery measures for Programme 3. As with Programme 2, the measures are aligned with those of the Social Development sector. A number of measures have been introduced in 2012/13 and are indicated as “New” in the 2011/12 Estimated performance. The *Masupatsela* Youth Pioneer programme was moved to the Office of the Premier.

Table 13.18: Service delivery measures – Programme 3: Development and Research

Table 10: Performance indicator – Programme of Development and Research					
Outputs	Performance indicator	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
1. Youth development					
	• No. of funded NPOs delivering youth development services	93	146	149	156
	• No. of youth participating in the <i>Masupatsela</i> Youth Pioneer programme	302	n/a	n/a	n/a
	• No. of youth participating in skills development programmes	New	6 501	6 826	7 167
2. Sustainable livelihood					
	• No. of households profiled	10 357	24 649	25 881	27 175
	• No. of communities profiled	149	645	677	711
	• No of poor households participating in food production programmes	1 242	5 155	5 412	5 683
	• No. of households accessing food through community development initiatives	New	9 356	9 824	10 315
3. Institutional capacity building and support					
	• No. of NPOs assisted with registration	1 603	2 030	2 132	2 239
	• No. of funded NPOs delivering social development services	2 400	6 028	6 329	6 645
	• No. of NPOs capacitated according to the capacity building framework	1 656	2 584	2 713	2 849
4. Research and demography					
	• No. of research population projects in progress	3	2	2	2
	• No. of population research projects completed	2	2	2	2
	• No. of demographic profiles completed	2	8	9	10

Table 13.18: Service delivery measures – Programme 3: Development and Research

Outputs	Performance indicator	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
5. Population capacity development and advocacy						
	• No. of Population Capacity Development sessions conducted	New	12	13	14	
	• No. of individuals who participated in Population Capacity Development sessions	New	400	420	441	
	• No. of Population Advocacy, Information Education and communication activities implemented	6	10	11	12	
	• No. of stakeholders who participated in Population Advocacy, Information Education and Communication activities implemented	New	15	16	17	

7. Other programme information

7.1 Personnel numbers and costs

Table 13.19 presents personnel numbers and costs relating to the Department of Social Development over the seven-year period. Table 13.20 provides a more detailed breakdown of departmental personnel numbers and costs, focussing on the Human Resources and Finance components.

Table 13.19: Personnel numbers and costs per programme

	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
Personnel numbers							
1. Administration	879	885	800	953	1 005	1 047	1 054
2. Social Welfare Services	1 663	1 504	1 925	1 937	2 037	2 089	2 095
3. Development and Research	283	289	130	253	387	407	415
Total	2 825	2 678	2 855	3 143	3 429	3 543	3 564
Total personnel cost (R thousand)	413 540	510 860	576 981	713 961	809 852	829 489	875 084
Unit cost (R thousand)	146	191	202	227	236	234	246

Table 13.20: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Total for department									
Personnel numbers (head count)	2 825	2 678	2 855	3 143	3 143	3 143	3 429	3 543	3 564
Personnel cost (R thousand)	413 540	510 860	576 981	725 440	739 364	713 961	809 852	829 489	875 084
Human resources component									
Personnel numbers (head count)	187	139	108	231	231	231	236	247	256
Personnel cost (R thousand)	29 110	35 886	14 638	50 124	50 124	50 124	52 398	54 215	57 453
Head count as % of total for department	6.62	5.19	3.78	7.35	7.35	7.35	6.88	6.97	7.18
Personnel cost as % of total for department	7.04	7.02	2.54	6.91	6.78	7.02	6.47	6.54	6.57
Finance component									
Personnel numbers (head count)	228	171	153	242	242	242	244	258	265
Personnel cost (R thousand)	35 492	41 545	37 619	63 511	63 511	63 511	65 174	69 120	73 259
Head count as % of total for department	8.07	6.39	5.36	7.70	7.70	7.70	7.12	7.28	7.44
Personnel cost as % of total for department	8.58	8.13	6.52	8.75	8.59	8.90	8.05	8.33	8.37
Full time workers									
Personnel numbers (head count)	2 800	2 224	2 843	2 738	2 738	2 929	3 234	3 348	3 369
Personnel cost (R thousand)	409 531	490 985	576 675	702 478	716 402	696 662	799 737	820 991	866 188
Head count as % of total for department	99.12	83.05	99.58	87.11	87.11	93.19	94.31	94.50	94.53
Personnel cost as % of total for department	99.03	96.11	99.95	96.83	96.89	97.58	98.75	98.98	98.98
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	25	454	12	405	405	214	195	195	195
Personnel cost (R thousand)	4 009	19 875	306	22 962	22 962	17 299	10 115	8 498	8 896
Head count as % of total for department	0.88	16.95	0.42	12.89	12.89	6.81	5.69	5.50	5.47
Personnel cost as % of total for department	0.97	3.89	0.05	3.17	3.11	2.42	1.25	1.02	1.02

The fluctuation in personnel numbers between 2010 and 2011 relates to the adjustments on PERSAL in linking staff to relevant programmes.

The personnel numbers show a gradual increase over the seven-year period, attributable to the revision of the departmental structure in an attempt to cope with policy changes such as the implementation of SCM and the district municipality model to improve service delivery. This process is not yet fully completed due to budget constraints, and will be finalised over the MTEF.

Also contributing to the escalating personnel costs are the increased number of social work staff, the social worker retention strategy (salary upgrades) and the annual salary improvements.

7.2 Training

Tables 13.21 and 13.22 below give a summary of departmental spending and information on training.

Table 13.21 includes payments and estimates for all training items such as bursaries, skills development levy, as well as normal training costs, hence the amounts are significantly more than in *Annexure 13 B* reflected against the item *Training and development*. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. The department largely complies with the requirements of the Act in this regard.

Training includes short courses for in-house staff, as well as internships in the various programmes. The drop in 2010/11 is due to cost-cutting and the cost of bursaries being borne by the National Department of Social Development (as was mentioned earlier).

Table 13.21: Payments and estimates on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	891	1 593	389	4 020	4 020	2 677	4 241	4 474	4 720
2. Social Welfare Services	936	1 885	418	3 390	3 390	4 114	3 577	3 773	3 980
3. Development and Research	921	1 428	1 121	402	402	1 478	422	445	469
Total	2 748	4 906	1 928	7 812	7 812	8 269	8 240	8 692	9 169

Table 13.22 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

Table 13.22: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Number of staff	2 825	2 678	2 855	3 143	3 143	3 143	3 429	3 543	3 564
Number of personnel trained	900	1 112	1 800	2 050	2 050	2 050	2 200	2 276	2 070
of which									
Male	363	259	600	700	700	700	800	855	920
Female	537	853	1 200	1 350	1 350	1 350	1 400	1 421	1 150
Number of training opportunities	1 236	400	280	380	380	380	460	495	543
of which									
Tertiary	618	79	140	190	190	190	230	235	175
Workshops	258	298	40	60	60	60	80	95	103
Seminars	360	23	100	130	130	130	150	165	265
Other									
Number of bursaries offered	-	-	-	-	-	-	-	-	-
External									
Internal									
Number of interns appointed	42	51	80	90	90	90	100	110	110
Number of learnerships appointed	-	-	20	170	170	170	190	210	216
Number of days spent on training	-	-	-	-	-	-	-	-	-

ANNEXURE – VOTE 13: SOCIAL DEVELOPMENT

Table 13.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	2 884	4 035	3 221	3 160	3 160	5 235	3 286	3 460	3 593
Sale of goods and services produced by dept. (excl. capital assets)	2 884	4 033	3 221	3 160	3 160	5 235	3 286	3 460	3 593
Sales by market establishments	-	-	54	-	-	-	-	-	-
Administrative fees									
Other sales	2 884	4 033	3 167	3 160	3 160	5 235	3 286	3 460	3 593
Of which									
Rent for Parking	24	52	79	82	82	60	86	90	95
Housing Rent Recoveries	2 638	2 090	2 312	2 815	2 815	4 062	2 921	3 035	3 073
Other	222	1 891	776	263	263	1 113	279	335	425
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	2	-	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land	50	34	97	15	15	6	16	17	19
Interest	50	34	97	15	15	6	16	17	19
Dividends									
Rent on land									
Sale of capital assets	-	1 889	2 289	-	-	-	-	-	-
Land and subsoil assets									
Other capital assets	-	1 889	2 289	-	-	-	-	-	-
Transactions in financial assets and liabilities	1 628	1 037	1 410	1 545	1 545	909	925	971	1 020
Total	4 562	6 995	7 017	4 720	4 720	6 150	4 227	4 448	4 632

Table 13.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2011/12	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	743 966	859 264	846 623	1 071 938	1 126 427	1 052 931	1 214 658	1 260 772	1 306 106
Compensation of employees	413 540	510 860	576 981	725 440	739 364	713 961	809 852	829 489	875 084
Salaries and wages	352 353	433 954	487 511	620 918	629 842	605 054	694 003	707 079	745 942
Social contributions	61 187	76 906	89 470	104 522	109 522	108 907	115 849	122 410	129 142
Goods and services	330 426	348 404	269 642	346 498	387 063	338 970	404 806	431 283	431 022
of which									
Administrative fees	-	498	235	-	325	310	343	369	392
Advertising	13 814	10 180	4 165	3 667	11 455	10 598	12 085	12 749	13 451
Assets <R5000	4 340	420	984	10 786	10 786	4 333	11 376	12 001	12 661
Audit cost: External	3 522	2 606	3 795	3 339	3 839	4 390	4 049	4 272	4 507
Bursaries (employees)	531	92	53	3 198	3 198	2 015	3 374	3 559	3 755
Catering: Departmental activities	25 939	25 725	9 473	15 375	20 875	17 738	22 021	23 233	24 510
Communication	27 343	27 030	25 908	15 552	20 052	22 315	21 151	22 315	23 542
Computer services	8 938	16 340	12 552	38 022	39 522	18 894	40 695	43 988	46 408
Cons/prof: Business & advisory services	6 023	6 680	8 325	45 284	45 284	13 241	38 992	43 282	45 699
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	387	1 421	1 195	1 298	1 298	3 254	1 369	1 444	1 523
Contractors	36 319	37 045	21 869	58 389	44 039	37 703	46 687	51 299	30 120
Agency & support/outourced services	45 272	58 321	33 950	22 891	22 891	17 397	23 689	25 472	26 873
Entertainment	1 095	1	5	559	559	384	589	621	655
Fleet services (incl. GMT)	2 292	-	5 525	13 445	13 795	10 634	14 183	14 963	15 786
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	18 504	12 533	11 100	8 663	11 163	9 503	11 777	12 425	13 107
Inventory: Fuel, oil and gas	1 143	1 388	2 164	1 219	1 219	386	1 440	1 579	1 673
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	306	409	-	300	447	317	334	352
Inventory: Medical supplies	13	319	253	-	-	394	358	384	414
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	4 395	2 535	2 360	7 283	7 283	4 629	7 684	8 106	8 552
Inventory: Stationery and printing	10 917	8 782	5 121	8 357	10 357	6 893	10 924	11 525	12 159
Lease payments	43 501	55 966	39 228	36 531	36 531	32 201	38 540	40 660	42 896
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	20 140	26 527	40 543	18 784	41 089	49 666	43 348	45 731	48 248
Transport provided: Departmental activity	12 701	19 895	4 192	-	-	6 213	7 000	7 350	7 718
Travel and subsistence	35 334	24 948	26 350	26 199	29 746	37 956	31 374	33 101	34 924
Training and development	2 217	4 814	1 875	4 614	4 614	5 411	4 866	5 133	5 414
Operating expenditure	1 602	931	3 932	1 339	5 139	11 390	4 778	3 493	3 684
Venues and facilities	4 144	3 101	4 081	1 704	1 704	10 675	1 797	1 895	1 999
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	392 608	404 750	476 927	713 972	618 183	572 274	640 566	800 638	859 943
Provinces and municipalities	755	785	800	-	850	850	1 500	1 583	1 670
Provinces	755	785	800	-	850	850	1 500	1 583	1 670
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	755	785	800	-	850	850	1 500	1 583	1 670
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	594	631	637	1 458	1 458	1 968	1 062	1 113	1 157
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	594	631	637	1 458	1 458	1 968	1 062	1 113	1 157
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	390 393	398 352	472 605	706 064	609 075	563 842	631 789	791 553	850 388
Households	866	4 982	2 885	6 450	6 800	5 614	6 215	6 389	6 728
Social benefits	866	4 981	2 884	6 450	6 800	5 614	6 215	6 389	6 728
Other transfers to households	-	1	1	-	-	-	-	-	-
Payments for capital assets	95 834	83 602	83 905	167 046	208 346	206 404	192 588	232 570	235 324
Buildings and other fixed structures	70 597	78 403	72 302	121 606	159 606	159 606	145 828	177 368	177 084
Buildings	70 597	78 403	72 302	121 606	159 606	159 606	145 828	177 368	177 084
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	25 237	5 176	11 532	45 440	47 740	45 798	45 706	54 090	57 065
Transport equipment	14 860	2 833	9 237	14 688	14 688	16 688	17 522	16 270	17 165
Other machinery and equipment	10 377	2 343	2 295	30 752	33 052	29 110	28 184	37 820	39 900
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	23	71	-	1 000	1 000	1 054	1 112	1 175
Payments for financial assets	-	13 664	8 968	-	-	-	-	-	-
Total	1 232 408	1 361 280	1 416 423	1 952 956	1 952 956	1 831 609	2 047 812	2 293 980	2 401 373

Table 13.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	264 757	319 283	313 293	323 991	346 291	337 634	364 087	384 286	405 427
Compensation of employees	141 462	155 590	174 767	219 009	219 009	197 700	228 422	240 111	253 317
Salaries and wages	121 206	132 807	149 491	189 764	189 764	168 105	197 999	207 000	218 385
Social contributions	20 256	22 783	25 276	29 245	29 245	29 595	30 423	33 111	34 932
Goods and services	123 295	163 693	138 526	104 982	127 282	139 934	135 665	144 175	152 110
of which									
Administrative fees	-	288	225	-	215	218	227	239	252
Advertising	4 655	9 646	2 733	3 227	4 515	3 813	4 763	5 025	5 302
Assets <R5000	1 831	199	209	4 183	4 183	1 369	4 413	4 656	4 912
Audit cost: External	3 522	376	3 795	3 127	3 627	4 390	3 826	4 037	4 259
Bursaries (employees)	178	61	36	1 584	1 584	897	1 671	1 763	1 860
Catering: Departmental activities	2 330	923	167	2 459	2 459	1 043	2 594	2 737	2 887
Communication	16 853	22 310	17 330	9 157	13 657	16 627	14 408	15 201	16 037
Computer services	8 077	16 192	12 552	9 396	10 896	10 186	11 495	12 128	12 795
Cons/prof. Business & advisory services	-	6 541	8 210	2 745	2 745	761	2 896	3 055	3 223
Cons/prof. Infrastructure & planning									
Cons/prof. Laboratory services									
Cons/prof. Legal cost	387	1 421	1 195	1 192	1 192	3 254	1 258	1 327	1 400
Contractors	5 856	8 598	6 918	3 951	5 101	14 766	6 609	7 962	8 399
Agency & support/outourced services	15 101	25 289	7 886	3 939	3 939	3 370	4 156	4 384	4 625
Entertainment	273	1	2	241	241	49	254	268	283
Fleet services (incl. GMT)	2 292	-	2 840	3 500	3 500	3 872	3 693	3 896	4 110
Housing									
Inventory: Food and food supplies	676	135	85	155	155	52	164	173	182
Inventory: Fuel, oil and gas	230	229	1 033	-	-	5	154	222	242
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	-	132	184	-	300	291	317	334	352
Inventory: Medical supplies	13	8	1	-	-	-	-	-	-
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	1 081	785	588	3 264	3 264	1 982	3 444	3 633	3 833
Inventory: Stationery and printing	6 609	6 433	3 731	3 619	5 619	4 392	5 928	6 254	6 598
Lease payments	18 897	28 291	26 298	23 027	23 027	22 596	24 293	25 630	27 039
Rental and hiring									
Property payments	9 899	14 848	23 720	11 067	16 567	19 745	17 478	18 439	19 454
Transport provided: Departmental activity	128	486	147	-	-	4	-	-	-
Travel and subsistence	21 126	17 063	17 534	11 526	15 073	21 202	15 902	16 777	17 699
Training and development	713	1 532	353	2 436	2 436	1 357	2 570	2 711	2 860
Operating expenditure	946	688	342	573	2 373	3 305	2 504	2 641	2 786
Venues and facilities	1 622	1 218	412	614	614	388	648	683	721
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	1 900	4 597	2 091	3 846	4 696	5 062	5 282	5 398	5 687
Provinces and municipalities	755	785	800	-	850	850	1 500	1 583	1 670
Provinces	755	785	800	-	850	850	1 500	1 583	1 670
Provincial Revenue Funds									
Provincial agencies and funds	755	785	800	-	850	850	1 500	1 583	1 670
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	564	176	247	396	396	1 210	312	325	335
Social security funds									
Entities receiving funds	564	176	247	396	396	1 210	312	325	335
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	581	3 636	1 044	3 450	3 450	3 002	3 470	3 490	3 682
Social benefits	581	3 636	1 044	3 450	3 450	3 002	3 470	3 490	3 682
Other transfers to households									
Payments for capital assets	20 954	3 477	10 240	22 631	22 631	22 631	24 816	26 181	27 623
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	20 954	3 477	10 169	22 631	21 631	21 631	23 762	25 069	26 448
Transport equipment	14 860	2 833	9 237	14 688	14 688	14 688	15 422	16 270	17 165
Other machinery and equipment	6 094	644	932	7 943	6 943	6 943	8 340	8 799	9 283
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	-	71	-	1 000	1 000	1 054	1 112	1 175
Payments for financial assets									
Total	287 611	327 357	325 624	350 468	373 618	365 327	394 185	415 865	438 737

Table 13.D: Details of payments and estimates by economic classification - Programme 2: Social Welfare Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	413 383	478 591	468 191	668 862	701 051	635 245	756 018	781 132	800 117
Compensation of employees	232 692	307 580	358 371	451 477	467 401	463 927	513 982	521 073	549 744
Salaries and wages	196 675	258 795	299 619	383 000	393 924	391 590	435 904	439 291	463 464
Social contributions	36 017	48 785	58 752	68 477	73 477	72 337	78 078	81 782	86 280
Goods and services	180 691	171 011	109 820	217 385	233 650	171 318	242 036	260 059	250 373
of which									
Administrative fees	-	80	10	-	110	92	116	130	140
Advertising	8 820	503	1 283	382	6 882	6 449	7 261	7 660	8 081
Assets <R5000	1 871	91	749	5 919	5 919	2 543	6 245	6 588	6 950
Audit cost: External	-	2 230	-	-	-	-	-	-	-
Bursaries (employees)	353	31	17	1 614	1 614	1 118	1 703	1 796	1 895
Catering: Departmental activities	21 890	24 288	7 010	12 440	17 940	15 205	18 927	19 968	21 066
Communication	9 145	4 062	7 376	5 617	5 617	4 111	5 926	6 252	6 596
Computer services	848	148	-	28 414	28 414	8 640	28 977	31 625	33 365
Cons/prof: Business & advisory services	788	5	-	26 023	26 023	7 103	18 454	21 614	22 839
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	27 279	25 890	12 966	54 113	38 613	22 082	39 737	42 977	21 341
Agency & support/outourced services	25 278	31 610	25 377	17 903	17 903	13 329	18 432	19 926	21 022
Entertainment	822	-	-	212	212	59	224	236	249
Fleet services (incl. GMT)	-	-	1 800	9 621	9 971	5 741	10 150	10 708	11 297
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	17 528	12 343	10 987	8 407	10 907	9 420	11 507	12 140	12 807
Inventory: Fuel, oil and gas	812	1 006	992	1 219	1 219	381	1 286	1 357	1 431
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	172	220	-	-	156	-	-	-
Inventory: Medical supplies	-	311	252	-	-	394	358	384	414
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	3 084	1 675	1 737	4 002	4 002	2 625	4 222	4 454	4 699
Inventory: Stationery and printing	3 721	1 792	1 089	4 241	4 241	2 407	4 474	4 720	4 980
Lease payments	23 905	27 326	10 443	13 434	13 434	9 158	14 173	14 952	15 775
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	9 864	10 554	14 412	7 591	24 396	27 341	25 738	27 153	28 647
Transport provided: Departmental activity	12 286	19 286	2 786	-	-	5 892	7 000	7 350	7 718
Travel and subsistence	9 726	5 428	6 044	13 022	13 022	13 251	13 738	14 494	15 291
Training and development	583	1 854	401	1 776	1 776	2 674	1 874	1 977	2 085
Operating expenditure	559	122	216	643	643	1 580	678	716	755
Venues and facilities	1 529	204	3 653	792	792	9 567	836	882	930
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	383 939	399 288	465 187	685 473	588 834	541 714	609 696	768 229	825 762
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	29	9	379	743	743	705	415	435	450
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	29	9	379	743	743	705	415	435	450
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	383 712	397 964	462 967	682 180	585 191	538 847	607 011	765 410	822 809
Households	198	1 315	1 841	2 550	2 900	2 162	2 270	2 384	2 503
Social benefits	198	1 314	1 840	2 550	2 900	2 162	2 270	2 384	2 503
Other transfers to households	-	1	1	-	-	-	-	-	-
Payments for capital assets	34 426	49 951	35 699	84 720	126 020	126 020	109 211	140 263	137 938
Buildings and other fixed structures	31 340	48 493	34 336	69 237	107 237	107 237	90 841	119 357	115 882
Buildings	31 340	48 493	34 336	69 237	107 237	107 237	90 841	119 357	115 882
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 086	1 435	1 363	15 483	18 783	18 783	18 370	20 906	22 056
Transport equipment	-	-	-	-	-	2 000	2 100	-	-
Other machinery and equipment	3 086	1 435	1 363	15 483	18 783	16 783	16 270	20 906	22 056
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	23	-	-	-	-	-	-	-
Payments for financial assets	-	-	8 965	-	-	-	-	-	-
Total	831 748	927 830	978 042	1 439 055	1 415 905	1 302 979	1 474 925	1 689 624	1 763 817

Table 13.E: Details of payments and estimates by economic classification - Programme 3: Development and Research

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	65 826	61 390	65 139	79 085	79 085	80 052	94 553	95 354	100 562
Compensation of employees	39 386	47 690	43 843	54 954	52 954	52 334	67 448	68 305	72 023
Salaries and wages	34 472	42 352	38 401	48 154	46 154	45 359	60 100	60 788	64 093
Social contributions	4 914	5 338	5 442	6 800	6 800	6 975	7 348	7 517	7 930
Goods and services	26 440	13 700	21 296	24 131	26 131	27 718	27 105	27 049	28 539
of which									
Administrative fees	-	130	-	-	-	-	-	-	-
Advertising	339	31	149	58	58	336	61	64	68
Assets <R5000	638	130	26	684	684	421	718	757	799
Audit cost: External	-	-	-	212	212	-	223	235	248
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 719	514	2 296	476	476	1 490	500	528	557
Communication	1 345	658	1 202	778	778	1 577	817	862	909
Computer services	13	-	-	212	212	68	223	235	248
Cons/prof: Business & advisory services	5 235	134	115	16 516	16 516	5 377	17 642	18 613	19 637
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	106	106	-	111	117	123
Contractors	3 184	2 557	1 985	325	325	855	341	360	380
Agency & support/outourced services	4 893	1 422	687	1 049	1 049	698	1 101	1 162	1 226
Entertainment	-	-	3	106	106	276	111	117	123
Fleet services (incl. GMT)	-	-	885	324	324	1 021	340	359	379
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	300	55	28	101	101	31	106	112	118
Inventory: Fuel, oil and gas	101	153	139	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	2	5	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	230	75	35	17	17	22	18	19	20
Inventory: Stationery and printing	587	557	301	497	497	94	522	551	581
Lease payments	699	349	2 487	70	70	447	74	78	82
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	377	1 125	2 411	126	126	2 580	132	139	147
Transport provided: Departmental activity	287	123	1 259	-	-	317	-	-	-
Travel and subsistence	4 482	2 457	2 772	1 651	1 651	3 503	1 734	1 830	1 934
Training and development	921	1 428	1 121	402	402	1 380	422	445	469
Operating expenditure	97	121	3 374	123	2 123	6 505	1 596	136	143
Venues and facilities	993	1 679	16	298	298	720	313	330	348
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	6 769	865	9 649	24 653	24 653	25 498	25 588	27 011	28 494
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1	446	11	319	319	53	335	353	372
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	1	446	11	319	319	53	335	353	372
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	6 681	388	9 638	23 884	23 884	24 995	24 778	26 143	27 579
Households	87	31	-	450	450	450	475	515	543
Social benefits	87	31	-	450	450	450	475	515	543
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	40 454	30 174	37 966	59 695	59 695	57 753	58 561	66 126	69 763
Buildings and other fixed structures	39 257	29 910	37 966	52 369	52 369	52 369	54 987	58 011	61 202
Buildings	39 257	29 910	37 966	52 369	52 369	52 369	54 987	58 011	61 202
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 197	264	-	7 326	7 326	5 384	3 574	8 115	8 561
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 197	264	-	7 326	7 326	5 384	3 574	8 115	8 561
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	13 664	3	-	-	-	-	-	-
Total	113 049	106 093	112 757	163 433	163 433	163 303	178 702	188 491	198 819

Table 13.F: Payments and estimates by economic classification: Conditional grant: Social Sector EPWP Incentive Grant for Provinces

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
of which									
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets <R5000	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	-	-	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency & support/outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	-	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating expenditure	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	-	2 700	4 494	4 494	4 494	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	2 700	4 494	4 494	4 494	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	2 700	4 494	4 494	4 494	-	-	-

Table 13.G: Details of payments of infrastructure by category

No.	Project name	Municipality/Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available	MTEF forward estimates		
			Secure Care Centre; Community Centre; Old-age home; Day Care Centre; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish						2012/13	2013/14	2014/15	
R thousand															
New and replacement assets															
1.	KwaShukela Service Centre	Jozini	Service Centre	7	23 May 2011	23 Feb 2013	Equitable share	Programme 3	-	16 917	-	-	8 517	-	-
2.	Hlabisa Service Office	Hlabisa	Service Office	7	02 Apr 2011	21 Mar 2013	Equitable share	Programme 2	-	16 685	-	-	7 485	-	-
3.	Emanyiseni Service Centre	Umlabuyalingana	Service Centre	7	07 Apr 2011	25 Feb 2013	Equitable share	Programme 3	-	17 035	-	-	7 635	-	-
4.	Obuka Service Office	Umlalazi	Service office	6	08 May 2011	31 Mar 2013	Equitable share	Programme 2	-	12 633	-	-	7 403	-	-
5.	KwaNgwanase Service Office	Umlabuyalingana	Service office	8	19 Apr 2011	31 Mar 2013	Equitable share	Programme 2	-	19 964	-	-	11 964	-	-
6.	Nkuzana Service Centre	Nongoma	Service Centre	7	01 Apr 2011	30 Mar 2013	Equitable share	Programme 3	-	15 058	-	-	11 058	-	-
7.	Godlwayo Service Centre	uPhongolo	Service Centre	7	05 May 2011	31 Mar 2013	Equitable share	Programme 3	-	15 110	-	-	9 310	-	-
8.	Osuthu Youth Development Centre	Nongoma	Youth Dev. Centre	7	12 Apr 2011	31 Mar 2013	Equitable share	Programme 3	-	16 109	-	-	7 249	-	-
9.	Inkosi Simakade Mchunu Service Centre	Msinga	Service Centre	7	01 Apr 2011	31 Mar 2013	Equitable share	Programme 3	-	12 139	-	-	4 139	-	-
10.	Emaswazini Service Centre	Umsunduzi	Service Centre	7	12 Jan 2011	31 Mar 2013	Equitable share	Programme 3	-	11 755	-	-	1 351	-	-
Other	Various	Various	Various	Various	Various	Various	Equitable share	Various	-	289 554	-	-	19 241	141 021	148 777
Total New and replacement assets									-	442 959	-	-	95 352	141 021	148 777
Upgrades and additions															
1.	KwaBadala Old Age	Nkandla	Old Age Home	7	01 Apr 2011	31 Mar 2014	Equitable share	Programme 2	-	20 000	-	-	9 000	7 000	-
2.	Newcastle School of Industries	Newcastle	School of Industry	1	01 Apr 2011	30 Jun 2015	Equitable share	Programme 2	-	50 000	-	-	15 000	10 751	10 279
3.	Madadeni Rehab	Newcastle	Rehab centre	4	01 Apr 2011	31 Mar 2015	Equitable share	Programme 2	-	24 000	-	-	8 000	8 500	6 500
4.	Princess Mkabayi Children's Home	Nquthu	Children's Home	4	01 Apr 2011	30 Aug 2013	Equitable share	Programme 2	-	6 400	-	-	3 400	-	-
5.	Excelsior POS	Durban Metro	Place of Safety	7	01 Apr 2011	30 Sep 2013	Equitable share	Programme 2	-	8 400	-	-	3 400	-	-
6.	Ocean View POS	Durban Metro	Place of Safety	4	01 Apr 2011	31 Mar 2013	Equitable share	Programme 2	-	1 700	-	-	700	-	-
7.	Truro House Offices	Durban Metro	Offices	3	01 Apr 2011	31 Mar 2013	Equitable share	Programme 2	-	2 400	-	-	900	-	-
8.	Enduduzweni Centre for the Blind	Durban Metro	Protective Workshop	3	01 Apr 2011	31 Mar 2013	Equitable share	Programme 2	-	1 200	-	-	700	-	-
9.	Greenfields POS	Msunduzi	Place of Safety	7	01 Apr 2011	31 Mar 2014	Equitable share	Programme 2	-	18 000	-	-	8 876	7 096	-
10.	PMB Regional Office (Karl Eggers)	Msunduzi	Regional Office	5	01 Apr 2012	30 Mar 2014	Equitable share	Programme 2	-	3 500	-	-	500	3 000	-
Other	Various	Various	Various	Various	Various	Various	Equitable share	Programme 2	-	-	-	-	-	-	11 528
Total Upgrades and additions									-	135 600	-	-	50 476	36 347	28 307
Rehabilitation, renovations and refurbishments															
Maintenance and repairs															
Other	Various	Various	Various	Various	Various	Various	Equitable share	Programmes 2 & 3	-	-	-	-	44 550	34 414	16 307
Total Maintenance and repairs									-	-	-	-	44 550	34 414	16 307
Infrastructure transfers - current															
Infrastructure transfers - capital															
Total Infrastructure									-	578 559	-	-	190 378	211 782	193 391

VOTE 14

Public Works

Operational budget	R 1 309 604 911
MEC remuneration	R 1 566 089
Total amount to be appropriated	R 1 311 171 000
Responsible MEC	Mr. R. Pillay, MEC for Human Settlements and Public Works
Administering department	Public Works
Accounting officer	Head: Public Works

1. Overview

Vision

The department's vision is: *A thriving economy through infrastructure development and property management.*

Mission statement

The department's mission is: *We will lead in infrastructure development and property management in KZN.*

Strategic objectives

Strategic policy direction: By focusing on its role of providing for the provincial departments' needs for building infrastructure and property management services through acquisition, construction, maintenance and disposal of public land and buildings, the department seeks to align its operations and strategic position with the overall aim of government to achieve an efficient, competitive and responsive economic and social infrastructure network, as well as providing decent employment through inclusive economic growth. The strategic direction from the annual strategy review and planning process for the 2012/13 Annual Performance Plan (APP) is to focus and improve on the implementation of the strategic objectives in the five-year Strategic Plan (2010-2014), whose formulation drew on national, provincial and sector policy priorities relevant to the departmental mandate, namely:

- The key policy priorities as announced by the State President in the State of the Nation address in 2010 and 2011.
- The provincial priorities as announced by the Premier in 2011.
- Public Works sector goals and objectives as presented by the National Public Works Minister.
- Property sector and construction sector transformation charters.
- Public Works' Broad Based Black Economic Empowerment (BBBEE) strategy.
- Critical reviews of departmental programmes and activities.

Core functions

In carrying out its mandate, the department undertakes the following core functions:

- The acquisition of public buildings and land.
- The construction of public buildings, involving the physical erection or major improvement in respect of infrastructure in the building environment.
- The maintenance of public buildings and land, including performing the necessary work to keep the required level of operation.

- The alienation of public buildings and land, including the disposal of fixed assets by selling, demolition, exchanging and donation.

Legislative mandate

Within the broad statutory mandates of government institutions, the following mandates guide the department's core functions:

- Construction Industry Development Board Act, No. 38 of 2000
- Property Valuers' Professional Act, No. 47 of 2000
- National Building Regulations and Building Standards Act, No. 103 of 1977
- Council for the Built Environment Act, No. 43 of 2000
- Engineering Profession Act, No. 46 of 2000
- Architectural Profession Act, No. 44 of 2000
- Quantity Surveying Profession Act, No. 49 of 2000
- Project and Construction Management Professions Act, No. 48 of 2000
- Occupational Health and Safety Act, No. 85 of 1993
- Occupational Injuries and Diseases Act, No. 130 of 1993
- State Land Disposal Act, No. 48 of 1961
- Deeds Registry Act, No. 47 of 1937
- Expropriation Act, No. 63 of 1975
- Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, No. 19 of 1998
- Environmental Act, No. 107 of 1998
- KwaZulu-Natal Land Administration Act, No. 3 of 2003
- KwaZulu-Natal Heritage Act, No. 10 of 1997
- Broad Based Black Economic Empowerment Act, No. 53 of 2004
- Promotion of Administrative Justice Act, No. 53 of 2002
- Promotion of Access to Information Act, No. 54 of 2006
- Public Finance Management Act (Act No. 1 of 1999, as amended) and the Treasury Regulations
- Labour Relations Act, No. 66 of 1998
- Employment Equity Act, No. 55 of 2003
- Skills Development Qualification Act, No. 58 of 1995
- Skills Development Act, No. 31 of 2003
- Basic Conditions of Employment Act, No. 75 of 1997
- Cross-Boundary Municipalities Laws Repeal and Related Matters Act, 2005, as amended
- Government Immovable Asset Management Act, No. 19 of 2007

2. Review of the 2011/12 financial year

Section 2 provides a review of 2011/12, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

Delivery of building infrastructure and accommodation

The department continued to apply the Infrastructure Delivery Improvement Programme (IDIP) as an integrated, forward planning and implementation tool on the delivery of building infrastructure projects to its major client departments, namely the Departments of Education and Health, as well as its own capital

projects. All other client departments were approached with regard to inclusion in the application of IDIP, but none responded.

The department continued to deliver on non-IDIP infrastructure projects for other client departments. One of the major challenges was project cancellations due to poor contractor performance. The department intensified the use of the Envelope Management Approach, a model which entails the clustering of several suitable projects under one management team, and fixed rate period contracts to fast track procurement processes for finalising cancelled projects.

Implementation of Government Immovable Asset Management Act (GIAMA)

The full implementation of GIAMA commenced in 2011, when the last section of the Act (Section 9) came into effect. In order to ensure full compliance with all the provisions of the Act, Public Works engaged with all the provincial Accounting Officers to appoint officials who would be responsible for GIAMA in their respective departments. This appointment ensured continuity and consistency in engaging on GIAMA matters in the province.

With funding now available, various projects were initiated to meet the objectives of the Act. Conditional assessments of provincial state owned buildings provided the basis for maintenance priority plans and the associated maintenance budgets. Energy audits were also conducted as a pilot project on some buildings to determine the energy and water utilisation rates of these facilities and to derive recommendations on how government can save and use energy and water responsibly within buildings, thus contributing to adaptation to and mitigation of climate change.

The department conducted a workshop to train clients and established three user forums during the year.

The department is in the process of identifying a building management tool which will be used for capturing and managing data gathered during the conditional assessment and energy audit projects.

Fixed asset register

The department populated the immovable asset data on the Professional Real Estate Management Information System (PREMIS) totalling 11 319 facilities and 14 713 land parcels, of which 4 862 facilities and 5 517 land parcels were fully updated in line with GIAMA minimum requirements.

The department also identified properties lacking information, such as property values and ownership, which is critical in terms of GIAMA minimum requirements. At present, 27 facilities have been valued and 1 503 are in the process of being valued, with 4 000 targeted over the 2012/13 MTEF.

To deal with the ownership aspect, the following tasks and processes were done:

- A total of 877 properties received Item 28(1) certificates (a vesting certificate issued by the Minister of Rural Development and Land Reform), which are being dealt with in terms of endorsements of title deeds into the name of the provincial government of the Province of KZN.
- By the end of December 2011, a total of 1 169 properties comprising 1 127 former RSA properties, 11 Model C schools, as well as 31 rectification transfers were fully endorsed into the name of the provincial government of the Province of KZN.

Payment of municipal property rates

The department settled the payment of interest and penalties, which accrued due to delayed or unsettled accounts prior to the devolution of the property rates payment function (i.e. 01 April 2008). The payment records were submitted to the national Department of Public Works for reconciliation.

The challenges currently facing the payment of rates are:

- Two major municipalities (i.e. eThekweni and Msunduzi) have indicated that KZN Public Works and National Public Works owe large sums of monies in respect of rates and other services. The matter is being investigated with both municipalities.
- The payment of rates in respect of public service infrastructures (roads, bridges and roads reserves) is delayed due to lack of information related to property descriptions, proof of ownership, property

values, etc. The matter is being discussed with relevant stakeholders, such as the Department of Transport and municipalities. It is also noted that the relevant Acts are being reviewed with possible amendments to exclude rates on bulk infrastructure.

Transfer of properties from various organs of state

The State properties under Umzimkulu are handled in terms of the Cross-Boundary Municipalities Laws Repeal and Related Matters Act, 2005, as amended. A working team was formed to deal with these issues to ensure that the transfer process is finalised by the end of 2011/12.

The surveying and registration of immovable assets is progressing relatively well with a total of 2 424 assets expected to be finalised by the end of 2011/12. The department is working with the Department of Rural Development and Land Reform (DRD & LR) on this matter. The department is also working with DRD & LR to establish the number of properties (land parcels) that have been surveyed and registered, and this will be followed by the transfer process.

With regard to the immovable assets previously administered in terms of Proclamation R293, the department is engaging various municipalities to have the properties transferred into the name of the KZN government, in terms of KZN Proclamation No. 84 of 1996. The transfer process is at an advanced stage in respect of the eThekweni, Msunduzi and Ulundi municipalities.

With regard to facilities built on land currently administered in terms of the *Ingonyama* Trust Act of 1994, as amended, the department is working with the Department of Co-operative Governance and Traditional Affairs (CoGTA) and the *Ingonyama* Trust Board (ITB) to have this matter finalised. Legally, immovable assets under the ITB have to be dealt with in two parts. The first relates to properties already existing as at 24 April 1994, which have to be transferred in terms of the provisions of the Constitution of the Republic of South Africa. The second relates to properties/facilities constructed and/or acquired on or after 24 April 1994 (when the *Ingonyama* Trust Act, 1994 was enacted), and such properties have to be administered in terms of long term leasehold.

Broad Based Black Economic Empowerment (BBBEE)

The department set an internal target of 28 000 work opportunities and 640 full-time equivalents (FTEs) that must be created by the end of 2011/12. The target of 28 000 work opportunities is for all the projects implemented by the department, including those of client departments. By the end of December 2011, 68 111 work opportunities and 6 524 actual jobs had been created, exceeding the annual target. By the end of the financial year, it is estimated that the performance will increase to 95 600 work opportunities and 7 067 actual jobs.

A total of 278 EPWP contractors were trained on the following.

- Construction Industry Development Board (CIDB) training on construction management NQF level 2.
- BBBEE score card.
- Project and programme management.
- Internal training on occupational health and safety (OHS).
- EPWP and Supply Chain Management (SCM).

The contractors also participated in road shows organised by National Treasury for the contractors and service providers as an awareness campaign of the BBBEE and Preferential Procurement Policy Framework Act.

Effective implementation of the National Property Incubator Programme

There were delays in the procurement of a service provider to conduct phase two training of the Property Incubator Programme trainees. This was due to no accredited service providers bidding for the tender. The appointment of the service provider was thus only finalised early in November 2011, and training was scheduled to commence in January 2012. The department runs the programme in order to contribute toward the achievement of government priorities, such as creating job opportunities, skills development, economic empowerment and entrepreneurship.

Implementation of the National Youth Service (NYS)

Phase 1 of the NYS programme was implemented in 2008/09 and Phase 2 was implemented in 2009/10. All the learners who participated and completed both phases received their certificates. A total of 45 learners from Phase 1 and 2 have secured permanent employment with established construction companies around KZN, representing the estimated performance for the 2011/12 financial year.

Approval was received from the Office of the Premier to commence with the recruitment of NYS learners. However, training will only commence once the project management consulting firm has been appointed by the Office of the Premier to oversee all National Skills Fund (NSF) funded programmes.

HIV and AIDS awareness campaign

The department contributed in the response against the scourge by erecting 30 HIV and AIDS awareness campaign sign boards in rural schools, and the sign boards are now actively used to display various awareness messages. The schools were prioritised according to the household profiles data that was consolidated from the statistics of the Provincial Council on AIDS. A total of 150 jobs were created during the erection of signboards.

Izandla Ziyagezana (IZ) programme

This programme continues to contribute to job creation through labour intensive methods, hence alleviating poverty by targeting females and youth among poor local communities. Participants of this programme are contracted to manually clear vacant state owned property sites.

The programme sustained 115 jobs created in previous financial years on old IZ sites. By the end of December 2011, the programme had identified other sites across the province and employed 422 new beneficiaries, exceeding the annual target of 64 new jobs.

Administration: Internal capacity building

The department funded 67 internal and 34 external students in 2011/12 and three employees from within the department were enrolled on a learnership in 2011/12.

The department targeted to appoint 11 interns in 2011/12 to provide a pool of skilled employees for absorption, subject to the availability of the relevant posts. Due to challenges in infrastructure project management, the department provided for project management intern posts.

The department continued to implement the bursary programme to award bursaries to qualifying internal and external candidates as part of developing internal skills in the areas of engineering, surveyors and architects. The effort to target beneficiaries from rural areas faced the challenge that few candidates from this target group meet the requirements of educational institutions for these required degrees.

3. Outlook for the 2012/13 financial year

Section 3 looks at the key focus areas of 2012/13, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

Delivery of building infrastructure and accommodation

The department will continue to monitor compliance to IDIP guidelines and timelines by both client departments and within the department, including efforts to include the programme as part of Committee of Heads of Departments structures to improve accountability. The department will also continue engaging with other provincial departments with regard to the expansion of the IDIP, which is planned for implementation in 2012/13.

KZN Integrated Greening Programme

The KZN Integrated Greening Programme is a partnership programme led by the Office of Premier which focuses on greening activities through employment creation for unskilled people. The department is co-ordinating the programme in the province. The programme aims to develop and implement a comprehensive plan, that will support a wide range of community based greening activities, including:

- Treepreneurs – growing and planting indigenous and edible plants.

- Waste-preneurs – collecting recyclable waste.
- Green-preneurs – trading bicycles, water tanks, solar energy devices.
- Reforestation projects – restoring community forest assets.

Fixed asset register

The department has the responsibility to ensure that the management of immovable assets is continuously improved for efficiency and effectiveness. Therefore, it is critical at this stage to embark on the process of replacing the outdated existing Fixed Asset Register with an integrated system that will accommodate asset management, facilities management, infrastructure delivery improvements, property rates and financial reporting in line with GIAMA.

Finalisation of transfer of the Umzimkulu, R293, SADT and Ingonyama Trust Board properties

The transfer process is likely to continue in 2012/13 due to various challenges which include vesting of properties, surveying and registration of some properties.

Vesting of state properties

The department is focussing on the finalisation of the vesting/registration of state properties in order to ensure completeness of the Fixed Asset Register and meeting the time-lines set as per the National Vesting Plan.

Payment of property rates

The department will continue to assist municipalities that have challenges creating invoices for payments, and will ensure that all rates accounts received are paid timeously. It will also ensure that properties are valued and that those which are a liability are identified and, if necessary, disposed of in line with the PGDS where the need for alternative usage is identified, before the final decision for disposal is made.

Undertake investigation on the illegally transferred State properties and regain state ownership

This project, which aims to recover state properties illegally sold or transferred, was endorsed by oversight structures such as the Provincial Cabinet and the Ministerial Sub-Committee on the Management of Provincial Assets but, due to lack of funding, the commencement of the investigations was delayed. The department is committed to ensuring that savings are identified in 2012/13 to deal with this project, which is critical and necessary. This project will contribute to the completeness of the Fixed Asset Register, improved financial reporting and accountability, as well as the effective management of immovable assets in KZN.

Government Immovable Asset Management Act (GIAMA)

The department will continue to undertake conditional assessments of facilities with the focus being on hospitals and clinics within the Department of Health. The maintenance of previously assessed buildings will be rolled out, based on available funding. Further energy saving audits will be carried out to other administrative buildings during 2012/13, such as the Moses Mabhida, Karl Eggers and Natalia buildings.

Intensification of Izandla Ziyagezana Programme

The focus of the programme will be on sustaining the current jobs that have been created over the past years. The identification of suitable sites will continue, with concentration on municipalities where the programme has not commenced thus contributing to the government priority of job creation.

Administration: Internal capacity building

The department is anticipating funding 30 additional internal and 16 external students for the bursary programme, as well as appointing 13 interns for the internship programme in 2012/13.

4. Receipts and financing

4.1 Summary of receipts

Table 14.1 indicates the sources of funding for Vote 14 for the period 2008/09 to 2014/15. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 14.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Provincial allocation	522 241	558 861	614 352	701 822	705 129	705 129	758 563	798 993	839 141
Conditional grants	210 846	236 544	713 331	518 585	520 546	520 546	552 608	588 180	621 359
Devolution of Property Rate Funds grant	210 846	236 264	709 891	518 585	518 585	518 585	551 100	588 180	621 359
EPWP Integrated Grant for Provinces	-	280	3 440	-	1 961	1 961	1 508	-	-
Total receipts	733 087	795 405	1 327 683	1 220 407	1 225 675	1 225 675	1 311 171	1 387 173	1 460 500
Total payments	731 259	796 169	1 114 209	1 220 407	1 267 970	1 212 841	1 311 171	1 387 173	1 460 500
Surplus/(Deficit) before financing	1 828	(764)	213 474	-	(42 295)	12 834	-	-	-
Financing									
of which									
Provincial roll-overs	-	1 118	2 600	-	42 295	42 295	-	-	-
Provincial cash resources	-	2 102	3 300	-	-	-	-	-	-
Surplus/(deficit) after financing	1 828	2 456	219 374	-	-	55 129	-	-	-

With effect from 2008/09, the department received the Devolution of Property Rate Funds grant conditional grant, amounting to R210.846 million and increasing to R621.359 million in 2014/15, in respect of the payment of property rates in the province. An additional once-off amount of R450 million was allocated in 2010/11 to address shortfalls in funding since the inception of the grant. The baseline from 2011/12 onward was adjusted accordingly.

The financial year 2008/09 ended with a net surplus of R1.828 million, due to the late receipt of invoices relating to property rates and the replacement of vehicles which were not delivered in 2008/09, as originally anticipated. A roll-over of R1.118 million to 2009/10 relating to the Devolution of Property Rate Funds grant, was received.

The department was allocated a new conditional grant in 2009/10, namely the EPWP Integrated Grant for Provinces. The provincial cash resources in 2009/10 related to planning costs to renovate the old Boys Model School in association with the Msunduzi Innovation and Development Institute (MIDI), as well as the costs of the shared Ministry with Vote 8: Human Settlements.

The department under-spent by R2.456 million in 2009/10, mainly due to the moratorium on the filling of non-critical posts and cost-cutting. This saving was higher than the balanced budget pledged as part of the Cabinet-approved Provincial Recovery Plan.

An amount of R2.600 million was rolled over from 2009/10 to 2010/11, of which R280 000 was in respect of commitments relating to the EPWP Integrated Grant for Provinces and R243 000 allocated by National Treasury for the same grant in March 2010. The latter amount was received too late in 2009/10 to be allocated for spending, thus was only allocated in 2010/11. Furthermore, roll-overs of R177 000 were approved in respect of the Devolution of Property Rate Funds grant for outstanding rate payments and R1.900 million in respect of funding for the OSD for professionals (such as architects and artisans).

The department under-spent by R219.374 million in 2010/11, mainly due to delays in the receipt of invoices for property rates, delays in the filling of vacant posts, reduced purchasing of equipment due to cost-cutting, as well as slow progress of capital infrastructure projects and the project management tool due to procurement processes.

The marked increase against the provincial allocation in 2010/11 was mainly due to the payment of outstanding arrears for municipal services in the Ulundi Municipality.

An amount of R42.295 million was rolled over from 2010/11 to 2011/12 related to property rates commitments in the previous year.

The department is projecting to under-spend by R55.129 million in 2011/12, mainly due to anticipated under-spending on the Devolution of Property Rate Funds grant. This arose from disputed invoices with the eThekweni Metro which were resolved as the properties concerned were identified as belonging to the Metro and national departments. The department is showing healthy growth over the 2012/13 MTEF period.

4.2 Departmental receipts collection

Table 14.2 reflects the estimated departmental receipts for Vote 14. The department is a service provider to other provincial departments, and it is therefore not a major revenue generating entity. The main sources of revenue are of a domestic nature and include housing rent, parking, etc. Details are provided in the *Annexure – Vote 14: Public Works*.

Table 14.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	3 606	3 032	3 432	3 208	3 208	4 311	4 071	4 434	4 825
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	97	310	422	131	131	219	170	188	206
Sale of capital assets	44	6	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	826	1 634	2 754	781	781	842	1 257	1 377	1 518
Total	4 573	4 982	6 608	4 120	4 120	5 372	5 498	5 999	6 549

The main source of departmental revenue collection is *Sale of goods and services other than capital assets*, which relates to housing rent recoveries, rent for parking and rental received for state property. The high amount in 2008/09 is due to the revision of certain housing rentals to more market related rates, and included arrears. In 2011/12, the higher than anticipated collection is due to arrear rentals resulting from the regularisation of a number of cases of illegal occupancy of properties, where no payments were previously being made. This category shows a steadily increasing trend over the 2012/13 MTEF.

The revenue collection against *Interest, dividends and rent on land* relates to the recovery of interest on out-of-service debts. The erratic trends are a result of debt collections being unforeseen, which impacts on the collection of interest.

In 2008/09 and 2009/10, the once-off revenue against *Sale of capital assets* was in respect of the sale of minor portions of provincially owned property deemed surplus to requirements.

The relatively high revenue collection from 2009/10 to 2010/11 against *Transactions in financial assets and liabilities* relates to a concerted effort to clear outstanding staff debts in those years. This category shows a steadily increasing trend over the MTEF as the department continues to focus on debt recovery.

4.3 Donor funding and agency receipts – Nil

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 14: Public Works*.

5.1 Key assumptions

The following key assumptions have been used to determine the budget:

- Inflation related items have been based on CPI projections.
- The salary budget is based on the department's human resource provisioning plan and assumes that vacant posts will be filled in line with this plan.
- With additional funding as well as reprioritisation within the department's budget, provision has been made for the carry-through costs of the 2011 wage agreement and an inflationary wage

adjustment of 5 per cent for each of the three years of the 2012/13 MTEF, as well as the annual 1.5 per cent pay progression.

- The capital budget is based on the department's infrastructure plan.
- The cost-cutting measures, as reissued by Provincial Treasury in 2012/13, will be adhered to over the 2012/13 MTEF.

5.2 Additional allocations for the 2010/11 to 2012/13 MTEF

Table 14.3 shows additional funding received by the department over the three MTEF periods: 2010/11, 2011/12 and 2012/13. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of 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 carry-through allocations for the 2010/11 and 2011/12 MTEF periods (i.e. for the financial year 2014/15) are based on the incremental percentage used in the 2012/13 MTEF.

Table 14.3: Summary of additional provincial allocations for 2010/11 to 2012/13 MTEF

R thousand	2010/11	2011/12	2012/13	2013/14	2014/15
2010/11 MTEF period	12 716	14 048	15 446	16 296	17 273
Carry-through of 2009/10 Adjustments Estimate - 2009 wage agreement	11 059	12 360	13 674	14 426	15 292
Ministry funds moved from Vote 11	1 361	1 378	1 447	1 527	1 618
Policy on Incapacity Leave and Ill Health Retirement (PILIR)	296	310	325	343	363
2011/12 MTEF period		56 870	58 880	60 937	64 593
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement		10 126	9 530	8 753	9 278
Government Immoveable Asset Management Act (GIAMA)		44 795	46 961	49 542	52 515
Fixed Asset Register		2 319	2 865	3 239	3 433
National Cabinet decision to cut provinces by 0.3 per cent		(370)	(476)	(597)	(633)
2012/13 MTEF period			21 788	22 877	16 458
Carry-through of 2011 wage agreement			3 788	3 977	4 176
Improving infrastructure support			18 000	18 900	19 845
Provincial priorities - Reduction of GIAMA allocation for 2014/15			-	-	(7 563)
Total	12 716	70 918	96 114	100 110	98 324

In the 2010/11 MTEF, funding was allocated for the carry-through costs of the higher than anticipated 2009 wage agreement, the costs of the dual ministry (previously Vote 11: CoGTA), as well as for PILIR.

In the 2011/12 MTEF, funding was allocated for the carry-through costs of the higher than anticipated 2010 wage agreement, the implementation of GIAMA and the provincial Fixed Asset Register.

Also in the 2011/12 MTEF, National Cabinet took a decision to cut all national votes and the provincial equitable share by 0.3 per cent. The bulk of this equitable share reduction in KZN was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus of the province. The balance was sourced proportionately from all 16 provincial votes. The effect of this on the department was a slight reduction over the entire period.

In the 2012/13 MTEF, funding is allocated for the carry-through costs of the higher than anticipated 2011 wage agreement and for improving the department's capacity for infrastructure support. The decrease in the allocation for GIAMA in 2014/15 is based on a detailed costing of the funding requirements by the department, which indicated that the original provision was in excess of the calculated requirement.

5.3 Summary by programme and economic classification

Tables 14.4 and 14.5 below provide a summary of the vote's expenditure and budgeted estimates over the MTEF period by programme and economic classification, respectively. The department's budget is divided into three programmes, namely Administration, Real Estate and Provision of Buildings,

Structures and Equipment. The department is currently not in line with the uniform budget and programme structure for the Public Works sector, and this is under review.

Table 14.4: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	232 543	229 070	238 519	238 527	268 032	271 454	283 304	299 694	321 068
2. Property Management	237 013	272 146	554 635	609 895	656 279	588 987	654 485	695 753	728 335
3. Provision of Buildings, Structures & Equipment	261 703	294 953	321 055	371 985	343 659	352 400	373 382	391 726	411 097
Total	731 259	796 169	1 114 209	1 220 407	1 267 970	1 212 841	1 311 171	1 387 173	1 460 500

Note: Programme 1 includes MEC remuneration: Salary: R1 566 089

Table 14.5: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	447 639	464 774	501 754	590 565	593 055	604 064	643 685	676 330	708 664
Compensation of employees	300 931	336 217	361 319	406 571	407 922	407 599	458 510	486 509	516 883
Goods and services	146 708	128 557	140 435	183 994	185 133	196 465	185 175	189 821	191 781
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	223 805	248 646	520 949	525 559	568 634	502 714	558 777	596 058	629 943
Provinces and municipalities	216 793	240 717	515 538	521 699	564 126	495 388	554 419	591 609	625 261
Departmental agencies and accounts	362	306	368	590	590	541	619	653	686
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6 650	7 623	5 043	3 270	3 918	6 785	3 739	3 796	3 996
Payments for capital assets	59 815	78 518	82 233	104 283	106 281	106 063	108 709	114 785	121 893
Buildings and other fixed structures	51 845	72 090	65 916	74 423	76 421	76 421	84 744	89 735	95 000
Machinery and equipment	7 323	6 074	16 239	29 710	28 128	27 940	20 865	21 776	23 442
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	647	354	78	150	1 732	1 702	3 100	3 274	3 451
Payments for financial assets	-	4 231	9 273	-	-	-	-	-	-
Total	731 259	796 169	1 114 209	1 220 407	1 267 970	1 212 841	1 311 171	1 387 173	1 460 500

The department's baseline has grown significantly over the seven years, from R731.259 million in 2008/09 to R1.461 billion in 2014/15. There was a significant increase in 2008/09 due to the introduction of the Devolution of Property Rate Funds grant. There was also an increase in 2010/11 related to the same grant to address arrears accumulated since the grant's inception. The increase in the 2011/12 Adjusted Appropriation relates to additional funding of R47.563 million, as follows:

- A roll-over of R42.295 million from 2010/11, in respect of the Devolution of Property Rate Funds grant for outstanding rate payments, affecting Programme 2 and *Transfers and subsidies to: Provinces and municipalities*.
- Additional funds of R1.961 million, in respect of the EPWP Integrated Grant for Provinces.
- Additional funds of R3.307 million in respect of the higher than anticipated 2011 wage agreement.

In Programme 1: Administration, the decrease in 2009/10 is mainly due to a reduction in the department's *Goods and services* spending through cost-cutting, as well as a reduction in staff exit costs. The increase from 2010/11 to 2011/12 is mainly due to wage agreements and increased staff levels, the department's plans to update its Information Technology (IT) infrastructure, as well as for the replacement of official vehicles. The programme is showing steady growth over the 2012/13 MTEF period.

In Programme 2: Property Management, the sharp increase in 2010/11 is due to the payment of arrears, from prior years, in respect of the Devolution of Property Rate Funds grant, as well as the filling of key vacant posts. The department is projecting to under-spend against this programme in the 2011/12 Revised Estimate due to disputed invoices with the eThekweni Metro which were resolved as the properties concerned were identified as belonging to the Metro and national departments. The programme is showing steady growth over the 2012/13 MTEF period.

Programme 3: Provision of Buildings, Structures and Equipment increases from 2008/09 to 2009/10 mainly due to the filling of vacant posts. The increase in 2010/11 is largely due to expenditure for Ulundi municipal services which could not be recovered from property tenants in previous years, the higher than anticipated 2010 wage agreement, and OSD for professionals. The increase from 2010/11 to the 2011/12 Main Appropriation is mainly to provide for the filling of key vacant posts. The decrease in the 2011/12 Adjusted Appropriation was mainly as a result of *Goods and services* where funds were moved from savings due to cost-cutting and current infrastructure to accommodate the IZ initiative under Programme 2, as well as for the Special Investigation Unit (SIU) fraud investigation costs. The programme is showing fairly steady growth over the 2012/13 MTEF period.

The increase under *Compensation of employees* from 2009/10 onward is due to carry-through costs of the higher than anticipated wage agreements, as well as anticipated increases in staff numbers in 2011/12 and 2012/13. The department is showing steady growth over the 2012/13 MTEF period.

The downward trend against *Goods and services* from 2008/09 to 2009/10 was mainly due to the reprioritisation of current infrastructure to fund other priority capital projects, such as the head office building refurbishment. The increase from 2009/10 to 2010/11 is mainly due to property payments such as municipal services and payments for project managers in the North Coast Region. The sharp increase in 2011/12 is due to additional funding received for GIAMA and the Fixed Asset Register, as well as R1.961 million in respect of the EPWP Integrated Grant for Provinces. The negative growth in 2012/13 compared to the 2011/12 Revised Estimate, is mainly due to the reprioritisation from current infrastructure to fund other priority capital projects, such as the head office building upgrade.

Transfers and subsidies to: Provinces and municipalities largely consists of the payment of property rates, which were devolved to provinces via the Devolution of Property Rate Funds grant from National Public Works in 2008/09. The sharp increase in 2010/11 is due to the arrear payments in respect of the grant. The increase in the 2011/12 Adjusted Appropriation is mainly due to the department receiving a roll-over from the previous financial year for commitments on the payment of property rates. The decrease in the 2011/12 Revised Estimate is due to disputed invoices with the eThekweni Metro, as mentioned previously. The budget grows consistently over the 2012/13 MTEF period.

The fluctuating trend against *Transfers and subsidies to: Departmental agencies and accounts* over the entire period is due to expenditure against workmen's compensation, which is based on claims received.

The increase from 2008/09 to 2009/10 against *Transfers and subsidies to: Households* results from an increase in staff exit costs. This also accounts for the high 2011/12 Revised Estimate. Due to the fact that this category is difficult to anticipate, the remaining years of the MTEF are lower.

The high spending in 2009/10 against *Buildings and other fixed structures* was a result of the costs for the department's head office refurbishment and southern regional office. The budget fluctuates over the period, as it is based on actual capital infrastructure requirements, including new and carry-through costs on certain projects.

Against *Machinery and equipment*, the expenditure in 2009/10 was low due to stringent cost-cutting, mitigating the expenditure when compared to 2008/09. The substantial increase from 2010/11 onward relates to the department's plan to upgrade its IT infrastructure and networks for new offices, as well as for the replacement of official vehicles. The decrease in 2012/13 is due to funds being reprioritised to *Compensation of employees*, in respect of key vacant posts, in Programmes 2 and 3.

Expenditure against *Software and other intangible assets* in 2008/09 was for the purchase of various software, such as Cognos and a stationery management system. In 2009/10, the expenditure was for SysAid Helpdesk software, printer software for library services and Cognos. The increase in the 2011/12 Adjusted Appropriation and Revised Estimate is for the renewal of Cognos user licences. The increase from 2012/13 onward is to cater for an enterprise agreement with Microsoft which requires a three-year commitment and annual billing.

The department wrote off various losses of R4.231 million against *Payments for financial assets* in 2009/10 and R 9.273 million in 2010/11.

5.4 Summary of expenditure and estimates by district municipal area

Table 14.6 presents a summary of the department's spending per district municipal area, excluding administrative costs. The figures below include capital and current infrastructure, as well as payments for municipal rates.

Table 14.6: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14	2014/15
eThekweni	322 733	298 165	379 198	376 424	400 340
Ugu	5 669	11 296	13 224	16 574	16 574
uMgungundlovu	56 410	76 397	94 423	114 264	141 317
Uthukela	27 577	34 523	37 298	37 940	33 019
Umkhanyathi	29 444	29 105	28 493	26 223	22 403
Amajuba	11 278	9 089	9 105	10 150	10 150
Zululand	37 733	37 284	27 725	35 322	33 898
Umkhanyakude	40 884	11 431	8 321	9 923	9 923
uThungulu	23 866	19 631	9 286	11 485	11 485
Ilembe	24 529	29 491	20 123	31 334	31 334
Sisonke	9 203	22 337	17 628	17 358	15 663
Total	589 326	578 749	644 824	686 997	726 106

Over the MTEF, the bulk of the department's service delivery spending is concentrated in the eThekweni, uMgungundlovu, Uthukela, Zululand and Umkhanyakude district municipal areas. Adding to the spending in uMgungundlovu are the infrastructure needs for additional office accommodation for the Public Works head office, the southern regional office and district offices, all situated in Pietermaritzburg, and which continue over subsequent years. Also included is the major upgrading of the midlands regional office in Ladysmith (Uthukela) and district offices in Ulundi such as Mtubatuba and Umkhanyakude Works district office – Mkhuze portion (Zululand and Umkhanyakude).

Note that the significant increases in the 2011/12 Revised Estimate are primarily due to the payment of arrear property rates, which was largely once-off, hence the decreases in 2012/13. Thereafter, the growth over the 2012/13 MTEF is largely in line with the growth in the Devolution of Property Rate Funds grant.

5.5 Summary of conditional grant payments and estimates

Tables 14.7 and 14.8 below relate to the summary of conditional grants receipts and payments. Note that the historical figures set out in Table 14.7 below reflect actual expenditure per grant, and should not be compared to those reflected in Table 14.1, which represent the actual receipts for each grant. Further details are provided in the *Annexure – Vote 14: Public Works*.

The department received a new conditional grant, the Devolution of Property Rate Funds grant in 2008/09. The sharp increase in 2010/11 is due to the payment of arrears, from prior years, in respect of the grant (additional funding of R450 million was received for the grant in 2010/11). The increase from the 2011/12 Main to the Adjusted Appropriation is due to the department receiving a roll-over of R42.295 million to fund property rates commitments from the previous year. The decrease in the 2011/12 Revised Estimate is due to disputed invoices with the eThekweni Metro which were resolved, as the properties concerned were identified as belonging to the Metro and national departments. The decrease in 2012/13 when compared to the 2011/12 Adjusted Appropriation is due to the previously mentioned roll-over in 2011/12 of R42.295 million in respect of property rates commitments.

In 2010/11, and in the 2011/12 Adjusted Appropriation, the department received funding for the EPWP Integrated Grant for Provinces, being the suspension of portion of the grant from the Department of Transport in terms of DORA. Note that funds have been allocated for this grant in 2012/13 only, at this stage.

Table 14.7: Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Devolution of Property Rate Funds grant	209 728	237 205	508 156	518 585	560 880	491 822	551 100	588 180	621 359
EPWP Integrated Grant for Provinces	-	-	413	-	1 961	1 961	1 508	-	-
Total	209 728	237 205	508 569	518 585	562 841	493 783	552 608	588 180	621 359

Table 14.8: Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	-	-	2 864	4 531	6 492	6 492	6 357	5 189	5 189
Compensation of employees	-	-	2 451	4 531	4 531	4 531	4 849	5 189	5 189
Goods and services	-	-	413	-	1 961	1 961	1 508	-	-
Interest and rent on land									
Transfers and subsidies to:	209 728	237 205	505 705	514 054	556 349	487 291	546 251	582 991	616 170
Provinces and municipalities	209 728	237 205	505 705	514 054	556 349	487 291	546 251	582 991	616 170
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households									
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures									
Machinery and equipment									
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total	209 728	237 205	508 569	518 585	562 841	493 783	552 608	588 180	621 359

5.6 Summary of infrastructure payments and estimates

Table 14.9 below presents a summary of infrastructure payments and estimates by category for the vote. Detailed information on infrastructure is given in the *Annexure – Vote 14: Public Works*.

Table 14.9: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
New and replacement assets	7 167	13 595	31 032	13 923	25 697	27 816	7 880	1 695	-
Existing infrastructure assets	58 526	67 021	42 946	72 500	57 578	56 109	82 864	94 040	101 000
Upgrades and additions	34 588	43 481	23 384	55 338	42 831	39 769	71 364	78 640	85 000
Rehabilitation, renovations and refurbishments	10 090	15 014	11 500	5 162	7 893	8 836	5 500	9 400	10 000
Maintenance and repairs	13 848	8 526	8 062	12 000	6 854	7 504	6 000	6 000	6 000
Infrastructure transfer	-	-	-	-	-	-	-	-	-
Current									
Capital									
Capital infrastructure	51 845	72 090	65 916	74 423	76 421	76 421	84 744	89 735	95 000
Current infrastructure	13 848	8 526	8 062	12 000	6 854	7 504	6 000	6 000	6 000
Total	65 693	80 616	73 978	86 423	83 275	83 925	90 744	95 735	101 000

The increase in *New and replacement assets* in 2010/11 is mainly due to the construction of new district offices in Mtubatuba, Mkhuze and Ixopo. The bulk of the expenditure was incurred in 2010/11, hence the reduction in 2011/12. The increase in the 2011/12 Adjusted Appropriation and Revised Estimate is mainly due to an increase in funding for the new Ixopo district office. The allocations over the MTEF period are due to continuation costs for the district offices at Ixopo, Mtubatuba and Mkhuze, with completion expected in 2013/14, hence no funding allocated in 2014/15 at this stage.

The increase over the MTEF period under *Upgrades and additions* is due to continuation costs particularly for the Public Works midlands regional office, office accommodation for the Public Works

head office, Greytown district office, commencement of the eThekweni district office, CIDB satellite office in uMgungundlovu, as well as the commencement of upgrade and additions to the Zululand district office (Vryheid sub-office).

Funding over the 2012/13 period against *Rehabilitation, renovations and refurbishments* is to cater for the administrative wing of the former Legislative Assembly Complex in Ulundi, comprising landscaping, air-conditioning and electrical maintenance.

The department decreased its *Maintenance and repairs* budget in the 2011/12 Adjusted Appropriation when compared to the Main Appropriation, to fund capital projects, such as the department's head office.

A number of major projects, some of which are multi-year projects, will be continuing in 2012/13 including the continuation and commencement of phase 3 for the Public Works head office, midlands regional office, Mtubatuba district office, Mkhuze district office and Ixopo district office, as well as the upgrading of Greytown and eThekweni district offices.

5.7 Public Private Partnerships (PPPs) – Nil

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.9 Transfers to other entities – Nil

5.10 Transfers to local government

Tables 14.10 and 14.11 below indicate transfers to local government per category and per type, respectively. The transfers are in respect of the payment of property rates to municipalities. Further details of these transfers per category are presented in *Annexure – Vote 14: Public Works*.

It is also noted that, although the payment of motor vehicle licences now falls under *Transfers and subsidies to: Provinces and municipalities*, in line with changes in the SCOA classification, these funds will not be transferred to any municipality, and hence these are excluded from the tables below.

Table 14.10: Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Category A	162 729	189 805	318 754	376 931	373 377	291 268	366 168	364 461	397 840
Category B	41 797	39 664	164 703	140 680	190 417	196 263	187 912	226 801	227 266
Category C	12 162	11 097	31 891	4 088	-	7 482	-	-	-
Unallocated/unclassified	-	-	-	-	200	200	200	200	-
Total	216 688	240 566	515 348	521 699	563 994	495 213	554 280	591 462	625 106

Table 14.11: Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Property Rates	2.1: Personnel & Admin. Related	216 688	240 566	515 348	521 699	563 994	495 213	554 280	591 462	625 106
Total		216 688	240 566	515 348	521 699	563 994	495 213	554 280	591 462	625 106

The department was responsible for the payment of property rates to only the Ulundi Municipality (Category B) in prior years. As from 2008/09, the department became responsible for the payment of property rates to all municipalities, following the devolution of property rates payments, which was previously with the national Department of Public Works, by way of the conditional grant allocation. The substantial increase in 2010/11 is due to the department receiving additional funding in respect of arrear rates payments relating to the Devolution of Property Rate Funds grant. The increase in the 2011/12 Adjusted Appropriation when compared to the Main Appropriation is as a result of the department

receiving a roll-over of R42.295 million for property rates commitments from the previous financial year. As this was a once-off payment, this accounts for the reduction in 2012/13. The decrease in the 2011/12 Revised Estimate is due to disputed invoices with the eThekweni Metro which were resolved, as the properties concerned were identified as belonging to the Metro and national departments.

Note that the amounts indicated as Unallocated/unclassified relate to property rates costs for properties owned by the province located in other provinces.

5.11 Transfers and subsidies

Table 14.12 below is a summary of *Transfers and subsidies* per programme.

Table 14.12: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	4 742	3 873	2 887	2 430	2 560	3 634	2 608	2 784	3 112
Provinces and municipalities	105	151	190	-	130	173	137	145	153
Motor vehicle licences	105	151	190	-	130	173	137	145	153
Departmental agencies and accounts	355	-	-	150	150	101	157	165	174
Social security funds	355	-	-	150	150	101	157	165	174
Households	4 282	3 722	2 697	2 280	2 280	3 360	2 314	2 474	2 785
Social benefits	2 563	1 181	1 486	280	280	1 258	213	257	448
Other transfers to households (bursaries)	1 719	2 541	1 211	2 000	2 000	2 102	2 101	2 217	2 337
2. Real Estate	216 688	242 067	515 872	521 731	564 327	495 426	554 313	591 497	625 141
Provinces and municipalities	216 688	240 566	515 348	521 699	563 994	495 213	554 280	591 462	625 106
Property rates	216 688	240 566	515 348	521 699	563 994	495 213	554 280	591 462	625 106
Departmental agencies and accounts	-	-	-	5	5	5	5	5	5
Social security funds (workmen's comp.)	-	-	-	5	5	5	5	5	5
Households	-	1 501	524	27	328	208	28	30	30
Social benefits	-	1 501	524	27	328	208	28	30	30
3. Provision of Buildings, Structures & Equip.	2 375	2 706	2 190	1 398	1 747	3 654	1 856	1 777	1 690
Provinces and municipalities	-	-	-	-	2	2	2	2	2
Motor vehicle licences	-	-	-	-	2	2	2	2	2
Departmental agencies and accounts	7	306	368	435	435	435	457	483	507
Social security funds (workmen's comp.)	7	-	-	60	60	60	63	67	68
Skills development levy	-	306	368	375	375	375	394	416	439
Households	2 368	2 400	1 822	963	1 310	3 217	1 397	1 292	1 181
Social benefits	2 233	2 400	1 822	963	1 310	3 217	1 397	1 292	1 181
Other transfers to households	135	-	-	-	-	-	-	-	-
Total	223 805	248 646	520 949	525 559	568 634	502 714	558 777	596 058	629 943

Provinces and municipalities in Programmes 1 and 3 reflect the payment of motor vehicle licences. These were previously budgeted for under *Goods and services* but, due to a change in the SCOA classification, are now paid under this category. The prior year figures were restated for comparison purposes.

The erratic trend against *Households* in all programmes is due to this category being based on unpredictable staff exit costs. The expenditure under Programme 1 from 2008/09 onward against *Other transfers to households (bursaries)* is for the payment of bursaries to non-officials.

Departmental agencies and accounts payments against Programmes 1 and 2 are for workmen's compensation, with no payments in Programme 1 in 2009/10 and 2010/11 and against Programme 2 in all the prior years due to no relevant incidents occurring. In Programme 3, this category includes workmen's compensation, as well as the skills development levy where the budget remains fairly constant.

The substantial increase in *Provinces and municipalities* against Programme 2 in 2010/11 was for the payment of arrears, from prior years, in respect of the Devolution of Property Rate Funds grant (additional funding of R450 million was received for the grant in 2010/11). The increase from the 2011/12 Main Appropriation to the Adjusted Appropriation is due to the department receiving a roll-over of R42.295 million to fund property rates commitments from the previous year, hence the reduction in 2012/13. The decrease in the 2011/12 Revised Estimate is due to disputed invoices with the eThekweni Metro which were resolved, as the properties concerned were identified as belonging to the Metro and national departments.

6. Programme description

The services rendered by the department are categorised under three programmes, the details of which are discussed at greater length below. The information for each programme is summarised in terms of sub-programmes and economic classification. Details according to the economic classification are presented in the *Annexure – Vote 14: Public Works*.

6.1 Programme 1: Administration

The main objectives of this programme are to provide strategic leadership and management support to the MEC, to build a positive corporate culture, to render support and advice in terms of human resource practices, all legal matters, security and logistics and effective communication and information management systems, render sound financial management services and risk management. The programme comprises two sub-programmes, namely Minister's Support and Management.

Tables 14.13 and 14.14 below summarise expenditure and budgeted estimates relating to Programme 1: Administration, for the financial years 2008/09 to 2014/15.

Table 14.13: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Minister's Support	6 281	7 343	6 775	9 562	9 592	7 278	9 551	10 084	10 639
Management	226 262	221 727	231 744	228 965	258 440	264 176	273 753	289 610	310 429
Total	232 543	229 070	238 519	238 527	268 032	271 454	283 304	299 694	321 068

Table 14.14: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	221 401	216 920	219 987	207 773	237 148	239 562	258 020	273 158	292 007
Compensation of employees	142 964	157 437	161 150	152 507	178 039	179 481	202 312	214 432	229 824
Goods and services	78 437	59 483	58 837	55 266	59 109	60 081	55 708	58 726	62 183
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	4 742	3 873	2 887	2 430	2 560	3 634	2 608	2 784	3 112
Provinces and municipalities	105	151	190	-	130	173	137	145	153
Departmental agencies and accounts	355	-	-	150	150	101	157	165	174
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 282	3 722	2 697	2 280	2 280	3 360	2 314	2 474	2 785
Payments for capital assets	6 400	5 535	15 297	28 324	28 324	28 258	22 676	23 752	25 949
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 871	5 181	15 219	28 174	26 592	26 556	19 576	20 478	22 498
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	529	354	78	150	1 732	1 702	3 100	3 274	3 451
Payments for financial assets	-	2 742	348	-	-	-	-	-	-
Total	232 543	229 070	238 519	238 527	268 032	271 454	283 304	299 694	321 068

The sub-programme: Minister's Support increases in 2009/10 due to the department receiving an additional allocation for a portion of the MEC's budget from Vote 11: CoGTA, following the provincial reconfiguration of departments after the 2009 elections. The negative growth in 2010/11 is mainly due to cost-cutting. The decrease in the 2011/12 Revised Estimate is also due to cost-cutting. The budget grows steadily from 2012/13 onward.

The low 2009/10 spending when compared to prior and subsequent years against the sub-programme: Management can largely be ascribed to cost-cutting. The increase in the 2011/12 Adjusted Appropriation and Revised Estimate is due to the higher than anticipated 2011 wage agreement and filling of vacant posts. The 2012/13 MTEF includes carry-through costs of the higher than anticipated 2011 wage agreement. Note that, in the 2011/12 Adjusted Appropriation, R22.216 million was shifted from *Compensation of employees* in Programme 3 to Programme 1, for the correction of the placement of the SCM staff within the department's organogram, and prior years were adjusted for comparative purposes.

With regard to *Compensation of employees*, the growth from 2009/10 to 2012/13 is largely due to the various higher than anticipated wage agreements. Note that, as mentioned above, R22.216 million was shifted from Programme 3 to Programme 1, related to the correct placement of SCM staff and, for comparative purposes, historical figures have been amended.

The department reduced its *Goods and services* spending through cost-cutting, resulting in a reduction from 2009/10 to 2012/13. The increase in the 2011/12 Adjusted Appropriation is due to movements from Programme 3, *Goods and services* for SITA costs, the SIU's fraud investigation for which no original budget was allocated, as well as resettlement costs, mainly for those staff resettling to the new Mkhuze district office. The latter matter was originally budgeted for against Programme 3, and is once-off expenditure. From 2013/14 onward, the budget grows steadily.

Transfers and subsidies to: Provinces and municipalities caters for motor vehicle licences. In the 2011/12 Adjusted Appropriation, the funds for this purpose were shifted from *Goods and services* in line with a SCOA reclassification to this category, and historical data was amended for comparative purposes.

Transfers and subsidies to: Departmental agencies and accounts cater for workmen's compensation which, as it is based on actual claims, is difficult to budget for, accounting for the fluctuating trend.

The high expenditure in *Transfers and subsidies to: Households* in 2008/09 relates to the employee-initiated severance packages which came into effect from 1 January 2006, as well as staff exit costs. This category is difficult to budget for, accounting for the fluctuating trend.

In respect of *Machinery and equipment*, the decline in 2009/10 is due to cost-cutting. The substantial increases from 2010/11 onward are a result of the department upgrading its IT infrastructure and networks for new offices, as well as for the replacement of vehicles. The reduction in the 2011/12 Adjusted Appropriation and Revised Estimate is due to funds being reprioritised to *Software and other intangible assets* for the renewal of Cognos user licences. The decrease from 2012/13 onward is a result of the department reprioritising funds from computer hardware to software to cater for an enterprise agreement with Microsoft which requires a three-year commitment and annual billing.

As previously mentioned, the expenditure against *Software and other intangible assets* in 2008/09 was for the purchase of various software, such as Cognos and a stationery management system. In 2009/10, the amount was for SysAid Helpdesk, printer software for library services and Cognos. The increase in the 2011/12 Adjusted Appropriation and Revised Estimate is for the renewal of Cognos user licences. As mentioned, the increase from 2012/13 onward is to cater for an enterprise agreement with Microsoft which requires a three-year commitment and annual billing.

The department also wrote off various losses of R2.742 million in 2009/10 and R348 000 in 2010/11, hence the once-off expenditure against *Payments for financial assets*.

6.2 Programme 2: Property Management

The main purpose of this programme is to provide and facilitate the provision of accommodation and integrated property management services to clients through planned property life cycle (acquisition, maintenance and disposal), optimal utilisation of immovable assets, land valuation, maintenance of fixed asset register, payment of property rates and integrated service delivery. This programme also includes the leasing of buildings. Note that the programme name has been amended from Real Estate to Property Management, with no change in purpose or sub-programme structure.

Tables 14.15 and 14.16 below summarise payments and budgeted estimates for the period 2008/09 to 2014/15. There are three sub-programmes within this programme, namely Personnel and Admin. Related, Hiring and Acquisition of Land, Control and Disposal.

Table 14.15: Summary of payments and estimates - Programme 2: Property Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Personnel & Admin. Related	234 479	269 680	551 571	606 777	653 214	585 338	651 209	692 294	724 690
Hiring	2 211	2 382	2 925	2 751	2 924	3 609	3 076	3 248	3 423
Acquisition of Land, Control & Disposal	323	84	139	367	141	40	200	211	222
Total	237 013	272 146	554 635	609 895	656 279	588 987	654 485	695 753	728 335

Table 14.16: Summary of payments and estimates by economic classification - Programme 2: Property Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	20 186	29 837	38 445	87 828	91 616	93 337	99 908	103 959	103 156
Compensation of employees	10 670	13 626	22 440	27 975	28 217	29 427	33 048	35 188	38 896
Goods and services	9 516	16 211	16 005	59 853	63 399	63 910	66 860	68 771	64 260
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	216 688	242 067	515 872	521 731	564 327	495 426	554 313	591 497	625 141
Provinces and municipalities	216 688	240 566	515 348	521 699	563 994	495 213	554 280	591 462	625 106
Departmental agencies and accounts	-	-	-	5	5	5	5	5	5
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	1 501	524	27	328	208	28	30	30
Payments for capital assets	139	242	318	336	336	224	264	297	38
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	139	242	318	336	336	224	264	297	38
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	237 013	272 146	554 635	609 895	656 279	588 987	654 485	695 753	728 335

The substantial increase against the Personnel and Admin. Related sub-programme and *Transfers and subsidies to: Provinces and municipalities* in 2010/11 is mainly due to a once-off payment for arrears in respect of the Devolution of Property Rate Funds grant (additional funding of R450 million was received for the grant in 2010/11), as well as Ulundi Municipality service payments. The increase from the 2011/12 Main to Adjusted Appropriation is due to a roll-over of R42.295 million to fund property rates commitments from the previous year. The decrease in the 2011/12 Revised Estimate is due to disputed invoices with the eThekweni Metro which were resolved, as the properties concerned were identified as belonging to the Metro and national departments. The growth in the sub-programme from 2011/12 onward includes additional funding for GIAMA and the Fixed Asset Register, as well as an increase in *Compensation of employees* to cater for carry-through costs for the 2011 wage agreement and the filling of vacant posts. Furthermore, funds amounting to R3.384 million were shifted from Programme 3 for facilities management to this sub-programme, in line with the department's new organogram. Note that, for comparative purposes historical data has been adjusted accordingly.

The sub-programme: Hiring reflects an increase in 2010/11 which relates to the unanticipated hiring of office accommodation in Pietermaritzburg. The budget grows steadily over the 2012/13 MTEF.

The erratic trend against the sub-programme: Acquisition of Land, Control and Disposal is linked to the number of valuations of properties made by the department. From 2012/13, the budget shows consistent growth.

The increasing trend against *Compensation of employees* from 2008/09 onward caters for the carry-through costs associated with the filling of posts, as well as the various higher than anticipated wage agreements. The increase in 2010/11 is also as a result of additional funding that was received for the Devolution of Property Rate Funds grant, of which R4.234 million was allocated to *Compensation of employees* as part of the administrative costs of the grant. The 2012/13 MTEF includes carry-through funding for the higher than anticipated 2011 wage agreement, as well as funding for vacant posts. Funds were also reprioritised from *Goods and services* to *Compensation of employees* within the GIAMA funding, for those staff dealing with GIAMA.

The substantial increase in *Goods and services* from 2011/12 onward is due to additional funding that was received for GIAMA and the Fixed Asset Register. Note that, as mentioned earlier, funds totalling R3.384 million were shifted from Programme 3 to cater for facilities management against Programme 2, and historical figures have been adjusted for comparative purposes. The decrease in 2010/11 is due to cost-cutting. Also impacting on this category in the 2011/12 Adjusted Appropriation were funds moved within *Goods and services* from Programme 3 due to cost-cutting, to fund gardening services in Programme 2, which forms part of the IZ EPWP initiative. The negative growth in 2014/15 is due to a reduction in the GIAMA allocation by R7.563 million, based on a detailed costing exercise by the department which indicated that the original provision was in excess of the calculated requirement.

The increase from 2010/11 against *Transfers and subsidies to: Departmental agencies and accounts* was for the payment of workmen's compensation, and is linked to claims received. No payments were made from 2008/09 to 2010/11.

Transfers and subsidies to: Households is high in 2009/10 due to unanticipated staff exits. This category is difficult to budget for, accounting for the fluctuating trend.

The main reason for the varying trend under *Machinery and equipment* is that the amounts are based on actual requirements (once-off expenditure). The slight increase in 2010/11 is due to expenditure for GIAMA and the Fixed Asset Register (additional funding was granted for these initiatives in 2010/11). The variable trend over the 2012/13 MTEF is based on actual vehicle and equipment requirements.

Service delivery measures – Programme 2: Property Management

Table 14.17 below reflects the service delivery measures pertaining to Programme 2. The department has signed service level agreements with its client departments. Although such agreements are in place and the department provides these agreed-to services, outputs are not reflected under this programme due to the fact that the client departments remain accountable for these funds and thus include these within their votes. This notwithstanding, the department has provided internal service delivery measures for Programme 2, which are a mix of sectoral and non-sectoral measures.

Table 14.17: Service delivery measures – Programme 2: Property Management

Service delivery measures – Programme 2: Property management					
Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
1. Acquisition of properties to satisfy land and building needs of provincial depts. through property acquisition, disposal, hiring and letting	<ul style="list-style-type: none"> No. of properties acquired as per client depts. 	4	9	As requested by client dept.	As requested by client dept.
2. Timeous hiring of properties to satisfy land and building needs of provincial depts. through property acquisition, disposal, hiring and letting	<ul style="list-style-type: none"> No. of land and buildings hired for KZN 	37	29	19	As requested by client dept.
3. State properties valued	<ul style="list-style-type: none"> No. of properties valued 	27	1 500	1 500	1 000
4. Implementation of GIAMA to effectively manage immovable assets	<ul style="list-style-type: none"> Developed and approved U-AMPs (No. of U-AMPs) 	1	1	1	1
	<ul style="list-style-type: none"> No. of C-AMPs 	1	1	1	1
5. Implementation of the national Property Incubator Programme to promote economic transformation and investment within property sector	<ul style="list-style-type: none"> No. of beneficiaries (training-skills development) Property Incubator programme Implemented 	43	46	Programme review	Programme review
6. Successful implementation of <i>Izandla Ziyagezana</i> programme to contribute to job creation (massification of EPWP)	<ul style="list-style-type: none"> No. of jobs created through <i>Izandla Ziyagezana</i> programme on new sites 	422	78	78	78
7. Vesting of provincial properties to take transfer of all immovable assets	<ul style="list-style-type: none"> No. of R293 provincial assets registered 	334	529	% of newly identified	% of newly identified
	<ul style="list-style-type: none"> No. of South African Development Trust Provincial assets registered 	-	351	% of newly identified	% of newly identified
	<ul style="list-style-type: none"> Umzimkulu properties – endorsement after cross-border proclamation (No. of Umzimkulu provincial properties registered) 	167	89	% of newly identified	% of newly identified

Table 14.17: Service delivery measures – Programme 2: Property Management

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
	• Transfer of <i>Ingonyama</i> Trust Properties (already surveyed) and no. of surveyed state domestic facilities on <i>Ingonyama</i> Trust Land Properties transferred	-	500	% of newly identified	% of newly identified
	• No. of former RSA properties and others vested into name of KZN provincial govt.	1 169	1 018	1018	n/a
8. Effective projection and timely payment of municipal rates to facilitate payment of property rates (conditional grant)	• Amount and % expenditure of municipal property rates budget	90%	(R551m)100%	(R588m)100%	(R621m)100%

6.3 Programme 3: Provision of Buildings, Structures and Equipment

The main purpose of this programme is the erection and/or acquisition of buildings, structures and engineering works and the maintenance of buildings to client specifications. The core services are:

- Improving integrated service delivery in the provision of buildings and structures.
- Creating jobs through the EPWP.
- Creating an enabling environment for affirmable business enterprises.
- Initiating and co-ordinating strategic partnerships.
- Co-ordinating and aligning operational activities in line with municipal demarcations.

Tables 14.18 and 14.19 summarise payments and budgeted estimates relating to Programme 3 for the period 2008/09 to 2014/15.

Table 14.18: Summary of payments and estimate - Programme 3: Provision of Buildings, Structures and Equipment

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Personnel & Admin. Related	189 043	214 258	247 077	285 183	260 005	268 333	282 362	295 699	309 789
Buildings & Structures	72 660	80 695	73 978	86 802	83 654	84 067	91 020	96 027	101 308
Total	261 703	294 953	321 055	371 985	343 659	352 400	373 382	391 726	411 097

Table 14.19: Summary of payments and estimates by economic classification - Prog. 3 : Prov. of Buildings, Structures & Equipment

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	206 052	218 017	243 322	294 964	264 291	271 165	285 757	299 213	313 501
Compensation of employees	147 297	165 154	177 729	226 089	201 666	198 691	223 150	236 889	248 163
Goods and services	58 755	52 863	65 593	68 875	62 625	72 474	62 607	62 324	65 338
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	2 375	2 706	2 190	1 398	1 747	3 654	1 856	1 777	1 690
Provinces and municipalities	-	-	-	-	2	2	2	2	2
Departmental agencies and accounts	7	306	368	435	435	435	457	483	507
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 368	2 400	1 822	963	1 310	3 217	1 397	1 292	1 181
Payments for capital assets	53 276	72 741	66 618	75 623	77 621	77 581	85 769	90 736	95 906
Buildings and other fixed structures	51 845	72 090	65 916	74 423	76 421	76 421	84 744	89 735	95 000
Machinery and equipment	1 313	651	702	1 200	1 200	1 160	1 025	1 001	906
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	118	-	-	-	-	-	-	-	-
Payments for financial assets	-	1 489	8 925	-	-	-	-	-	-
Total	261 703	294 953	321 055	371 985	343 659	352 400	373 382	391 726	411 097

For the programme as a whole, the increasing expenditure trend from 2008/09 onward can largely be ascribed to the filling of vacant posts and carry-through costs of the various wage agreements. The increase in 2010/11 when compared to 2009/10 is largely due to the EPWP Integrated Grant for Provinces and the OSD for professionals. Note that, in the 2011/12 Adjusted Appropriation, R22.216 million was shifted within *Compensation of employees* from the sub-programme: Personnel and Admin. Related to Programme 1, for SCM staff, as well as R3.384 million for facilities management in Programme 2, to align with the department's new organogram. Historical data was amended for comparative purposes.

The erratic nature of the baseline under the sub-programme: Buildings and Structures over the entire period is a result of the baseline being based on actual infrastructure requirements, which include carry-through costs on projects, as well as new projects and projects reaching completion.

With regard to *Compensation of employees*, the increased expenditure from 2009/10 onward caters for the filling of posts, the various higher than anticipated wage agreements, as well as the increase in the uptake of GEMS. The decrease in the 2011/12 Adjusted Appropriation and Revised Estimate is due to a reprioritisation exercise that the department undertook, whereby baselines between the various responsibilities and programmes were revised. This resulted in a decrease from the Main Appropriation against *Compensation of employees*, as funds were moved to Programme 2. As previously mentioned, in the 2011/12 Adjusted Appropriation an amount of R22.216 million was shifted from Programme 3 to Programme 1, and historical data has been adjusted accordingly for comparative purposes.

The decrease against *Goods and services* in 2009/10 was due to cost-cutting. The increase in 2010/11 was mainly due to the payment of outstanding arrears for municipal services in the Ulundi Municipality. The decrease in the 2011/12 Adjusted Appropriation is mainly attributable to cost-cutting and unforeseen delays in current infrastructure projects. As a result, funds were moved within *Goods and services* to the other two programmes to address spending pressures such as the SIU fraud investigations throughout the department in Programme 1 and to fund gardening services in Programme 2, which forms part of the IZ EPWP initiative. Funds were also moved to *Transfers and subsidies to: Households* to address pressures relating to staff exit costs. In addition, funds were moved to *Capital infrastructure* for a standby generator at the uMgungundlovu district office. Note that, in the 2011/12 Adjusted Appropriation, funds totalling R3.384 million were shifted from Programme 3 to cater for facilities management under Programme 2, and historical data has been adjusted for comparative purposes.

Transfers and subsidies to: Provinces and municipalities caters for motor vehicle licences. Note that, in the 2011/12 Adjusted Appropriation, the funds for this purpose were shifted from *Goods and services* to this category, in line with a SCOA reclassification.

The low 2008/09 spending against *Transfers and subsidies to: Departmental agencies and accounts* relates to workmen's compensation which is difficult to budget for. The budget grows steadily from 2012/13 onward and includes Construction Education Training Authority (CETA) costs in respect of the skills development levy.

The expenditure in *Transfers and subsidies to: Households* relates to the payment of staff exit costs. This category is difficult to budget for, accounting for the fluctuating trend.

Buildings and other fixed structures fluctuates slightly over the seven years, as it is based on actual capital infrastructure requirements, including new and carry-through costs on certain projects. The 2009/10 increase includes department's head office refurbishment and the southern regional office.

The decrease against *Machinery and equipment* in 2009/10 is mainly due to cost-cutting in respect of office furniture. The funds were reprioritised for initiatives such as EPWP labour intensive programmes and the NYS programme. This also accounts for the decrease in 2010/11. The decrease in 2012/13 is linked to actual requirements in the programme.

The once-off payment under *Software and other intangible assets* in 2008/09 is for the purchase of a stationery management system.

The department wrote off various losses of R1.489 million in 2009/10 and R8.925 million in 2010/11, hence the once-off expenditure against *Payments for financial assets* in these years.

Service delivery measures – Programme 3: Provision of Buildings, Structures and Equipment

As mentioned under Programme 2 above, the department has signed service level agreements with its client departments. Although such agreements are in place and the department provides these agreed to services, the outputs are not reflected under this programme due to the fact that the client departments remain accountable for these funds and thus include these within their votes. However, the department has provided several internal service delivery measures for Programme 3, which are reflected in Table 14.20 below.

The number of IDIP projects cannot be projected over the MTEF period and the practice has been to set a target of achieving 100 per cent. Once the Infrastructure Project Implementation Plan is finalised for the relevant financial year, then a number can be inserted. Therefore performance indicators are measured in both numbers and percentages. In addition, the department has introduced several new measures and these are indicated by the term “new” in the 2011/12 Estimated performance column.

Table 14.20: Service delivery measures – Programme 3: Provision of Buildings, Structures and Equipment

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
1. Implementation of IDIP	• No. and % of <i>ad-hoc</i> projects completed per client request (maintenance projects)	54 (100%)	100%	100%	100%	
	• No. and % of planned projects completed per IPIP	259 (100%)	100%	100%	100%	
	• % of budget spent (all provincial departments)	100%	100%	100%	100%	
2. Job creation in terms of EPWP	• No. of work opportunities	95 600	28 000	28 000	28 000	
	• No. of people employed	7 067	4 000	4 500	5 000	
	• No. of FTEs	1 918	700	800	900	
3. Implementation of NYS	• No. of learners	45	70	100	150	

7. Other programme information

7.1 Personnel numbers and costs

Tables 14.21 and 14.22 below illustrate personnel numbers and estimates, as well as various categories of workers within the department over the seven-year period.

As is evident from Table 14.21, there is a slight decrease in the total number of posts in 2010/11 compared to the previous financial year, which is mainly due to staff exits and the moratorium placed on the filling of non-critical vacant posts. The number of posts increases in 2011/12 to cater for vacant posts in line with the department’s structure. Staff numbers are anticipated to increase in 2012/13 in line with reprioritisation and the additional funding received for improving infrastructure support (see Table 14.3).

The department utilises contract workers to provide support mainly to Programme 3, including works inspectors and industrial technicians. The increase in the 2011/12 Adjusted Appropriation relates to the Property Incubator Programme trainees who receive a stipend while undergoing practical training. These numbers are expected to reduce in 2012/13 once training is completed.

Table 14.21: Personnel numbers and costs per programme

Personnel numbers	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
1. Administration	815	849	814	834	980	980	980
2. Real Estate	68	65	105	131	113	113	113
3. Prov. of Buildings, Structures & Equipment	1 381	1 253	1 177	1 153	1 176	1 176	1 176
Total	2 264	2 167	2 096	2 118	2 269	2 269	2 269
Total personnel cost (R thousand)	300 931	336 217	361 319	407 599	458 510	486 509	516 883
Unit cost (R thousand)	133	155	172	192	202	214	228

Table 14.22: Details of personnel numbers and costs

	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
				2011/12					
Total for department									
Personnel numbers (head count)	2 264	2 167	2 096	2 190	2 118	2 118	2 269	2 269	2 269
Personnel cost (R thousand)	300 931	336 217	361 319	406 571	407 922	407 599	458 510	486 509	516 883
Human resources component									
Personnel numbers (head count)	177	181	131	131	164	164	178	178	178
Personnel cost (R thousand)	24 555	21 022	17 481	18 442	26 558	26 558	27 337	27 337	27 337
Head count as % of total for department	7.82	8.35	6.25	5.98	7.74	7.74	7.84	7.84	7.84
Personnel cost as % of total for department	8.16	6.25	4.84	4.54	6.51	6.52	5.96	5.62	5.29
Finance component									
Personnel numbers (head count)	98	98	106	106	94	94	126	126	126
Personnel cost (R thousand)	20 818	10 148	14 652	15 457	13 385	13 385	18 284	18 284	18 284
Head count as % of total for department	4.33	4.52	5.06	4.84	4.44	4.44	5.55	5.55	5.55
Personnel cost as % of total for department	6.92	3.02	4.06	3.80	3.28	3.28	3.99	3.76	3.54
Full time workers									
Personnel numbers (head count)	2 206	2 150	2 056	2 148	2 005	2 005	2 212	2 212	2 212
Personnel cost (R thousand)	295 630	324 047	353 143	397 945	383 350	381 504	444 895	472 894	503 268
Head count as % of total for department	97.44	99.22	98.09	98.08	94.66	94.66	97.49	97.49	97.49
Personnel cost as % of total for department	98.24	96.38	97.74	97.88	93.98	93.60	97.03	97.20	97.37
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	58	17	40	42	113	113	57	57	57
Personnel cost (R thousand)	5 301	12 170	8 176	8 626	24 572	26 095	13 615	13 615	13 615
Head count as % of total for department	2.56	0.78	1.91	1.92	5.34	5.34	2.51	2.51	2.51
Personnel cost as % of total for department	1.76	3.62	2.26	2.12	6.02	6.40	2.97	2.80	2.63

7.2 Training

Tables 14.23 and 14.24 give a summary of departmental spending and information on training.

Table 14.23 includes payments and estimates for all training items such as bursaries, skills development levy, as well as normal training costs, hence the amounts are significantly more than in *Annexure 14B* reflected against the item *Training and development*, under *Goods and services*.

Table 14.23: Payments and estimates on training

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
				2011/12					
1. Administration	4 989	3 778	2 313	4 501	3 620	3 022	3 879	4 095	4 316
2. Real Estate	24	-	9	270	235	77	232	234	247
3. Prov. of Buildings, Structures & Equipment	7 251	874	1 204	1 728	1 019	771	1 265	1 334	1 411
Total	12 264	4 652	3 526	6 499	4 874	3 870	5 376	5 663	5 974

Table 14.24: Information on training

	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
				2011/12					
Number of staff	2 264	2 167	2 096	2 190	2 118	2 118	2 269	2 269	2 269
Number of personnel trained	1 682	653	718	788	788	788	866	952	1 047
of which									
Male	717	318	349	383	383	383	421	463	509
Female	965	335	369	405	405	405	445	489	538
Number of training opportunities	835	197	217	239	239	239	263	288	316
of which									
Tertiary	153	-	-	-	-	-	-	-	-
Workshops	60	55	61	67	67	67	74	81	88
Seminars	-	-	-	-	-	-	-	-	-
Other	622	142	156	172	172	172	189	207	228
Number of bursaries offered	153	76	76	80	110	77	102	107	107
External	-	45	42	43	43	43	35	40	40
Internal	153	31	34	37	67	34	67	67	67
Number of interns appointed	16	10	6	10	10	6	13	16	20
Number of learnerships appointed	5	10	20	30	30	20	33	36	39
Number of days spent on training	1 200	62	68	74	74	68	81	89	98

The high expenditure in 2008/09 relates to the training of emerging contractors (community-based projects), NYS, as well as Adult Basic Education and Training.

The decreases in 2009/10 and 2010/11 were largely a result of cost-cutting. The 2011/12 Adjusted Appropriation and Revised Estimate reflects a decrease when compared to the Main Appropriation due to cost-cutting and reprioritisation, where funding was moved to core functions.

Table 14.24 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships. Training includes short courses for in-house staff, as well as internships in the various programmes.

As required by the Skills Development Act, the department budgets at least 1 per cent of its salary expense for staff training. This requirement gives credence to government policy on human resource development.

ANNEXURE – VOTE 14: PUBLIC WORKS

Table 14.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	3 606	3 032	3 432	3 208	3 208	4 311	4 071	4 434	4 825
Sale of goods and services produced by dept. (excl. capital assets)	3 223	2 628	3 428	2 746	2 746	3 848	3 563	3 876	4 211
Sales by market establishments	-	-	3 012	-	-	-	-	-	-
Administrative fees									
Other sales	3 223	2 628	416	2 746	2 746	3 848	3 563	3 876	4 211
Of which									
Housing Rent Recoveries	2 814	1 899	416	2 162	2 162	2 869	2 892	3 135	3 399
Rent for Parking	112	126	-	157	157	113	171	191	207
Rental: State Property	297	603	-	427	427	866	500	550	605
Transport of officers									
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	383	404	4	462	462	463	508	558	614
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land	97	310	422	131	131	219	170	188	206
Interest	59	222	253	62	62	65	71	79	87
Dividends									
Rent on land	38	88	169	69	69	154	99	109	119
Sale of capital assets	44	6	-	-	-	-	-	-	-
Land and subsoil assets									
Other capital assets	44	6	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	826	1 634	2 754	781	781	842	1 257	1 377	1 518
Total	4 573	4 982	6 608	4 120	4 120	5 372	5 498	5 999	6 549

Table 14.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	447 639	464 774	501 754	590 565	593 055	604 064	643 685	676 330	708 664
Compensation of employees	300 931	336 217	361 319	406 571	407 922	407 599	458 510	486 509	516 883
Salaries and wages	256 250	283 948	304 884	343 351	344 934	343 903	390 477	414 958	440 351
Social contributions	44 681	52 269	56 435	63 220	62 988	63 696	68 033	71 551	76 532
Goods and services	146 708	128 557	140 435	183 994	185 133	196 465	185 175	189 821	191 781
of which									
Administrative fees	-	9	-	-	-	-	-	-	-
Advertising	9 943	5 268	3 767	7 073	7 488	5 626	5 668	5 985	6 308
Assets <R5000	1 734	486	697	1 093	459	704	679	630	924
Audit cost: External	3 459	4 597	4 504	4 421	4 500	2 501	4 598	4 799	5 058
Bursaries (employees)	324	303	292	220	220	219	306	323	340
Catering: Departmental activities	2 230	1 544	367	157	194	442	132	167	176
Communication	10 718	10 776	8 656	10 537	8 000	7 450	8 436	8 880	9 358
Computer services	8 874	10 982	14 603	9 912	12 246	13 179	12 433	13 129	13 838
Cons/prof: Business & advisory services	305	122	185	411	143	418	272	285	299
Cons/prof: Infrastructure & planning	526	1 128	116	330	330	1 660	347	366	386
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	732	261	1 143	1 659	1 549	1 645	1 636	1 714	1 806
Contractors	8 741	8 392	8 689	13 090	7 933	7 364	6 946	7 001	7 064
Agency & support/outourced services	18 779	22 062	21 488	59 120	67 032	73 150	68 434	68 809	64 360
Entertainment	216	180	202	213	225	210	233	245	258
Fleet services (incl. GMT)	8 211	6 922	6 636	4 892	6 740	8 172	7 487	7 881	8 317
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	128	50	36	79	30	46	43	45	46
Inventory: Learner and teacher supp material	133	105	21	168	119	83	129	138	146
Inventory: Materials and supplies	46	219	250	117	168	276	194	205	218
Inventory: Medical supplies	28	5	7	88	17	6	28	29	31
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	1 513	1 845	1 940	2 825	2 289	2 642	2 123	2 233	2 347
Inventory: Stationery and printing	4 134	3 697	3 882	4 494	3 911	2 864	4 152	4 393	4 622
Lease payments	6 649	7 294	8 446	8 096	8 270	9 169	8 681	9 168	9 663
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	25 266	26 108	38 277	32 307	31 355	34 640	32 869	34 779	36 616
Transport provided: Departmental activity	137	47	33	50	7	83	10	14	15
Travel and subsistence	20 016	12 451	12 310	16 144	13 543	15 594	13 249	13 991	14 712
Training and development	9 815	1 546	2 068	3 904	4 240	3 156	4 083	2 707	2 858
Operating expenditure	1 195	956	1 378	1 205	3 373	4 328	1 106	902	958
Venues and facilities	2 856	1 202	442	1 389	752	838	901	1 003	1 057
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	223 805	248 646	520 949	525 559	568 634	502 714	558 777	596 058	629 943
Provinces and municipalities	216 793	240 717	515 538	521 699	564 126	495 388	554 419	591 609	625 261
Provinces	105	151	190	-	132	175	139	147	155
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	105	151	190	-	132	175	139	147	155
Municipalities	216 688	240 566	515 348	521 699	563 994	495 213	554 280	591 462	625 106
Municipalities	216 688	240 566	515 348	521 699	563 994	495 213	554 280	591 462	625 106
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	362	306	368	590	590	541	619	653	686
Social security funds	65	-	-	215	215	166	225	237	247
Entities receiving funds	297	306	368	375	375	375	394	416	439
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6 650	7 623	5 043	3 270	3 918	6 785	3 739	3 796	3 996
Social benefits	4 796	5 082	3 833	1 270	1 918	4 683	1 638	1 579	1 659
Other transfers to households	1 854	2 541	1 210	2 000	2 000	2 102	2 101	2 217	2 337
Payments for capital assets	59 815	78 518	82 233	104 283	106 281	106 063	108 709	114 785	121 893
Buildings and other fixed structures	51 845	72 090	65 916	74 423	76 421	76 421	84 744	89 735	95 000
Buildings	51 845	72 090	65 916	74 423	76 421	76 421	84 744	89 735	95 000
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	7 323	6 074	16 239	29 710	28 128	27 940	20 865	21 776	23 442
Transport equipment	592	1 155	6 295	15 619	15 619	15 619	11 508	12 043	13 608
Other machinery and equipment	6 731	4 919	9 944	14 091	12 509	12 321	9 357	9 733	9 834
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	647	354	78	150	1 732	1 702	3 100	3 274	3 451
Payments for financial assets	-	4 231	9 273	-	-	-	-	-	-
Total	731 259	796 169	1 114 209	1 220 407	1 267 970	1 212 841	1 311 171	1 387 173	1 460 500

Table 14.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	221 401	216 920	219 987	207 773	237 148	239 562	258 020	273 158	292 007
Compensation of employees	142 964	157 437	161 150	152 507	178 039	179 481	202 312	214 432	229 824
Salaries and wages	121 695	132 150	134 692	128 439	149 524	150 558	168 861	179 231	190 209
Social contributions	21 269	25 287	26 458	24 068	28 515	28 923	33 451	35 201	39 615
Goods and services	78 437	59 483	58 837	55 266	59 109	60 081	55 708	58 726	62 183
of which									
Administrative fees	-	9	-	-	-	-	-	-	-
Advertising	7 376	3 934	2 287	5 978	5 623	2 720	3 781	3 993	4 209
Assets <R5000	1 389	150	422	561	175	424	206	177	449
Audit cost: External	3 459	4 597	4 504	4 421	4 500	2 501	4 598	4 799	5 058
Bursaries (employees)	324	303	292	220	220	219	306	323	340
Catering: Departmental activities	1 991	942	251	120	107	359	95	130	137
Communication	9 483	9 341	7 993	8 072	7 020	6 839	7 053	7 422	7 822
Computer services	8 325	8 533	12 061	6 792	8 251	9 101	9 804	10 352	10 911
Cons/prof: Business & advisory services	7	23	55	-	2	249	37	38	40
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	732	249	1 031	709	709	821	752	780	822
Contractors	165	892	646	1 225	1 222	1 338	1 225	1 295	1 373
Agency & support/outourced services	12 594	9 524	9 027	6 047	8 110	13 193	6 130	6 474	6 824
Entertainment	215	164	189	168	173	189	177	186	196
Fleet services (incl. GMT)	6 114	5 040	5 037	2 333	4 940	6 022	5 255	5 542	5 859
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas	80	24	9	-	-	-	-	-	-
Inventory: Learner and teacher supp material	133	89	1	88	74	38	82	87	92
Inventory: Materials and supplies	36	53	166	-	50	78	53	56	59
Inventory: Medical supplies	25	1	1	20	9	4	23	24	26
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	297	381	402	321	207	386	245	259	273
Inventory: Stationery and printing	3 584	2 916	2 984	3 009	2 937	1 695	3 127	3 340	3 521
Lease payments	3 776	3 917	4 021	3 880	4 117	3 879	4 331	4 574	4 821
Rental and hiring									
Property payments	566	889	1 001	875	1 050	1 070	1 083	1 133	1 194
Transport provided: Departmental activity	80	25	21	10	-	79	-	-	-
Travel and subsistence	11 417	5 752	4 652	7 304	5 823	5 308	5 163	5 453	5 744
Training and development	2 957	978	810	2 281	1 400	723	1 472	1 555	1 639
Operating expenditure	505	370	576	440	2 109	2 252	570	586	618
Venues and facilities	2 807	387	398	392	281	594	140	148	156
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	4 742	3 873	2 887	2 430	2 560	3 634	2 608	2 784	3 112
Provinces and municipalities	105	151	190	-	130	173	137	145	153
Provinces	105	151	190	-	130	173	137	145	153
Provincial Revenue Funds									
Provincial agencies and funds	105	151	190	-	130	173	137	145	153
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	355	-	-	150	150	101	157	165	174
Social security funds	58	-	-	150	150	101	157	165	174
Entities receiving funds	297	-	-	-	-	-	-	-	-
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	4 282	3 722	2 697	2 280	2 280	3 360	2 314	2 474	2 785
Social benefits	2 563	1 181	1 487	280	280	1 258	213	257	448
Other transfers to households	1 719	2 541	1 210	2 000	2 000	2 102	2 101	2 217	2 337
Payments for capital assets	6 400	5 535	15 297	28 324	28 324	28 258	22 676	23 752	25 949
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	5 871	5 181	15 219	28 174	26 592	26 556	19 576	20 478	22 498
Transport equipment	592	1 155	6 295	15 619	15 619	15 619	11 508	12 043	13 608
Other machinery and equipment	5 279	4 026	8 924	12 555	10 973	10 937	8 068	8 435	8 890
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	529	354	78	150	1 732	1 702	3 100	3 274	3 451
Payments for financial assets	-	2 742	348	-	-	-	-	-	-
Total	232 543	229 070	238 519	238 527	268 032	271 454	283 304	299 694	321 068

Table 14.D: Details of payments and estimates by economic classification - Programme 2: Real Estate

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	20 186	29 837	38 445	87 828	91 616	93 337	99 908	103 959	103 156
Compensation of employees	10 670	13 626	22 440	27 975	28 217	29 427	33 048	35 188	38 896
Salaries and wages	9 045	11 666	19 388	24 044	24 776	25 246	29 511	31 417	34 373
Social contributions	1 625	1 960	3 052	3 931	3 441	4 181	3 537	3 771	4 523
Goods and services	9 516	16 211	16 005	59 853	63 399	63 910	66 860	68 771	64 260
of which									
Administrative fees									
Advertising	70	152	(355)	130	126	119	58	61	64
Assets <R5000	-	192	23	26	26	25	92	113	128
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	28	68	72	-	50	35	-	-	-
Communication	81	83	83	205	106	66	116	122	129
Computer services	304	-	83	500	500	607	120	127	134
Cons/prof: Business & advisory services	293	95	127	411	141	143	235	247	259
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	-	12	112	950	840	824	884	934	984
Contractors	53	-	4	6	-	-	-	-	-
Agency & support/outourced services	5 782	12 175	11 336	52 533	55 917	55 237	59 799	61 335	56 481
Entertainment	-	-	3	3	10	10	13	14	15
Fleet services (incl. GMT)	12	14	9	62	14	23	26	28	31
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	-	-	2	7	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	1	-	-	-	-
Inventory: Medical supplies	-	2	-	-	-	1	-	-	-
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	9	13	5	5	-	52	30	30	35
Inventory: Stationery and printing	33	110	40	173	139	139	163	170	174
Lease payments	2 211	2 382	2 989	2 882	3 019	3 676	3 216	3 396	3 579
Rental and hiring									
Property payments	17	238	443	129	518	997	274	297	273
Transport provided: Departmental activity	-	-	-	-	-	4	-	-	-
Travel and subsistence	509	468	674	978	1 278	1 369	1 358	1 434	1 480
Training and development	24	-	9	270	235	77	232	234	247
Operating expenditure	81	167	311	67	27	273	44	18	25
Venues and facilities	9	40	35	516	452	233	200	211	222
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	216 688	242 067	515 872	521 731	564 327	495 426	554 313	591 497	625 141
Provinces and municipalities	216 688	240 566	515 348	521 699	563 994	495 213	554 280	591 462	625 106
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	216 688	240 566	515 348	521 699	563 994	495 213	554 280	591 462	625 106
Municipalities	216 688	240 566	515 348	521 699	563 994	495 213	554 280	591 462	625 106
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	5	5	5	5	5	5
Social security funds	-	-	-	5	5	5	5	5	5
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	-	1 501	524	27	328	208	28	30	30
Social benefits	-	1 501	524	27	328	208	28	30	30
Other transfers to households									
Payments for capital assets	139	242	318	336	336	224	264	297	38
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	139	242	318	336	336	224	264	297	38
Transport equipment									
Other machinery and equipment	139	242	318	336	336	224	264	297	38
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total	237 013	272 146	554 635	609 895	656 279	588 987	654 485	695 753	728 335

Table 14.E: Details of payments and estimates by economic classification - Prog. 3: Provision of Buildings, Structures & Equipment

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	206 052	218 017	243 322	294 964	264 291	271 165	285 757	299 213	313 501
Compensation of employees	147 297	165 154	177 729	226 089	201 666	198 691	223 150	236 889	248 163
Salaries and wages	125 510	140 132	150 804	190 868	170 634	168 099	192 105	204 310	215 769
Social contributions	21 787	25 022	26 925	35 221	31 032	30 592	31 045	32 579	32 394
Goods and services	58 755	52 863	65 593	68 875	62 625	72 474	62 607	62 324	65 338
of which									
Administrative fees									
Advertising	2 497	1 182	1 835	965	1 739	2 787	1 829	1 931	2 035
Assets <R5000	345	144	252	506	258	255	381	340	347
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	211	534	44	37	37	48	37	37	39
Communication	1 154	1 352	580	2 260	874	545	1 267	1 336	1 407
Computer services	245	2 449	2 459	2 620	3 495	3 471	2 509	2 650	2 793
Cons/prof. Business & advisory services	5	4	3	-	-	26	-	-	-
Cons/prof. Infrastructure & planning	526	1 128	116	330	330	1 660	347	366	386
Cons/prof. Laboratory services									
Cons/prof. Legal cost									
Contractors	8 523	7 500	8 039	11 859	6 711	6 026	5 721	5 706	5 691
Agency & support/outourced services	403	363	1 125	540	3 005	4 720	2 505	1 000	1 055
Entertainment	1	16	10	42	42	11	43	45	47
Fleet services (incl. GMT)	2 085	1 868	1 590	2 497	1 786	2 127	2 206	2 311	2 427
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas	48	26	27	79	30	46	43	45	46
Inventory: Learner and teacher supp material	-	16	18	73	45	45	47	51	54
Inventory: Materials and supplies	10	166	84	117	117	198	141	149	159
Inventory: Medical supplies	3	2	6	68	8	1	5	5	5
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	1 207	1 451	1 533	2 499	2 082	2 204	1 848	1 944	2 039
Inventory: Stationery and printing	517	671	858	1 312	835	1 030	862	883	927
Lease payments	662	995	1 436	1 334	1 134	1 614	1 134	1 198	1 263
Rental and hiring									
Property payments	24 683	24 981	36 833	31 303	29 787	32 573	31 512	33 349	35 149
Transport provided: Departmental activity	57	22	12	40	7	-	10	14	15
Travel and subsistence	8 090	6 231	6 984	7 862	6 442	8 917	6 728	7 104	7 488
Training and development	6 834	568	1 249	1 353	2 605	2 356	2 379	918	972
Operating expenditure	609	419	491	698	1 237	1 803	492	298	315
Venues and facilities	40	775	9	481	19	11	561	644	679
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	2 375	2 706	2 190	1 398	1 747	3 654	1 856	1 777	1 690
Provinces and municipalities	-	-	-	-	2	2	2	2	2
Provinces	-	-	-	-	2	2	2	2	2
Provincial Revenue Funds									
Provincial agencies and funds	-	-	-	-	2	2	2	2	2
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds	7	306	368	435	435	435	457	483	507
Departmental agencies and accounts	7	-	-	60	60	60	63	67	68
Social security funds	-	306	368	375	375	375	394	416	439
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	2 368	2 400	1 822	963	1 310	3 217	1 397	1 292	1 181
Social benefits	2 233	2 400	1 822	963	1 310	3 217	1 397	1 292	1 181
Other transfers to households	135	-	-	-	-	-	-	-	-
Payments for capital assets	53 276	72 741	66 618	75 623	77 621	77 581	85 769	90 736	95 906
Buildings and other fixed structures	51 845	72 090	65 916	74 423	76 421	76 421	84 744	89 735	95 000
Buildings	51 845	72 090	65 916	74 423	76 421	76 421	84 744	89 735	95 000
Other fixed structures									
Machinery and equipment	1 313	651	702	1 200	1 200	1 160	1 025	1 001	906
Transport equipment									
Other machinery and equipment	1 313	651	702	1 200	1 200	1 160	1 025	1 001	906
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	118	-	-	-	-	-	-	-	-
Payments for financial assets	-	1 489	8 925	-	-	-	-	-	-
Total	261 703	294 953	321 055	371 985	343 659	352 400	373 382	391 726	411 097

Table 14.F: Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2011/12	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	-	-	2 864	4 531	6 492	6 492	6 357	5 189	5 189
Compensation of employees	-	-	2 451	4 531	4 531	4 531	4 849	5 189	5 189
Salaries and wages	-	-	2 451	4 531	4 531	4 531	4 849	5 189	5 189
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	-	413	-	1 961	1 961	1 508	-	-
of which									
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets <R5000	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	-	-	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency & support/outourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	-	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	413	-	1 961	1 961	1 508	-	-
Operating expenditure	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	209 728	237 205	505 705	514 054	556 349	487 291	546 251	582 991	616 170
Provinces and municipalities	209 728	237 205	505 705	514 054	556 349	487 291	546 251	582 991	616 170
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	209 728	237 205	505 705	514 054	556 349	487 291	546 251	582 991	616 170
Municipalities	209 728	237 205	505 705	514 054	556 349	487 291	546 251	582 991	616 170
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	209 728	237 205	508 569	518 585	562 841	493 783	552 608	588 180	621 359

Table 14.G: Payments and estimates by economic classification: Devolution of Property Rate Funds grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	-	-	2 451	4 531	4 531	4 531	4 849	5 189	5 189
Compensation of employees	-	-	2 451	4 531	4 531	4 531	4 849	5 189	5 189
Salaries and wages	-	-	2 451	4 531	4 531	4 531	4 849	5 189	5 189
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	209 728	237 205	505 705	514 054	556 349	487 291	546 251	582 991	616 170
Provinces and municipalities	209 728	237 205	505 705	514 054	556 349	487 291	546 251	582 991	616 170
Municipalities	209 728	237 205	505 705	514 054	556 349	487 291	546 251	582 991	616 170
Municipalities	209 728	237 205	505 705	514 054	556 349	487 291	546 251	582 991	616 170
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	209 728	237 205	508 156	518 585	560 880	491 822	551 100	588 180	621 359

Table 14.H: Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	-	-	413	-	1 961	1 961	1 508	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	413	-	1 961	1 961	1 508	-	-
of which									
Training and development	-	-	413	-	1 961	1 961	1 508	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	413	-	1 961	1 961	1 508	-	-

Estimates of Provincial Revenue and Expenditure

Table 14.1: Payments and estimates of infrastructure by category

Project name	Municipality/ Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available		MTEF forward estimates		
		Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish						2012/13	2013/14	2014/15		
R thousand															
New and replacement assets															
1. Mtubatuba district office (d/o)	Umkhanyakude	Construct new office	1	01 Apr 2009	15 Oct 2010	Equitable share	Programme 3	-	27 028	11 104	580	-	-	-	
2. Umkhanyakude d/o - con. of Mkhuze d/o	Umkhanyakude	Construct new office	1	04 Nov 2009	04 Dec 2010	Equitable share	Programme 3	-	23 729	3 713	520	-	-	-	
3. Ixopo: d/o - new d/o	Sisonke	Construct new office	1	01 Nov 2010	01 Nov 2012	Equitable share	Programme 3	-	21 310	1 305	6 780	1 695	-	-	
4. Richmond NIP site - con. of Richmnd NIP site	Sisonke	Construct new office	1	01 Apr 2010	30 Jul 2010	Equitable share	Programme 3	-	650	96	-	-	-	-	
5. Ilembe d/o: Con. of new sub-office	Ilembe	Construct new office	1	01 Apr 2010	01 Oct 2013	Equitable share	Programme 3	-	27 000	1 305	-	-	-	-	
Total new and replacement assets								-	99 717	17 523	7 880	1 695	-	-	
Upgrades and additions															
1. Nongoma d/o - Nongoma/Vryheid	Zululand	Additions & Alterations	1	26 Aug 2008	03 Dec 2009	Equitable share	Programme 3	-	15 600	9 532	1 800	3 200	411	-	
2. Umkhanyakude d/o - Jozini Depo	Umkhanyakude	Rehab. - Completion of Contract (Jozini Depot)	1	01 Aug 2010	01 Nov 2010	Equitable share	Programme 3	-	500	63	-	-	-	-	
3. eThekwini d/o - Conf. centre	eThekwini	Upgrades & Additions	1	01 Apr 2012	30 Mar 2013	Equitable share	Programme 3	-	23 050	114	11 530	10 463	1 000	-	
4. CIBD satellite office & uMgungun. d/o	uMgungundlovu	Upgrades & Additions	1	01 Apr 2010	30 Mar 2011	Equitable share	Programme 3	-	14 760	2 362	244	-	-	-	
5. Southern regional office (r/o)	uMgungundlovu	Upgrades to existing office	1	01 Jul 2009	30 Aug 2010	Equitable share	Programme 3	-	15 003	5 069	3 928	5 861	145	-	
6. 191 Prince Alfred Street - Phase 1/2/3	uMgungundlovu	Upgrades to existing office	1	01 Apr 2010	01 Apr 2013	Equitable share	Programme 3	-	335 611	57 857	35 802	49 695	82 464	-	
7. Greytown sub. office - Uthukela	Umzinyathi	Extensions to Uthukela Depot	1	15 Jan 2011	15 Jan 2013	Equitable share	Programme 3	-	20 000	908	7 000	4 000	480	-	
8. Dundee d/o	Umzinyathi	Upgrades to existing office	1	06 Sep 2010	01 Apr 2012	Equitable share	Programme 3	-	5 400	2 588	1 630	-	-	-	
9. Midlands r/o - Emer. Water Supply/Security, etc.	Uthukela	Upgrades to existing office	1	02 Feb 2009	15 Jan 2011	Equitable share	Programme 3	-	34 432	19 930	9 250	5 421	500	-	
10. Newcastle/ Ladysmith d/o	Amajuba	Upgrades to existing office	1	28 Apr 2009	05 May 2010	Equitable share	Programme 3	-	4 580	4 830	180	-	-	-	
Total upgrades and additions								-	468 936	103 253	71 364	78 640	85 000	-	
Rehabilitation, renovations and refurbishments															
1. LA Building - Ulundi Campus	Zululand	External Maintenance & Rehab. of landscape	1	11 May 2009	16 Dec 2011	Equitable share	Programme 3	-	11 600	6 958	-	-	-	-	
2. LA Building - Ulundi Campus	Zululand	Maintenance contract for air conditioning	1	12 Jul 2008	27 Jun 2011	Equitable share	Programme 3	-	18 400	6 900	2 500	4 600	4 000	-	
3. LA Building - Ulundi Campus	Zululand	Preventative maintenance contract for electrical	1	12 Mar 2009	12 Mar 2011	Equitable share	Programme 3	-	20 228	7 805	2 500	4 500	6 000	-	
4. Umzinyathi d/o	Umzinyathi	Repair to leaking roof	1	01 Apr 2012	31 Mar 2014	Equitable share	Programme 3	-	800	-	500	300	-	-	
Total rehabilitation, renovations and refurbishments								-	51 028	21 663	5 500	9 400	10 000	-	
Maintenance and repairs															
1. Maintenance and repairs	Various	Various	Various	01 Apr 2011	01 Mar 2014	Equitable share	Programme 3	-	-	-	1 500	1 500	1 500	-	
2. Maintenance and repairs	Various	Various	Various	01 Apr 2011	01 Mar 2014	Equitable share	Programme 3	-	-	-	1 500	1 500	1 500	-	
3. Maintenance and repairs	Various	Various	Various	01 Apr 2011	01 Mar 2014	Equitable share	Programme 3	-	-	-	1 500	1 500	1 500	-	
4. Maintenance and repairs	Various	Various	Various	01 Apr 2011	01 Mar 2014	Equitable share	Programme 3	-	-	-	1 500	1 500	1 500	-	
Total maintenance and repairs								-	-	-	6 000	6 000	6 000	-	
Infrastructure transfers - current								-	-	-	-	-	-	-	
Infrastructure transfers - capital								-	-	-	-	-	-	-	
Total Department Infrastructure								-	619 681	142 439	90 744	95 735	101 000	-	

Table 14.J: Summary of transfers to local government (Property Rates)

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
A KZN2000 eThekweni	162 729	189 805	318 754	376 931	373 377	291 268	366 168	364 461	397 840
Total: Ugu Municipalities	2 720	1 932	5 558	10 618	13 224	11 121	13 224	16 574	16 574
B KZN211 Vulamehlo	-	-	1 043	1 280	1 288	1 288	1 288	2 089	2 089
B KZN212 Umdoni	-	-	505	2 519	2 519	1 103	2 519	3 000	3 000
B KZN213 Umzumbe	-	-	1 787	2 103	2 103	2 047	2 103	3 104	3 104
B KZN214 uMuziwabantu	-	-	1 001	629	1 129	1 088	1 129	1 131	1 131
B KZN215 Ezinqoleni	-	-	15	-	588	462	588	750	750
B KZN216 Hibiscus Coast	-	-	295	4 087	5 597	5 133	5 597	6 500	6 500
C DC21 Ugu District Municipality	2 720	1 932	912	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	22 156	27 388	42 110	45 459	52 848	50 137	52 949	57 208	57 208
B KZN221 uMshwathi	-	-	6 255	450	950	950	950	1 521	1 521
B KZN222 uMngeni	-	-	1 271	2 379	2 569	2 569	2 569	3 581	3 581
B KZN223 Mpofana	-	-	120	2 519	2 562	149	2 562	2 571	2 571
B KZN224 Impendle	-	-	75	455	455	455	455	1 000	1 000
B KZN225 Msunduzi	22 156	27 388	34 203	39 185	45 841	45 323	45 841	47 841	47 841
B KZN226 Mkhambathini	-	-	186	327	327	547	327	429	429
B KZN227 Richmond	-	-	-	144	144	144	245	265	265
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	4 694	6 613	25 459	24 224	26 547	24 322	26 548	31 019	31 019
B KZN232 Emnambithi/Ladysmith	2 735	6 470	11 039	8 746	13 320	13 289	13 321	13 421	13 421
B KZN233 Indaka	7	143	549	-	675	685	675	677	677
B KZN234 Umtshezi	1 816	-	6 622	7 628	8 778	8 216	8 778	11 500	11 500
B KZN235 Okhahlamba	136	-	148	1 954	1 954	312	1 954	2 500	2 500
B KZN236 Imbabazane	-	-	1 180	1 808	1 820	1 820	1 820	2 921	2 921
C DC23 Uthukela District Municipality	-	-	5 921	4 088	-	-	-	-	-
Total: Umzinyathi Municipalities	4 958	318	26 213	4 896	19 263	19 903	19 363	21 923	21 923
B KZN241 Endumeni	-	-	17 718	4 475	7 900	7 900	8 000	7 902	7 902
B KZN242 Nqutu	-	-	380	-	8 002	7 984	8 002	9 521	9 521
B KZN244 Msinga	-	-	5 630	-	1 455	1 711	1 455	2 000	2 000
B KZN245 Umvoti	-	-	582	421	1 906	2 308	1 906	2 500	2 500
C DC24 Umzinyathi District Municipality	4 958	318	1 903	-	-	-	-	-	-
Total: Amajuba Municipalities	2 435	-	10 515	7 322	8 925	8 586	8 925	10 150	10 150
B KZN252 Newcastle	-	-	4 338	3 704	3 704	3 704	3 704	4 501	4 501
B KZN253 eMadlangeni	250	-	2 527	517	2 120	2 120	2 120	3 521	3 521
B KZN254 Dannhauser	-	-	788	3 101	3 101	2 762	3 101	2 128	2 128
C DC25 Amajuba District Municipality	2 185	-	2 862	-	-	-	-	-	-
Total: Zululand Municipalities	8 227	5 663	24 145	11 937	12 891	17 650	19 425	21 522	21 987
B KZN261 eDumbe	47	-	8 965	560	560	1 414	3 849	4 852	4 852
B KZN262 uPhongolo	215	-	122	746	746	1 907	746	1 000	1 000
B KZN263 Abaqulusi	438	-	1 874	1 493	1 823	4 857	1 823	2 099	2 099
B KZN265 Nongoma	236	-	1 070	1 493	1 498	1 371	1 498	1 500	1 500
B KZN266 Ulundi	6 960	5 663	7 632	7 645	8 264	619	11 509	12 071	12 536
C DC26 Zululand District Municipality	331	-	4 482	-	-	7 482	-	-	-
Total: Umkhanyakude Municipalities	1 007	190	12 465	4 796	7 691	11 385	7 221	9 923	9 923
B KZN271 Umhlabyalingana	-	-	3 286	560	560	4 050	3 628	3 630	3 630
B KZN272 Jozini	-	-	275	2 707	4 809	4 810	1 000	1 561	1 561
B KZN273 The Big 5 False Bay	625	-	1 129	466	975	808	975	1 611	1 611
B KZN274 Hlabisa	38	-	681	261	262	631	533	1 035	1 035
B KZN275 Mtubatuba	344	-	221	802	1 085	1 085	1 085	2 086	2 086
C DC27 Umkhanyakude District Municipality	-	190	6 873	-	-	1	-	-	-
Total: uThungulu Municipalities	5 794	3 933	23 300	4 394	7 044	19 313	9 286	11 485	11 485
B KZN281 Umfolozi	-	-	13 911	103	110	3 134	3 047	3 049	3 049
B KZN282 uMhlathuze	3 427	-	5 360	2 706	3 537	5 673	4 415	6 541	6 541
B KZN283 Ntambanana	-	-	174	466	536	528	536	538	538
B KZN284 uMlalazi	1 910	-	1 287	187	1 929	5 751	574	575	575
B KZN285 Mthonjaneni	457	-	29	466	466	2 766	500	567	567
B KZN286 Nkandla	-	-	1 217	466	466	1 461	214	215	215
C DC28 uThungulu District Municipality	-	3 933	1 322	-	-	-	-	-	-
Total: Ilembe Municipalities	-	533	18 846	20 622	31 321	29 485	20 123	31 334	31 334
B KZN291 Mandeni	-	-	2 707	3 771	3 909	3 657	2 263	3 526	3 526
B KZN292 KwaDukuza	-	-	10 709	9 349	9 349	8 293	5 211	7 231	7 231
B KZN293 Ndwedwe	-	-	566	3 751	3 812	3 285	274	326	326
B KZN294 Maphumulo	-	-	1 301	3 751	14 251	14 250	12 375	20 251	20 251
C DC29 Ilembe District Municipality	-	533	3 563	-	-	-	-	-	-
Total: Sisonke Municipalities	1 968	4 191	7 983	10 500	10 663	11 843	10 848	15 663	15 663
B KZN431 Ingwe	-	-	342	91	91	588	276	350	350
B KZN432 Kwa Sani	-	-	232	547	605	605	605	700	700
B KZN433 Greater Kokstad	-	-	2 132	5 225	5 225	5 660	5 225	7 500	7 500
B KZN434 Ubuhlebezwe	-	-	463	1 288	1 393	2 290	1 393	2 592	2 592
B KZN435 Umzimkulu	-	-	761	3 349	3 349	2 701	3 349	4 521	4 521
C DC43 Sisonke District Municipality	1 968	4 191	4 053	-	-	(1)	-	-	-
Unallocated/unclassified	-	-	-	-	200	200	200	200	-
Total	216 688	240 566	515 348	521 699	563 994	495 213	554 280	591 462	625 106

VOTE 15

Arts and Culture

Operational budget	R 468 825 911
MEC remuneration	R 1 566 089
Total amount to be appropriated	R 470 392 000
Responsible MEC	Mrs. N. N. Sibhidla-Saphetha, MEC for Arts, Culture, Sport and Recreation
Administering department	Arts and Culture
Accounting officer	Head: Arts and Culture

1. Overview

Vision

The vision of the department is: *Prosperity and social cohesion through arts and culture.*

Mission statement

The department's mission is to *Provide world class services in arts and culture for the people of KwaZulu-Natal by:*

- Developing and promoting arts and culture in the province and mainstreaming its role in social development.
- Developing and promoting the previously marginalised languages and enhancing the linguistic diversity of the province.
- Collecting, managing and preserving the archival, museum and other forms of information resources.
- Integrating and providing seamless arts and culture services to the communities of the province.

Strategic objectives

Strategic policy direction:

The strategic policy of the department is to ensure the cultural advancement of all the people of the province, and to encourage and assist emergent artists and to safeguard the history of the province.

The following represent the department's strategic objectives:

- To provide efficient, effective and economical administrative support to all stakeholders in an equitable manner.
- To ensure cultural diversity and the advancement of artistic disciplines into viable industries.
- To accelerate the transformation of the country's heritage landscape by establishing and managing museum services.
- To promote multi-lingualism, redress past linguistic imbalances and develop previously marginalised languages.
- To provide library and information services which are free, equitable and accessible, provide for information, reading and learning needs of people and promote a culture of reading, library usage and lifelong learning.

- To render archival and records management services for records of national and provincial significance, proper management and care of public records, equitable access and use of archives.

Core functions

The core functions of the department encompass the development and promotion of arts, culture, museum, archive and library services.

Legislative mandates

The department is governed by the following pieces of legislation and policy directives:

- The Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Culture Promotion Act 1993 (Act No. 35 of 1993)
- Cultural Affairs Act 1989 (Act No. 65 of 1989)
- South African Geographical Names Council Act 1998 (Act No. 118 of 1998)
- National Language Policy Framework 2003
- Pan South African Language Board Act 1995 (Act No. 59 of 1995)
- KwaZulu-Natal Parliamentary Official Languages Act 1998 (Act No. 10 of 1998)
- KwaZulu-Natal Archives Act 2000 (Act No. 5 of 2000)
- KwaZulu-Natal Libraries Act 1980 (Act No. 18 of 1980)
- Public Service Act 1994 (Act No. 103 of 1994, as amended) and Public Service Regulations of 2001
- Labour Relations Act 1995 (Act No. 66 of 1995)
- Employment Equity Act 1998 (Act No. 55 of 1998)
- Public Finance Management Act 1999 (Act No. 1 of 1999 as amended), and Treasury Regulations
- KZN Provincial Supply Chain Management Policy Framework of 2006
- Preferential Procurement Policy Framework Act 2000 (Act No. 5 of 2000)
- Intergovernmental Relations Framework Act 2005 (Act No. 13 of 2005)
- Natal Provincial Museum Ordinance (Ordinance 26 of 1973)

The following bill has recently been promulgated and forwarded to the Premier for assenting, and the department awaits notification of the Act number:

- KwaZulu-Natal Archives and Records Services Bill 2011

2. Review of the 2011/12 financial year

Section 2 provides a review of 2011/12, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

Arts and culture

Flagship programmes, such as training of crafters and artists with the aim of empowering youth and women, were undertaken in under-privileged wards. Priority was also given to training in performing and visual arts and crafts. Financial support to arts and culture institutions continued, to ensure the sustainability of the institutions that contribute to meeting the mandate of the department.

The department successfully hosted a number of cultural events including the National Freedom Day Celebration, *Umkhosi kaNomkhubulwane*, Reed Dance, Heritage Day Commemoration, *Umkhosi*

Wezithungo and First Fruit Ceremony. The promotion of nation building was achieved through a number of community dialogues, which were held in various parts of the province. Art centres were completed in Osizweni, Bulwer, Mbazwana and Ewushini and work began on the art centre in uThungulu, which is scheduled to be completed in February 2012. Progress was also made on the renovation of the RS Skinner campsite, the museum in the Durban Cultural Documentation centre, the Cathedral Peak campsite and the first phase of the building utilised by the Language Services directorate. Two provincial moral regeneration workshops were held for matrons and regiment leaders, whose role is to prepare maidens for the Reed Dance event.

Language services

The department continued providing translation, interpreting and editing services to government institutions. In addition, the provincial Language Policy was rolled out to provincial departments, institutions of higher learning and municipalities. Socio-economic and agriculture booklets with *isiZulu* and English term lists were completed and launched on International Translation Day. The Learn Another Language Programme was launched and brochures were developed and distributed at departmental events. The KZN Provincial Geographical Naming Committee made recommendations to the national Minister of Arts and Culture on applications for name changes of, for example, mountains and rivers, and research was conducted in the Ilembe, uThungulu and Uthukela districts on these name changes.

Museum services

As part of raising the awareness of the role of museums in communities, the department held a successful International Museums Day under the theme Museums and Memory. The event took place at Fort Amiel Museum in Newcastle and attracted 400 people. In addition, the digitisation process of some museum items commenced in keeping with international trends. The department also hosted the KZN Bridging Ages launch aimed at popularising and strengthening the time travel concept in the province.

With regard to the provincialisation of museums, funding for the museum subsidy payments was improved in 2011/12 and all municipal museums received subsidies toward staffing costs. The eThekweni Metro, Endumeni and Msunduzi municipalities received larger amounts. In addition, ten non-profit museums each received funding toward staffing and operational costs, and three new non-profit museums also received funding toward these costs. The funding received for provincialisation also included funds for the revamping of museums, and in this regard museums in Empangeni, Fort Durnford and Mphophomeni were revamped, while museums in Bergtheil, Howick and Pinetown were upgraded, and a new museum was built in Qhudeneni.

Library services

The department completed the construction of the Mbazwana library which was fully furnished and equipped for occupation in January 2012. The construction of a new library and museum in Qhudeneni was completed and is awaiting the delivery of furniture and equipment. In addition, the library building in Ntambanana was completed, and extensions and renovations to the Dannhauser library completed. The Maphumulo library design was completed and approved, but construction will only begin in 2012/13 due to the reprioritisation of infrastructure projects by the department. Planning for new libraries in the Umzumbe and Vulamehlo municipalities was commenced and a site identified in Vulamehlo. Three libraries were renovated and a new library was built in Loskop.

Three additional mobile library trucks were acquired to enable each regional library depot to access unserved areas. By the end of 2011/12, 54 libraries will be fully automated on the new SITA Library and Information Management System (SLIMS) and 57 public libraries provided with internet access facilities for the public, with support from cyber cadets. A total of 171 libraries were provided with library material and further educational toy collections were established, to develop the literacy skills of small children. Promotional initiatives in libraries included a Literacy Month for Children, National Library Week, user education and an informative display promoting health and life-style information for the youth.

The department received funding in 2011/12 for continuing with the provincialisation of public libraries. The municipalities received subsidies toward the staffing costs of their libraries. It should be noted that funding for the provincialisation of libraries in respect of the Msunduzi Municipality and the eThekweni Metro will only commence in 2012/13. Msunduzi and eThekweni received conditional grant funding for

library material and Information and Communication Technology (ICT) with an additional grant to eThekwinini for the investigation costs of a new mega-library.

Archives

The department began rationalising the KwaZulu-Natal Archives Act. In this regard, a draft bill was tabled in the Provincial Legislature under the name KZN Provincial Archives and Records Services Bill. All three archive repositories in KZN experienced challenges with regard to the preservation of the archivalia of the province. Electronic records management was identified as one of the strategic areas for the archives. However, the implementation thereof posed a problem due to the cost of the system. The first draft of the Records Management policy was completed during the year. The archive section was able to conduct approximately 90 audit inspections on the compliance of records management with the Archives legislation.

3. Outlook for the 2012/13 financial year

Section 3 looks at the key focus areas of 2012/13, outlining what the department is hoping to achieve during the year, as well as briefly looking at the challenges and proposed new developments.

Arts and culture

The department plans to continue the implementation of programmes aimed at developing artists. These programmes include, *inter alia*, theatre development, film and video development, artists in school, craft and visual arts skills development and master classes programmes.

In order to ensure social cohesion and nation building, the department will host inter-generation, and inter-cultural dialogues, multi-cultural programmes and community festivals in all districts. Moral regeneration will be addressed through the implementation of programmes aimed at encouraging behavioural change and addressing social ills such as HIV and AIDS and substance abuse. These will include programmes such as the My School Cultural Adventure, Love to Live Campaign and Inmates Rehabilitation programmes and will be implemented in collaboration with other governmental bodies. In addition, the hosting of the main cultural events such as the National Freedom Day Celebration, *Umkhosi kaNomkhubulwane*, Reed Dance, Heritage Day Commemoration, *Umkhosi Wezithungo*, and First Fruit Ceremony will continue.

Language services

The department will continue to promote access to information in the language preferred by clients. This will be done through providing translation, interpreting and editing services to government institutions. Priority will also be given to the implementation of the provincial language policy, the promotion of multilingualism through learning another language, the language festival and the celebration of International Translation Day. Other programmes that will be focused on include skills development and the promotion of writing through literature writing workshops.

Museum services

The department will continue to conduct research that will inform the content of new museums that have been built. The planned acquisition of a mobile museum unit will enable the department to reach out to communities, especially in remote and rural areas. Further digitisation of the museum collections will take place. The department will also, in collaboration with higher education institutions, focus on training museum practitioners to improve services provided at museums. The time travel concept has been a major success and will be extended to other parts of the province, including the Ugu, uMgungundlovu and Zululand districts. It is also planned to participate in International Museums Day under the theme Museums in a Changing World and the 2012 gold panning activity in Mpumalanga, as part of the strengthening of partnerships with other provinces.

With regard to the provincialisation of museums, the department will continue with the phasing in of the provincialisation of museums and it is envisaged that the process will be completed by the end of 2012/13. It is planned to build new museums in the Hibiscus Coast and KwaDukuza municipalities, as well as the eThekwinini Metro.

Library services

A further ten libraries will receive internet access services for the public and 40 public libraries will be automated on the SLIMS system to provide the public with wider resources and library material supplied to 173 libraries. There are plans to introduce e-book access in libraries in line with the department's goal of keeping up with latest innovations in reading. Innovative digital services to the blind will be introduced in seven libraries during the year, with support from the National Library for the Blind. Art centre libraries will be established on three sites to provide information to local artists. The department will also provide support to reading and writing clubs in libraries and to the My School Cultural Adventure programme. Promotional initiatives will include National Library Week, a Read and Grow initiative for children, the promotion of available services in libraries and travelling displays on the liberation route of the province. There will also be a celebration of the 60th anniversary of public libraries in KZN.

In 2012/13, construction will begin on the new library at Maphumulo, which will have three additional study libraries. This library will provide learning material and internet access, with the propensity for extension as services grow. A study library prototype is to be used as a cost effective model for escalating access in smaller centres. Three such libraries are planned to be established in 2012/13. A public library will be built at Ndumo, which will incorporate a school of excellence and other facilities for the an orphan village project, which is a government project co-ordinated by the Office of the Premier and involves the construction of a school of excellence with boarding facilities for orphans. This project is situated close to the Mozambique border. Designs for a library in Vulamehlo will also be undertaken.

With regard to the provincialisation of libraries in 2012/13, all municipalities, including the Msunduzi Municipality and eThekweni Metro, will receive a 50 per cent subsidy toward their staffing costs. The Mbazwana library will be staffed by provincial staff and will be the first fully provincialised library in the province. A comprehensive study of actual costs required to replace municipal expenditure on libraries, including operational costs, will be undertaken to assess the cost of fully funding all libraries.

Community Library Services grant funding will be used to purchase library material to support school curricula and tertiary textbooks for distance learners. In addition, staffed mobile library units will be deployed in under-privileged wards where there is no access to reading and study material. Funding for the provision of library material and ICT initiatives in libraries will be provided to the Msunduzi Municipality and the eThekweni Metro, while the subsidy funding toward the new mega-library will be continued and support for the Family Literacy project will be enhanced.

Archives

The department, in collaboration with the Genealogical Society of Utah, will be undertaking a digitising project. Fragile documents will be copied digitally and copies made available to the public to access while the originals will remain in strong rooms. In collaboration with SITA, the department will work on a single Integrated Document and Records Management System (IDRMS) for the entire province. The department will continue to work on the provincial records management manual. A Records Forum is envisaged for 2012/13, which will contribute to the management of records.

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

Table 15.1 provides the sources of funding for Vote 15 over the seven-year period 2008/09 to 2014/15. The table also compares actual and budgeted receipts against actual and budgeted payments. Details of departmental receipts are given in *Annexure – Vote 15: Arts and Culture*.

The increase in the provincial allocation from 2008/09 was due to the higher than anticipated 2008, 2009 and 2010 wage agreements, the provision of funding for the construction of art centres, 2010 build-up projects and an increased transfer to the Philharmonic Orchestra. The significant increase in 2010/11 relates to once-off funding for renovations to the hall and campsites of the department. The significant increase in the provincial allocation over the 2012/13 MTEF relates to funding for the provincialisation of libraries and museums.

Table 15.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Provincial allocation	230 471	231 734	321 648	319 455	320 847	320 847	420 205	556 137	589 489
Conditional grants	26 195	35 589	38 282	45 401	48 971	48 971	48 619	56 297	69 674
Community Library Services grant	26 195	35 589	38 282	45 401	48 971	48 971	48 619	56 297	69 674
Total receipts	256 666	267 323	359 930	364 856	369 818	369 818	468 824	612 434	659 163
Total payments	253 289	259 157	349 369	364 856	369 818	369 818	470 392	612 434	659 163
Surplus/(Deficit) before financing	3 377	8 166	10 561	-	-	-	(1 568)	-	-
Financing									
of which									
Provincial roll-overs	666	-	4 992	-	-	-	-	-	-
Provincial cash resources	5 752	-	-	-	-	-	1 568	-	-
Surplus/(deficit) after financing	9 795	8 166	15 553	-	-	-	-	-	-

The Community Library Services conditional grant, which was introduced in 2007/08, increases steadily over the period. In 2009/10, grant funding of R1.442 million was rolled over in respect of commitments from 2008/09 only paid in 2009/10 (cannot be seen in Table 15.1). Commitments of R4.992 million in respect of the Mbazwana library and a mobile library bus were rolled over from 2009/10 to 2010/11. (these are reflected as a provincial roll-over in Table 15.1). In the 2011/12 Adjusted Appropriation, an amount of R3.570 million was rolled over from 2010/11 in respect of the Mbazwana library. The allocation increases steadily over the 2012/13 MTEF.

The provincial roll-over of R666 000 in 2008/09 relates to commitments from 2007/08 in respect of renovations to buildings and capital equipment. The amount of R5.752 million reflected against provincial cash resources relates to the 2008 wage agreement and adjustments in respect of historical data for function shifts from Vote 1: Office of the Premier.

The department shows a trend of under-spending in prior years. The surplus of R9.795 million at the end of 2008/09 was due to delays in infrastructure projects because of problems in sourcing expertise for the development of specifications and obtaining an Environmental Impact Assessment for an art centre. The under-spending of R8.166 million in 2009/10 was due to delays in the Mbazwana library, delays in completing a mobile library bus, as well as a contribution of R3 million to the Cabinet-approved Provincial Recovery Plan. The surplus of R15.553 million in 2010/11 relates to delays in infrastructure projects because of poor weather conditions and poor performance of contractors.

The allocation increases substantially over the 2012/13 MTEF.

4.2 Departmental receipts collection

Table 15.2 below indicates the estimated departmental receipts for Vote 15. The main sources of revenue of the department are fees in respect of the cultural hall and two campsites which fall under its control, as well as funds received from public libraries for lost/stolen library material. Details of departmental receipts are presented in *Annexure – Vote 15: Arts and Culture*.

Table 15.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	286	189	195	184	184	216	194	205	225
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	161	169	101	156	156	110	100	100	100
Interest, dividends and rent on land	1	2	-	-	-	-	-	-	-
Sale of capital assets	-	-	184	-	-	-	-	-	-
Transactions in financial assets and liabilities	74	110	129	20	20	211	100	100	100
Total	522	470	609	360	360	537	394	405	425

Revenue collection against *Sale of goods and services other than capital assets* mainly represents rentals for the hire of the hall and campsites of the department. The low collection in 2009/10 was due to the renovations being made to these facilities in that year. Three community halls in eThekweni were

transferred to the Department of Education in 2010/11. The RS Skinner camp was operational in 2010/11, but the Cathedral Peak campsite was still under renovation. The higher collection in 2010/11, and the projected over-collection for 2011/12 are due to the sale of tender documents, which were not budgeted for. The revenue projections over the 2012/13 MTEF are based on historical trends and take into account the completed renovations to the hall and campsites.

Fines, penalties and forfeits relates to fines collected by libraries for lost library material. Prior to 2009/10, revenue from this source was reflected under *Transactions in financial assets and liabilities*. However, historical figures have been corrected. The decreasing trend in this category is due to the installation of security systems in public libraries.

The 2010/11 collection in respect of *Sale of capital assets* relates to the sale of redundant motor vehicles.

The collection in respect of *Transactions in financial assets and liabilities* in 2009/10 and 2010/11, as well as the projected over-collection of this category in 2011/12, relates to the recovery of over-paid salaries of ex-employees. The low 2011/12 Main Appropriation is due to the fact that this category is difficult to project and it was therefore set at a minimal level.

4.3 Donor funding – Nil

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 15: Arts and Culture*.

5.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- Provision was made for the carry-through costs of the 2011 wage agreement and an inflationary wage adjustment of 5 per cent for each of the three years of the 2012/13 MTEF.
- Provision was made for an annual 1.5 per cent pay progression.
- Provision was made for the filling of vacant posts in terms of the organisational structure.
- All inflation related increases are based on CPI projections.
- The cost-cutting measures, as reissued by Provincial Treasury in 2012/13, will continue to be adhered to over the 2012/13 MTEF.

5.2 Additional allocations for the 2010/11 to 2012/13 MTEF

Table 15.3 shows the additional funding received by the department over the three MTEF periods: 2010/11, 2011/12 and 2012/13. Note that the table reflects only the provincial allocations and excludes additional allocations in respect of conditional grants.

The purpose of 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 carry-through allocations for the 2010/11 and 2011/12 MTEF periods (i.e. for the financial year 2014/15) are based on the incremental percentage used in the 2012/13 MTEF.

Table 15.3: Summary of additional provincial allocations for 2010/11 to 2012/13 MTEF

R thousand	2010/11	2011/12	2012/13	2013/14	2014/15
2010/11 MTEF period	25 363	32 775	46 674	49 241	51 970
Carry-through of 2009/10 Adjustments Estimate - 2009 wage agreement	3 198	3 574	3 954	4 171	4 422
Provincial priorities	22 165	29 201	42 720	45 070	47 548
Museum Services function shift from Vote 1	7 869	8 320	8 825	9 310	9 869
Provincialisation of public libraries	14 244	20 826	33 837	35 698	37 840
Policy on Incapacity Leave and Ill Health Retirement (PILIR)	52	55	58	61	65
2011/12 MTEF period		36 365	109 106	227 935	241 611
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement		3 274	3 228	3 135	3 323
Provincial priorities - Provincialisation of libraries and museums		33 259	106 148	225 227	238 741
National Cabinet decision to cut provinces by 0.3 per cent		(168)	(270)	(427)	(453)
2012/13 MTEF period			3 162	1 674	1 758
Carry-through of 2011 wage agreement			1 594	1 674	1 758
Guarantee amount received for termination of contractor (Mbazwana)			1 568	-	-
Total	25 363	69 140	158 942	278 850	295 339

In the 2010/11 MTEF, the department was allocated funding for the carry-through costs of the higher than anticipated 2009 wage agreement, the function shift of Museum Services from Vote 1, the provincialisation of public libraries and funds in respect of PILIR.

The additional funding over the 2011/12 MTEF makes provision for the carry-through costs of the 2010 wage agreement and additional funds for the provincialisation of public libraries and museums.

Also in the 2011/12 MTEF, National Cabinet took a decision to cut all national votes and the provincial equitable share by 0.3 per cent. The bulk of this equitable share reduction in KZN was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus of the province. The balance was sourced proportionately from all 16 provincial votes. The effect of this on the department was a slight reduction of the department's baseline.

In 2012/13, the department received additional funding for the carry-through costs of the 2011 wage agreement, and a guarantee amount received from the original contractor for the Mbazwana library.

5.3 Summary by programme and economic classification

Tables 15.4 and 15.5 provide a summary of payments and budgeted estimates by programme and economic classification, respectively, for the period 2008/09 to 2014/15. The programmes of the department are largely aligned to the uniform programme and budget structure for the Arts and Culture sector, except for the Heritage programme which falls under Vote 1: Office of the Premier in KZN.

There is a slight increase for the vote as a whole from 2008/09 to 2009/10. The substantial increase in 2010/11 relates to once-off funding for renovations to the hall and campsites of the department and commitments rolled over from 2009/10 in respect of the Mbazwana library and a mobile library bus. The increase in the 2011/12 Main Appropriation resulted from funding for the provincialisation of libraries and museums. The increase in the 2011/12 Adjusted Appropriation relates to commitments rolled over from 2010/11 relating to the Mbazwana library. The substantial increase in the allocation over the 2012/13 MTEF, particularly in the outer years, is mainly due to funding for the provincialisation of libraries and museums.

Table 15.4: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	60 111	68 413	77 340	79 606	82 677	82 677	88 590	93 275	98 692
2. Cultural Affairs	85 391	82 199	132 328	117 869	117 012	117 012	131 625	132 519	140 130
3. Library and Archive Services	107 787	108 545	139 701	167 381	170 129	170 129	250 177	386 640	420 341
Total	253 289	259 157	349 369	364 856	369 818	369 818	470 392	612 434	659 163

Note: Programme 1 includes MEC remuneration: Salary: R1 566 089

Table 15.5: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	193 574	193 248	221 011	230 591	231 095	231 095	250 814	272 497	292 414
Compensation of employees	84 629	98 317	107 481	132 172	127 954	127 954	145 354	154 802	164 864
Goods and services	108 945	94 931	113 530	98 419	103 141	103 141	105 460	117 695	127 550
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	46 293	41 259	48 951	86 655	84 608	84 608	176 422	300 056	315 439
Provinces and municipalities	22 685	16 870	22 637	57 807	55 322	55 322	146 752	268 718	282 601
Departmental agencies and accounts	5 350	5 751	6 096	6 401	6 401	6 401	6 721	7 057	7 445
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	17 857	18 420	19 349	22 447	22 725	22 725	22 949	24 281	25 393
Households	401	218	869	-	160	160	-	-	-
Payments for capital assets	13 419	24 634	79 386	47 610	54 105	54 105	43 156	39 881	51 310
Buildings and other fixed structures	7 312	20 288	68 487	41 773	45 343	45 343	36 425	33 616	42 655
Machinery and equipment	6 107	2 802	10 364	5 837	8 762	8 762	6 731	6 265	8 655
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	1 544	535	-	-	-	-	-	-
Payments for financial assets	3	16	21	-	10	10	-	-	-
Total	253 289	259 157	349 369	364 856	369 818	369 818	470 392	612 434	659 163

The increase against Programme 1: Administration in 2009/10 relates to the movement of the Special Projects unit to this programme, as well as the cost of the 2010 arts and crafts programmes. This unit came into existence in 2008/09, but was only moved here in 2009/10 when Programme 4, which housed the tourism function, was moved to Vote 4: Economic Development and Tourism. As a result, historic figures were not adjusted. Spending in 2010/11 includes the 2010 wage agreement, the centralisation of the cleaning function and the travelling costs of the MEC relating to the 2010 World Cup events. The increase in the 2011/12 Main Appropriation reflects the carry-through costs of the 2010 wage agreement. In the 2011/12 Adjusted Appropriation, funding was shifted from Programme 2: Cultural Affairs and Programme 3: Library and Archive Services to this programme for the My School Cultural Adventure programme, security contracts which were centralised under this programme and provision was made for the costs of the 2011 wage agreement. The allocation increases steadily over the 2012/13 MTEF.

Programme 2: Cultural Affairs spending in 2008/09 included the once-off costs of renovations to the building occupied by Language Services, the cost of renovations to the hall and campsites of the department, as well as a once-off increase in the transfer to the KZN Philharmonic Orchestra. In 2009/10, no funding was provided for renovations to the hall and campsites, explaining the reduction. The significant increase in 2010/11 relates to further once-off funding for renovations to the hall and campsites, explaining the lower 2011/12 Main Appropriation. The slight decrease in the 2011/12 Adjusted Appropriation was due to funding shifted to Programme 1: Administration for the My School Cultural Adventure programme, which was centralised under this programme for effective management and monitoring purposes. The allocation increases steadily over the 2012/13 MTEF.

The increase in Programme 3: Library and Archive Services in 2010/11 and in the 2011/12 Main Appropriation relates to funding for the provincialisation of public libraries and additional funding for the Mbazwana library. In the 2011/12 Adjusted Appropriation, funding was rolled over from 2010/11 for the Mbazwana library. The substantial increase over the 2012/13 MTEF relates to further funding for the provincialisation of public libraries, which includes funding for eThekweni and Msunduzi from 2012/13.

Compensation of employees increased significantly from 2008/09 to 2010/11 due to the higher than anticipated annual wage agreements, as well as the filling of posts. The increase in the 2011/12 Main Appropriation resulted from the planned filling of posts, mainly within Library Services. In the 2011/12 Adjusted Appropriation, savings realised due to the non-filling of posts, because of the delay in the completion of the Mbazwana library, were reprioritised to increase the provincialisation of libraries transfers to the uMgungundlovu District Municipality and Umzimkulu Municipality. The allocation over the 2012/13 MTEF includes provision for wage agreements, pay progression and the payment of performance bonuses. The increase from 2011/12 to 2012/13 is due to the filling of posts, mainly under Programme 2: Cultural Affairs.

Goods and services includes the cost of the main events hosted by the department. The high spending in 2008/09 was due to several once-off costs, including the marketing of departmental projects, economic cluster launches, and the cost of an expanded and revised security management contract. In 2009/10, funds were reprioritised to offset spending pressures in *Compensation of employees* and various transfer payments, explaining the decrease in that year. The reduction in 2009/10 was also due to the introduction of cost-cutting. The increase in 2010/11 was largely due to funding for the provincialisation of libraries, the acquisition of library material for the Mbazwana library, and the cost of public viewing areas for the 2010 World Cup, explaining the lower 2011/12 Main Appropriation. The increase in the 2011/12 Adjusted Appropriation reflects funding for the purchase of library material.

Transfers and subsidies to: Provinces and municipalities reflects transfers made to municipalities for library building projects, museum subsidies, and for the provincialisation of libraries and museums. Spending in 2008/09 included transfers for library building projects, as well as operational costs of the libraries. The reduction in 2009/10 reflects the department's decision to build libraries itself rather than use municipalities as implementing agents. These funds were moved to *Buildings and other fixed structures*. Spending in 2010/11 includes provincialisation transfers for public libraries and museums. The significant increase in the 2011/12 Main Appropriation relates to a transfer to the eThekweni Metro, for portion of the costs of building a mega-library, funding for the purchase of library materials, as well as for the provincialisation of libraries and museums. The decrease in the 2011/12 Adjusted Appropriation resulted from a reduction in the transfer to the eThekweni Metro for the mega-library due to a lower final cost for 2011 in terms of the business plan. It also included the reprioritisation of funding to *Goods and services* and *Machinery and equipment* to provide for support functions for the provincialisation process. Also, in the 2011/12 Adjusted Appropriation, R100 000 was moved from *Goods and services* for motor vehicle licences, in line with the revised SCOA classification. The historical information has been adjusted accordingly. The significant increase over the 2012/13 MTEF relates to the provincialisation of public libraries, as well as transfers in 2012/13 and 2013/14 to the eThekweni Metro for the completion of the mega-library, which amount to R13.600 million in 2012/13 and R10 million in 2013/14.

Transfers and subsidies to: Departmental agencies and accounts reflects the transfer payments made to the Playhouse Company. The allocation to this entity shows steady growth over the seven-year period.

Transfers and subsidies to: Non-profit institutions covers transfers made to the KZN Philharmonic Orchestra, arts councils, art centres and museums managed by Boards of Trustees. In addition, support is provided to various art organisations. Spending in 2009/10 included a number of once-off transfer payments, such as the African Sinakho Trust and Young Fashion Designers. The increase in 2010/11 is due to an increase in the transfer payments to the KZN Philharmonic Orchestra, as well to various art centres. In the 2011/12 Main Appropriation, several new transfer payments were introduced, such as to the Comrades Marathon Association and Stable Theatre. The allocation over the 2012/13 MTEF provides for the continuation of most transfers and the introduction of new transfers to the Catalina Theatre and Ewushini Art Centre.

The allocation to *Transfers and subsidies to: Households* relates to staff exit costs.

The increase in *Buildings and other fixed structures* in 2009/10 reflects funding reprioritised from other programmes to provide for the continuation of the renovations to the hall and campsites, construction costs of libraries in Qhudeneni and KwaNdalane and further costs of the Mbazwana library, as well as the change in the policy regarding infrastructure projects, whereby the department has opted to construct library buildings itself. In 2010/11, further once-off funding was allocated for the renovations to the hall and campsites, explaining the reduced 2011/12 Main Appropriation, which included funding for renovations to museums and art centres, as well as funding for the construction of new museums and art centres in the Ugu, Ilembe and uMgungundlovu Districts. The increase in the 2011/12 Adjusted Appropriation relates to commitments for the Mbazwana library for which funding was rolled over from 2010/11. The reduced allocations over the 2012/13 MTEF reflect the completion of the Mbazwana library and include funding for the commencement of libraries in Maphumulo and Ndumo.

The high spending against *Machinery and equipment* in 2008/09 relates to the purchase of capital equipment on behalf of municipalities in order to cut down on delivery times, and the upgrading of

computer hardware for public libraries, explaining the lower 2009/10 figure. The increase in 2010/11 reflects the procurement of four mobile library trucks to service areas where there are no libraries, and the upgrading of computer equipment, explaining the lower 2011/12 Main Appropriation. The higher 2011/12 Adjusted Appropriation relates to funding for the purchase of a mobile museum truck and the replacement of obsolete computer equipment. The 2012/13 allocation relates mainly to the furniture and computer equipment requirements for new libraries.

The expenditure under *Software and other intangible assets* in 2009/10 and 2010/11 relates to the upgrading of the library management system.

5.4 Summary of payments and estimates by district municipal area

Table 15.6 shows non-administrative spending, including conditional grant spending, within each district municipal area.

Table 15.6: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14	2014/15
eThekweni	43 049	54 703	125 657	210 725	221 311
Ugu	17 257	22 256	21 256	27 026	32 590
uMgungundlovu	24 132	13 912	24 647	38 769	43 350
Uthukela	13 314	11 094	9 202	14 142	14 845
Umzinyathi	6 718	7 694	8 698	16 735	17 294
Amajuba	10 977	9 313	10 761	11 523	12 083
Zululand	11 885	12 526	15 098	18 799	19 534
Umkhanyakude	21 922	11 812	21 985	21 282	20 570
uThungulu	20 508	37 270	14 623	18 178	19 095
Ilembe	8 365	10 389	21 670	22 524	19 414
Sisonke	16 612	6 621	7 693	9 845	10 293
Total	194 739	197 590	281 290	409 548	430 379

The eThekweni Metro reflects the highest spending, especially in the two outer years, due to substantial funding for the provincialisation of public libraries and museums, transfers to the Playhouse Company and the KZN Philharmonic Orchestra, the department's contribution to a new mega-library building project (for which amounts of R13.600 million and R10 million have been allocated in the first two years of the MTEF), as well as the construction of a museum in the last two years of the 2012/13 MTEF. In addition, various art centres in the area receive funding.

The second highest spending is in the uMgungundlovu District Municipality, specifically in 2013/14 and 2014/15, largely due to the provincialisation of libraries and museums and for the appointment of cyber cadets. The 2014/15 amount also contains funding for the upgrading of an art centre.

Spending in the Ugu District Municipality caters for the construction of a museum in the Hibiscus Coast Municipality in 2012/13, the construction of a new art centre, and a new library building in Umzumbe, commencing in 2013/14, with the bulk of the funding provided in 2014/15. Funding has also been provided for the provincialisation of libraries and museums and the appointment of cyber cadets.

In the Umkhanyakude District Municipality, the bulk of the spending relates to the provincialisation of libraries, the construction of libraries in the area, as well as the upgrading of an art centre.

In the uThungulu District Municipality, the drop in 2011/12 is due to the completion of library projects in Ntambanana and Nkandla. The 2012/13 amount is for the upgrading of an art centre, while the higher spending in 2013/14 and 2014/15 relates to transfers for the provincialisation of libraries and museums and the appointment of cyber cadets.

5.5 Summary of conditional grant payments and estimates

Tables 15.7 and 15.8 show the amounts allocated to the department in respect of the Community Library Services conditional grant.

Note that the historical figures set out in Table 15.7 below reflect actual expenditure per grant, and should not be compared to those reflected in Table 15.1, which represent the actual receipts for each grant. Details of conditional grants are given in *Annexure – Vote 15: Arts and Culture*.

Table 15.7: Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Community Library Services grant	24 753	30 597	41 261	45 401	48 971	48 971	48 619	56 297	69 674
Total	24 753	30 597	41 261	45 401	48 971	48 971	48 619	56 297	69 674

Table 15.8: Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	12 536	8 141	12 574	8 333	9 360	9 360	13 933	23 661	25 586
Compensation of employees									
Goods and services	12 536	8 141	12 574	8 333	9 360	9 360	13 933	23 661	25 586
Other									
Transfers and subsidies to:	6 251	6 391	9 908	18 458	17 431	17 431	23 141	20 339	20 588
Provinces and municipalities	6 251	6 391	9 840	18 359	17 332	17 332	23 032	20 224	20 473
Departmental agencies and accounts									
Universities and technikons									
Foreign government and international organisations									
Public corporations and private enterprises									
Non-profit institutions	-	-	68	99	99	99	109	115	115
Households									
Payments for capital assets	5 966	16 065	18 779	18 610	22 180	22 180	11 545	12 297	23 500
Buildings and other fixed structures	2 419	13 751	12 431	15 800	19 370	19 370	8 045	9 297	17 000
Machinery and equipment	3 547	798	6 348	2 810	2 810	2 810	3 500	3 000	6 500
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	1 516	-	-	-	-	-	-	-
Payments for financial assets									
Total	24 753	30 597	41 261	45 401	48 971	48 971	48 619	56 297	69 674

The Community Library Services grant was introduced in 2007/08 to transform urban and rural community library infrastructure through a recapitalised programme at national, provincial and local government level. The allocation was under-spent in 2008/09, mainly against *Machinery and equipment* and *Buildings and other fixed structures*. An amount of R1.442 million in this regard was rolled over to 2009/10, explaining the increase in that year. In 2009/10, the grant was again under-spent by R4.992 million due to further delays in the Mbazwana library and delays in the completion of a mobile library bus. This amount was rolled over to 2010/11. In 2010/11, the grant was once more under-spent, due to further delays in the Mbazwana library. An amount of R3.570 million was rolled over in the 2011/12 Adjusted Appropriation for the completion of this project, resulting in 2011/12 being higher than 2012/13. The allocation increases steadily over the remainder of the MTEF. It should be noted that the Mbazwana library has now been completed and will be opened in 2012.

Goods and services fluctuates over the seven years, due to various once-off costs. The high 2008/09 amount relates to substantially increased spending on educational support material to address a backlog in public libraries, explaining the lower 2009/10 figure. The substantial increase in 2010/11 relates to the purchase of library material, connectivity costs for internet access and the costs of implementing the SLIMS library control system. This explains the lower 2011/12 Main Appropriation. In the 2011/12 Adjusted Appropriation, an amount of R1.027 million was moved from *Transfers and subsidies to: Provinces and municipalities* to *Goods and services* for the purchase of library material and the payment of increased connectivity costs in respect of internet usage. The higher amounts in the two outer years of the 2012/13 MTEF reflect amounts for library material and computer equipment in new libraries.

Transfers and subsidies to: Provinces and municipalities increases slightly from 2008/09 to 2009/10. The increase in 2010/11 relates to transfers to the eThekweni Metro and the Msunduzi Municipality for the purchase of library materials, and the acquisition of ICT facilities. The significant increase in the 2011/12 Main Appropriation relates to a transfer to the eThekweni Metro for the building of a new mega-library.

The substantial increase in the allocation over the 2012/13 MTEF relates to funding for the appointment of cyber cadets, and the purchase of library materials. The department will also continue to transfer funds to eThekweni for the construction of the new mega-library.

The increase in respect of *Buildings and other fixed structures* in 2009/10 relates to the Mbazwana library, as mentioned above. The 2010/11 spending relates to commitments, totalling R4.992 million, rolled over from 2009/10, mainly for the Mbazwana library. In addition, funding was allocated for a library building project in the Qhudeneni area. The allocation in the 2011/12 Main Appropriation relates to the building of libraries in the Nkandla and Umkhanyakude districts and renovations to three libraries in Mpophomeni, Camperdown and Steadville. The 2011/12 Adjusted Appropriation was increased as a result of the roll-over from 2010/11 for the completion of the Mbazwana library. The reduced allocation over the 2012/13 MTEF is due to the completion of the Mbazwana library, and is for the construction of various libraries in Umkhanyakude.

Machinery and equipment was high in 2008/09 due to spending on the upgrading of hardware systems in public libraries. The spending in 2010/11 relates to the costs of converting to the new SLIMS system, the costs of completing the mobile library bus and the installation of counting systems in public libraries. The 2011/12 Main Appropriation provided for a further three mobile library trucks, the upgrading of computer equipment in libraries, the conversion to the new SLIMS system, additional internet sites and furniture for the Mbazwana library. The allocations over the 2012/13 MTEF are for the further upgrading of computer equipment in public libraries, as well as the equipping of new libraries.

5.6 Summary of infrastructure payments and estimates

Table 15.9 below shows the amounts allocated by the department in respect of infrastructure spending, including both capital and current expenditure. Full details of the projects to be undertaken appear in the *Annexure – Vote 15: Arts and Culture*.

Table 15.9: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
New and replacement assets	5 982	18 722	52 076	37 873	36 102	36 102	31 425	33 616	42 380
Existing infrastructure assets	1 330	1 566	16 411	3 900	9 241	9 241	5 000	-	275
Upgrades and additions	-	-	-	3 900	2 327	2 327	5 000	-	275
Rehabilitation, renovations and refurbishments	1 330	1 566	16 411	-	6 914	6 914	-	-	-
Maintenance and repairs	-	-	-	-	-	-	-	-	-
Infrastructure transfer	15 286	9 336	421	8 000	6 409	6 409	13 600	10 000	-
Current	-	-	-	-	-	-	-	-	-
Capital	15 286	9 336	421	8 000	6 409	6 409	13 600	10 000	-
Capital infrastructure	22 598	29 624	68 908	49 773	51 752	51 752	50 025	43 616	42 655
Current infrastructure	-	-	-	-	-	-	-	-	-
Total	22 598	29 624	68 908	49 773	51 752	51 752	50 025	43 616	42 655

The 2009/10 spending against *New and replacement assets* relates to the roll-over of commitments from 2008/09 and costs in respect of the Mbazwana library. The substantial increase in 2010/11 relates to once-off funding for renovations to the hall and campsites and the building of art centres, explaining the lower 2011/12 Main Appropriation. The slight reduction in the 2011/12 Adjusted Appropriation relates to the net effect of the roll-over of commitments for the Mbazwana library and under-spending due to the delay of various projects, reprioritised to *Rehabilitation, renovations and refurbishments* to provide for the completion of the construction of art centres and campsites. Although the allocation over the 2012/13 MTEF is lower due to the completion of the Mbazwana library, it increases steadily over the period.

The allocation in 2011/12 for *Upgrades and additions* relates to the upgrading of the Dannhauser library. In the 2011/12 Adjusted Appropriation, this category was reduced as a result of delays with technical aspects of the building. The allocations in 2012/13 and 2014/15 provide for the costs of upgrading existing art centres.

The spending against *Rehabilitation, renovations and refurbishments* reflects the cost of renovations to the hall and campsites of the department. The majority of the spending for this was incurred in 2010/11, explaining the high spending in that year. The spending in 2010/11 also included the cost of renovations to the Hopewell and Umzimkulu libraries. In the 2011/12 Adjusted Appropriation, R6.914 million was reprioritised for the completion of art centres and campsites.

Infrastructure transfer: Capital reflects transfers to municipalities for the building of libraries. The reduction from 2008/09 to 2010/11 reflects a change in the department's strategy, where the department now undertakes the building of libraries itself, rather than using municipalities as implementing agents. The amount against 2010/11 relates to the costs of completing the Impendle library building by the municipality. As mentioned previously, the 2011/12 Main and Adjusted Appropriation reflect the department's contribution toward building a new mega-library in the eThekweni Metro. This contribution was reduced in the 2011/12 Adjusted Appropriation due to a change in requirement in terms of the business plan for the project. The funding provided in 2012/13 and 2013/14 reflects the department's contribution toward this project.

5.7 Summary of Public Private Partnerships – Nil

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA

Table 15.10 below reflects the transfers made to the Playhouse Company, which is listed as a national public entity, and resides under Programme 2: Cultural Affairs.

Table 15.10: Summary of departmental transfers to public entities listed in terms of Schedule 3 of the PFMA

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
The Playhouse Company	5 350	5 751	6 096	6 401	6 401	6 401	6 721	7 057	7 445
Total	5 350	5 751	6 096	6 401	6 401	6 401	6 721	7 057	7 445

The Playhouse Company is a cultural institution promulgated under the Cultural Institutions Act No. 119 of 1998. Its primary mandate is to develop and promote artistic works that are representative of the diverse South African artistic and cultural heritage. The department entered into an agreement with the entity based on projects which the Playhouse Company embarked on and which are linked to the mandate of the department. The allocation provided to this entity over the 2012/13 MTEF was increased by an inflationary percentage.

5.9 Transfers to other entities

Table 15.11 provides a breakdown of transfers made to other entities. The institutions set out in the table below are categorised as *Transfers and subsidies to: Non-profit institutions*.

KZN Philharmonic Orchestra

Funding is provided to the KZN Philharmonic Orchestra, which is a non-profit institution committed to ensuring the development of artists through nurturing local talent and skills and providing cultural entertainment. It was established in terms of an association incorporated under Section 21 of the Companies Act. In 2008/09, this entity received an inflationary adjustment, as well as additional funding of R2 million. The allocation rises steadily from 2009/10 onward and over the MTEF.

Community art centres

The department continues to fund community art centres, which contribute to the development and training of artists. In 2008/09, the transfer payment to the Jambo Art Centre was cancelled due to it not being operational. Due to the re-establishment of this centre, the transfer payment was re-introduced in the 2011/12 Adjusted Appropriation and over the 2012/13 MTEF. A number of new transfer payments to various art centres such as Ladysmith and Mbazwana were introduced from 2011/12. In the 2011/12

Adjusted Appropriation, the transfer to the Ekhaya Art Centre was combined with the KZN African Film Festival, and the allocation to the Bat Centre corrected. Two new transfer payments to the Catalina and Ewushini art centres were introduced from 2012/13. The department will continue funding all existing transfers to art centres with inflationary increases over the 2012/13 MTEF.

Table 15:11: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
KZN Philharmonic Orchestra	2.1 Arts and Culture	6 719	7 573	8 377	8 796	8 796	8 796	9 236	9 697	10 230
Community art centres		3 937	3 938	4 134	4 858	4 798	4 798	5 465	5 797	6 110
Bat Art Centre	2.1 Arts and Culture	552	552	580	525	609	609	645	680	717
Bulwer Art Centre	2.1 Arts and Culture	-	-	-	150	150	150	158	165	174
Catalina Theatre	2.1 Arts and Culture	-	-	-	-	-	-	100	158	166
Ekhaya Art Centre	2.1 Arts and Culture	221	221	232	244	-	-	-	-	-
Ewushini Art Centre	2.1 Arts and Culture	-	-	-	-	-	-	150	158	166
Gobhela Art Centre	2.1 Arts and Culture	166	166	174	183	183	183	192	202	213
Indonsa Art Centre	2.1 Arts and Culture	1 349	1 349	1 416	1 487	1 487	1 487	1 561	1 639	1 729
Jambo Art Centre	2.1 Arts and Culture	-	-	-	-	100	100	150	158	166
Khula Art Centre	2.1 Arts and Culture	150	150	158	166	166	166	174	183	193
Ladysmith Art Centre	2.1 Arts and Culture	-	-	-	100	100	100	150	158	166
Mbazwana Art Centre	2.1 Arts and Culture	-	-	-	100	100	100	150	158	166
Osizweni Art Centre	2.1 Arts and Culture	-	-	-	150	150	150	150	158	166
Rorkes Drift Art Centre	2.1 Arts and Culture	150	150	158	166	166	166	174	183	193
Stable Theatre	2.1 Arts and Culture	1 349	1 350	1 416	1 487	1 487	1 487	1 561	1 639	1 729
uThungulu Art Centre	2.1 Arts and Culture	-	-	-	100	100	100	150	158	166
Arts and culture support		4 475	4 135	3 817	3 368	3 987	3 987	2 585	2 596	2 525
African Sinakho Trust	1.2 Corporate Services	-	95	-	-	-	-	-	-	-
Amandla Production Centre Trust	1.2 Corporate Services	-	50	-	-	-	-	-	-	-
Comrades Marathon Association	1.2 Corporate Services	-	-	28	35	-	-	-	-	-
iTunga Development (Street Parade)	1.2 Corporate Services	-	300	196	-	-	-	-	-	-
Jazz Festival	1.2 Corporate Services	-	-	-	150	150	150	150	150	150
Maskandi Festival	1.2 Corporate Services	-	-	-	100	-	-	-	-	-
MTN Fashion Week	1.2 Corporate Services	100	-	-	-	-	-	-	-	-
NB Productions	1.2 Corporate Services	-	-	-	-	400	400	-	-	-
Sakhisizwe Organisation	1.2 Corporate Services	-	-	-	300	200	200	220	220	220
Stable Theatre (2010 project)	1.2 Corporate Services	-	-	250	-	-	-	-	-	-
Ugu Jazz Festival	1.2 Corporate Services	100	100	-	-	-	-	-	-	-
Umgababa Youth Festival	1.2 Corporate Services	-	-	200	250	250	250	250	250	250
Young Fashion Designers	1.2 Corporate Services	-	97	-	-	-	-	-	-	-
Youth ID Campaign	1.2 Corporate Services	-	-	100	-	-	-	-	-	-
Absa Inniriet Festival	2.1 Arts and Culture	-	10	-	-	-	-	-	-	-
Art in the Park	2.1 Arts and Culture	50	50	100	50	50	50	-	-	-
Arts in School	2.1 Arts and Culture	250	-	-	-	-	-	-	-	-
Centre for Creative Arts UKZN	2.1 Arts and Culture	-	15	100	100	100	100	100	100	100
Crown Gospel Music Award	2.1 Arts and Culture	250	250	250	250	250	250	250	250	250
Dolosfees	2.1 Arts and Culture	50	50	50	40	50	50	-	-	-
Fodo Cultural Village	2.1 Arts and Culture	-	-	80	80	80	80	-	-	-
Hilton Arts Festival	2.1 Arts and Culture	100	150	100	100	100	100	100	100	100
Imvunge Choral Music Association	2.1 Arts and Culture	250	84	-	-	-	-	-	-	-
Indigenous Orchestra (Renamed)	2.1 Arts and Culture	300	300	500	-	-	-	-	-	-
Inter-cultural Food Tasting	2.1 Arts and Culture	-	66	65	80	80	80	-	-	-
Isihlahla Sobuntu (Renamed)	2.1 Arts and Culture	-	400	-	-	-	-	-	-	-
Iziko Gospel Music Convention	2.1 Arts and Culture	250	-	-	-	-	-	-	-	-
Kizo Heritage Arts Festival	2.1 Arts and Culture	150	370	-	-	-	-	-	-	-
KZN African Film Festival	2.1 Arts and Culture	400	300	300	300	544	544	556	561	584
Ladysmith Black Mambazo	2.1 Arts and Culture	20	-	-	-	-	-	-	-	-
Love to Live	2.1 Arts and Culture	-	80	80	84	84	84	-	-	-
MTN Jazz Festival	2.1 Arts and Culture	500	500	500	500	500	500	500	500	500
Performing Arts Network of SA	2.1 Arts and Culture	-	18	-	-	-	-	-	-	-
River Arts Festival	2.1 Arts and Culture	150	-	-	-	-	-	-	-	-
SACMA Opera Stars	2.1 Arts and Culture	105	-	-	-	-	-	-	-	-
S A Traditional Music Awards	2.1 Arts and Culture	700	500	500	500	500	500	-	-	-
Twist Theatre Development	2.1 Arts and Culture	-	-	-	-	200	200	100	100	-
Ukhozi FM Magic Tour	2.1 Arts and Culture	150	-	-	-	-	-	-	-	-
Umlazi Arts Festival	2.1 Arts and Culture	300	-	-	-	-	-	-	-	-
Ushaka Marine	2.1 Arts and Culture	100	250	250	250	250	250	250	250	250
Wildfees	2.1 Arts and Culture	100	100	100	100	100	100	-	-	-
Zindala Zombili	2.1 Arts and Culture	100	-	-	-	-	-	-	-	-
Family Literacy Project	3.2 Library Services	-	-	68	99	99	99	109	115	121
Arts Councils	2.1 Arts and Culture	1 469	1 261	1 445	1 545	1 545	1 545	1 623	1 705	1 798
Museum subsidies		1 257	1 513	1 576	3 880	3 599	3 599	4 040	4 486	4 730
Baynesfield Museum	2.4 Museum Services	-	-	240	390	341	341	360	400	422
Comrades House Museum	2.4 Museum Services	-	-	180	364	341	341	360	400	422
DCO Matiwana	2.4 Museum Services	-	-	-	100	100	100	106	118	124
Deutsche Schule Hermannsburg	2.4 Museum Services	-	-	120	363	341	341	360	400	422
East Griqualand Museum Trust	2.4 Museum Services	-	-	140	363	341	341	360	400	422
Himeville Museum	2.4 Museum Services	-	-	120	363	341	341	360	400	422
Macronie House Museum	2.4 Museum Services	-	-	240	390	341	341	360	400	422
Mazisi Kunene Museum	2.4 Museum Services	-	-	-	100	100	100	106	118	124
Mpophomeni Museum	2.4 Museum Services	-	-	-	100	100	100	226	251	265
Natal Arts Trust	2.4 Museum Services	-	-	30	30	30	30	30	30	30
Other museum subsidies - historic	2.4 Museum Services	1 257	1 513	-	-	-	-	-	-	-
Phansi Museum	2.4 Museum Services	-	-	-	100	100	100	106	118	124
Richmond, Byrne & District Museum	2.4 Museum Services	-	-	151	363	341	341	360	400	422
School Museum	2.4 Museum Services	-	-	-	100	100	100	226	251	265
Utrecht Museum	2.4 Museum Services	-	-	120	364	341	341	360	400	422
Vukani Museum	2.4 Museum Services	-	-	235	390	341	341	360	400	422
Total		17 857	18 420	19 349	22 447	22 725	22 725	22 949	24 281	25 393

Arts and culture support

Arts and culture support funding is provided to various organisations to assist with providing a platform for emerging artists. The department enters into MOUs with these institutions and detailed business plans are provided for the funds that are allocated. In 2008/09, a number of new transfers were made to various organisations such as KZN African Film Festival, MTN Jazz Festival and South African Traditional Music Awards (SATMA). In 2009/10, two transfer payments, River Arts Festival and Ukhozi FM Magic Tour, were discontinued and the transfer in respect of KZN African Film Festival reduced. In addition, the transfer payment originally allocated to MTN Fashion Week was redirected to the Young Fashion Designers project, and nine new transfer payments were introduced. In 2010/11, the transfer to Inter-cultural Food Tasting was reduced due to some services being procured by the department. In the 2011/12 Main Appropriation, three new transfer payments, namely the Sakhisizwe Organisation, Maskandi Festival and Jazz Festival were introduced. In the 2011/12 Adjusted Appropriation, a new transfer to the Twist Theatre Development and a once-off transfer to NB Productions for a television documentary on KZN artists, were introduced. In addition, the transfer payments for the Maskandi Festival and the Comrades Marathon Association were cancelled, and the transfer to the Sakhisizwe Organisation was reduced to partly fund the introduction of the NB Productions project, as mentioned above. The transfer for the Maskandi Festival was cancelled due to the department agreeing to undertake the procurement of services itself, while the transfer to the Comrades Marathon Association was cancelled because the organisation was unable to find a suitable venue for its visual arts competition.

The amounts paid to all entities under this category are kept constant over the 2012/13 MTEF, other than the transfer to the Family Literacy project, which is funded from conditional grant funding, rather than equitable share funding, as the other transfers are.

Arts Councils

The amount reflected under Arts Councils is transferred to properly constituted arts, culture and craft organisations that develop and preserve arts and culture in the province. The allocation rises steadily over the seven-year period, except for 2009/10, when R200 000 was moved to *Goods and services* to provide for stipend and travel and subsistence costs paid to the arts and culture councils. The allocations over the 2012/13 MTEF show an inflationary increase.

Museum subsidies

As a result of the function shift of Museum Services from Vote 1: Office of the Premier, a new category, namely museum subsidies, was introduced from 2009/10. The historic figures for 2008/09 were adjusted. Funding is provided to non-profit institutions to cover operational and staffing costs. The museums listed under this category are managed by a Board of Trustees and a large portion of the funding transferred to them is utilised to cover the salaries paid to curators. The increased allocations made to these museums from 2011/12 onward relate to the previously explained provincialisation programme. In the 2011/12 Adjusted Appropriation, the transfers to various museums were reduced and funding reprioritised to *Goods and services* to provide support services for the provincialisation of museums process.

5.10 Transfers to local government

Tables 15.12 and 15.13 provide a summary of transfers made to local government. Details of the amounts reflected per grant type and per municipality are given in *Annexure – Vote 15: Arts and Culture*. It should be noted that the tables do not include funding in respect of motor vehicle licences, as this funding is not paid to a municipality.

Table 15.12: Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Category A	4 626	2 634	4 642	18 250	14 609	14 609	93 363	170 829	179 552
Category B	18 001	14 171	17 925	39 557	40 613	40 613	53 289	97 789	102 949
Category C	-	-	-	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
Total	22 627	16 805	22 567	57 807	55 222	55 222	146 652	268 618	282 501

Table 15.13: Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation 2011/12	Revised Estimate	Medium-term Estimates		
		2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Museum subsidies	2.4 Museum Services	1 090	1 078	1 170	10 055	7 068	7 068	7 065	7 553	7 971
Library building projects	3.2 Library Services	15 286	9 336	421	-	-	-	-	-	-
Provincialisation of libraries	3.2 Library Services	-	-	11 136	29 393	30 822	30 822	116 555	240 841	254 063
Community Lib Services grant	3.3 Comm. Libr Serv	6 251	6 391	9 840	18 359	17 332	17 332	23 032	20 224	20 467
Total		22 627	16 805	22 567	57 807	55 222	55 222	146 652	268 618	282 501

A portion of the Community Library Services grant is paid to municipalities to assist at local level with the costs of cyber cadets and the acquisition of library material. These allocations fall under both category A and B. The transfers increased from 2010/11 due to increased funding for cyber cadets, the purchase of additional mobile library units for rural areas and increased quantities of library material. The substantial increase in the 2011/12 Main Appropriation in Category A relates to a transfer to the eThekweni Metro for the construction of a mega-library, as well as funds for the provincialisation of museums.

Museum subsidies are allocated over both Category A and B and are aimed at assisting municipalities with the operational and staffing costs of museums.

The allocations to Category A, which relate to transfers to the eThekweni Metro, are for the operational costs of libraries in that area, as well as museum subsidies. The lower 2009/10 figure reflects a reduced transfer to the eThekweni Metro in that year because it had not spent all of the transfer received for 2008/09 and was allowed to retain this for spending in 2009/10. The transfer for the mega-library was slightly reduced in the 2011/12 Adjusted Appropriation due to a lower contribution required in terms of the business plan. The increased allocations over the 2012/13 MTEF reflect the inclusion of provincialisation transfers to the eThekweni Metro, as well as further funding for the mega-library.

Category B consists of transfers for museums, as well as funding for building libraries. In 2009/10, the department changed its strategy and decided to take over the responsibility of building libraries, resulting in transfers to municipalities for this function ceasing after 2009/10. In 2010/11, an amount of R421 000 was transferred to the Impendle Municipality for the completion of a library which commenced in 2004. The increased allocation from 2011/12 onward is due to provincialisation transfers for public libraries and museums. In the 2011/12 Adjusted Appropriation, provincialisation funding for the uMgungundlovu District was substantially increased. The allocation over the 2012/13 MTEF increases significantly due to increased funding for the provincialisation of museums and libraries, as well as the full staffing cost in respect of libraries being paid in the outer years of the 2012/13 MTEF.

5.11 Transfers and subsidies

Table 15.14 summarises spending on *Transfers and subsidies* by programme and main category.

Provinces and municipalities under Programme 1: Administration relates to funding for motor vehicle licences which was moved in the 2011/12 Adjusted Appropriation from *Goods and services*, to align to the revised SCOA classification. Historical costs have been adjusted accordingly.

The category *Non-profit institutions* in Programme 1 relates to various projects. The increased spending in 2009/10 relates to the introduction of a number of new transfer payments such as the iTunga Development transfer for 2010 World Cup build-up programmes. In 2010/11, transfer payments were made in respect of the Comrades Marathon Association, Stable Theatre, Umgababa Youth Festival and the Youth ID Campaign. In the 2011/12 Main Appropriation, new transfer payments for a Jazz Festival, the Maskandi Festival and the Sakhisizwe Organisation were introduced, and the transfers to the Comrades Marathon Association and the Umgababa Youth Festival continued. However, in the 2011/12 Adjusted Appropriation, the transfer payments for the Maskandi Festival and the Comrades Marathon Association were cancelled and the transfer payment to the Sakhisizwe Organisation was reduced by R100 000 to partly fund the introduction of a new once-off transfer payment to NB Productions for the production of a documentary on the province's performing artists and activities. The MTEF allocations were only increased by an inflationary increase for transfers to art centres, all other transfers were maintained at the same level for each year of the MTEF.

Table 15.14: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
1. Administration	258	727	781	835	1 100	1 100	720	720	720
Provinces and municipalities	58	65	70	-	100	100	100	100	100
Motor vehicle licences	58	65	70	-	100	100	100	100	100
Non-profit institutions	200	642	578	835	1 000	1 000	620	620	620
Comrades Marathon Association	-	-	28	35	-	-	-	-	-
iTunga Development (Street Parade)	-	300	-	-	-	-	-	-	-
Jazz Festival	-	-	-	150	150	150	150	150	150
Maskandi Festival	-	-	-	100	-	-	-	-	-
Sakhisizwe Organisation	-	-	-	300	200	200	220	220	220
Stable Theatre (2010 project)	-	-	250	-	-	-	-	-	-
Ugu Jazz Festival	100	100	-	-	-	-	-	-	-
Umgababa Youth Festival	-	-	200	250	250	250	250	250	250
Youth ID Campaign	-	-	100	-	-	-	-	-	-
Non-profit institutions - historic	100	242	-	-	-	-	-	-	-
NB Productions	-	-	-	-	400	400	-	-	-
Households	-	20	133	-	-	-	-	-	-
Termination benefits	-	20	133	-	-	-	-	-	-
2. Cultural Affairs	24 385	24 712	26 403	37 969	35 185	35 185	36 006	38 156	40 068
Provinces and municipalities	1 090	1 078	1 170	10 055	7 068	7 068	7 065	7 553	7 971
Museum subsidies	1 090	1 078	1 170	10 055	7 068	7 068	7 065	7 553	7 971
Departmental agencies and accounts	5 350	5 751	6 096	6 401	6 401	6 401	6 721	7 057	7 445
The Playhouse Company	5 350	5 751	6 096	6 401	6 401	6 401	6 721	7 057	7 445
Non-profit institutions	17 657	17 778	18 703	21 513	21 626	21 626	22 220	23 546	24 652
KZN Philharmonic Orchestra	6 719	7 573	8 377	8 796	8 796	8 796	9 236	9 697	10 230
Arts and Culture support to:	4 275	3 493	3 171	2 434	2 888	2 888	1 856	1 861	1 784
Art in the Park	50	50	100	50	50	50	-	-	-
Centre for Creative Arts UKZN	-	15	100	100	100	100	100	100	100
Crown Gospel Music Award	250	250	250	250	250	250	250	250	250
Dolosfees	50	50	50	40	50	50	-	-	-
Fodo Cultural Village	-	-	80	80	80	80	-	-	-
Hilton Arts Festival	100	150	100	100	100	100	100	100	100
Indigenous Orchestra (Combined & renamed)	300	300	500	-	-	-	-	-	-
Inter-cultural Food Tasting	-	66	65	80	80	80	-	-	-
iTunga Development (Street Parade)	-	-	196	-	-	-	-	-	-
Kizo Heritage Arts Festival (Renamed)	150	370	-	-	-	-	-	-	-
KZN African Film Festival (Renamed)	400	300	300	300	544	544	556	561	584
Love to Live	-	80	80	84	84	84	-	-	-
MTN Jazz Festival	500	500	500	500	500	500	500	500	500
SACMA Opera Stars	105	-	-	-	-	-	-	-	-
S A Traditional Music Awards (SATMA)	700	500	500	500	500	500	-	-	-
Twist Theatre Development	-	-	-	-	200	200	100	100	-
Ushaka Marine	100	250	250	250	250	250	250	250	250
Wildsfees	100	100	100	100	100	100	-	-	-
Arts and Culture - historic	1 470	512	-	-	-	-	-	-	-
Transfers to Art Centres	3 937	3 938	4 134	4 858	4 798	4 798	5 465	5 797	6 110
Bat Centre	552	552	580	525	609	609	645	680	717
Bulwer Art Centre	-	-	-	150	150	150	158	165	174
Catalina Theatre	-	-	-	-	-	-	100	158	166
Ekhaya Art Centre	221	221	232	244	-	-	-	-	-
Ewushini Art Centre	-	-	-	-	-	-	150	158	166
Gobhela Art Centre	166	166	174	183	183	183	192	202	213
Indonsa Art Centre	1 349	1 349	1 416	1 487	1 487	1 487	1 561	1 639	1 729
Jambo Art Centre	-	-	-	-	100	100	150	158	166
Khula Art Centre	150	150	158	166	166	166	174	183	193
Ladysmith Art Centre	-	-	-	100	100	100	150	158	166
Mbazwana Art Centre	-	-	-	100	100	100	150	158	166
Osizweni Art Centre	-	-	-	150	150	150	150	158	166
Rorkes Drift Art Centre	150	150	158	166	166	166	174	183	193
Stable Theatre	1 349	1 350	1 416	1 487	1 487	1 487	1 561	1 639	1 729
uThungulu Art Centre	-	-	-	100	100	100	150	158	166
Transfers to Art Councils	1 469	1 261	1 445	1 545	1 545	1 545	1 623	1 705	1 798
Transfers to museums	1 257	1 513	1 576	3 880	3 599	3 599	4 040	4 486	4 730
Baynesfield Museum	-	-	240	390	341	341	360	400	422
Comrades House Museum	-	-	180	364	341	341	360	400	422
DCO Mafikeng	-	-	-	100	100	100	106	118	124
Deutshe Schule Hermannsburg	-	-	120	363	341	341	360	400	422
East Griqualand Museum Trust	-	-	140	363	341	341	360	400	422
Himeville Museum	-	-	120	363	341	341	360	400	422
Macrorie House Museum	-	-	240	390	341	341	360	400	422
Mazisi Kunene Museum	-	-	-	100	100	100	106	118	124
Mpophomeni Community Museum	-	-	-	100	100	100	226	251	265
Natal Arts Trust	-	-	30	30	30	30	30	30	30
Phansi Museum	-	-	-	100	100	100	106	118	124
School museum	-	-	-	100	100	100	226	251	265
The Richmond, Byrne and District Museum	-	-	151	363	341	341	360	400	422
Utrecht Museum	-	-	120	364	341	341	360	400	422
Vukani Museum	-	-	235	390	341	341	360	400	422
Other museum subsidies - historic	1 257	1 513	-	-	-	-	-	-	-
Households	288	105	434	-	90	90	-	-	-
Termination benefits	288	105	434	-	90	90	-	-	-
3. Library and Archive Services	21 650	15 820	21 767	47 851	48 323	48 323	139 696	261 180	274 651
Provinces and municipalities	21 537	15 727	21 397	47 752	48 154	48 154	139 587	261 065	274 530
Library Building Programme	15 286	9 336	421	-	-	-	-	-	-
Community Library Services grant	6 251	6 391	9 840	18 359	17 332	17 332	23 032	20 224	20 467
Provincialisation of libraries	-	-	11 136	29 393	30 822	30 822	116 555	240 841	254 063
Non-profit institutions	-	-	68	99	99	99	109	115	121
Family literacy project	-	-	68	99	99	99	109	115	121
Households	113	93	302	-	70	70	-	-	-
Termination benefits	113	93	302	-	70	70	-	-	-
Total	46 293	41 259	48 951	86 655	84 608	84 608	176 422	300 056	315 439

Under Programme 2: Cultural Affairs, a number of transfer payments are made as follows:

- *Provinces and municipalities* relates to subsidies paid to municipalities for the operational costs of museums. This function was shifted to the department from Vote 1: Office of the Premier in 2009/10. The historic figures were adjusted accordingly. The significant increase from 2010/11 relates to funding allocated for the provincialisation of museums. The allocation was reduced in the 2011/12 Adjusted Appropriation to provide funding for the support of the provincialisation of museum services process, the purchase of a mobile museum truck and the purchase of motor vehicles for support staff in respect of the provincialisation of museums.
- *Departmental agencies and accounts* relates to the subsidy paid to the Playhouse Company. The allocation grows steadily over the seven-year period.
- *Non-profit institutions* covers many different transfers, including transfers to the KZN Philharmonic Orchestra, various art centres, various arts organisations, the Arts Councils and subsidies paid to museums which are run by Boards of Trustees. The biggest transfer is to the KZN Philharmonic Orchestra, which shows steady growth over the seven-year period.

Programme 3: Library and Archive Services also makes a number of transfer payments, mainly under *Provinces and municipalities*. From 2008/09 to 2010/11, the primary transfer was that in respect of library building projects. As mentioned, the department changed this strategy in 2009/10 and now undertakes the building of libraries itself. The exception to this is an amount of R421 000 paid in 2010/11 for the completion of the Impendle library, which commenced prior to the change in policy. As mentioned, from 2010/11 a new transfer payment was introduced to provide for the provincialisation of public libraries. The substantial increase in 2011/12 relates to additional funding allocated for this process, while the further increase over the 2012/13 MTEF is due to the inclusion of transfers to the eThekweni Metro and Msunduzi Municipality for the provincialisation of libraries. In the two outer years of the 2012/13 MTEF, the department will fund the full staffing costs of public libraries, explaining the significant increase in this category in 2013/14 and 2014/15.

6. Programme description

The services rendered by this department are categorised under three programmes, as discussed in greater length below. The payments and budgeted estimates for each programme are summarised in terms of economic classification, details of which are given in *Annexure – Vote 15: Arts and Culture*.

6.1 Programme 1: Administration

The purpose of this programme is to provide for effective management and administration of the department and to ensure effective and efficient use of financial and human resources.

This programme comprises two sub-programmes, as per the prescribed budget and programme structure of the sector.

Tables 15.15 and 15.16 below summarise payments and estimates relating to the programme for the period 2008/09 to 2014/15.

Table 15.15: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Office of the MEC	8 670	8 867	10 247	9 554	9 620	9 620	10 047	10 589	11 227
Corporate Services	51 441	59 546	67 093	70 052	73 057	73 057	78 543	82 686	87 465
Total	60 111	68 413	77 340	79 606	82 677	82 677	88 590	93 275	98 692

Table 15.16: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15
Current payments	58 998	67 275	75 867	78 454	80 450	80 450	87 531	92 190	97 517
Compensation of employees	29 199	34 689	38 627	46 745	45 307	45 307	50 769	54 069	57 583
Goods and services	29 799	32 586	37 240	31 709	35 143	35 143	36 762	38 121	39 934
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	258	727	781	835	1 100	1 100	720	720	720
Provinces and municipalities	58	65	70	-	100	100	100	100	100
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	200	642	578	835	1 000	1 000	620	620	620
Households	-	20	133	-	-	-	-	-	-
Payments for capital assets	852	396	671	317	1 117	1 117	339	365	455
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	852	396	594	317	1 117	1 117	339	365	455
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	77	-	-	-	-	-	-
Payments for financial assets	3	15	21	-	10	10	-	-	-
Total	60 111	68 413	77 340	79 606	82 677	82 677	88 590	93 275	98 692

The high 2010/11 spending of the Office of the MEC sub-programme includes the increased travelling costs relating to the 2010 World Cup events. It should be noted that the department shares a minister with the Department of Sport and Recreation. From 2010/11, the Office of the MEC was not provided with an administrative budget by the Department of Sport and Recreation and therefore the budget within this department was used by the Ministry to administer both departments. The allocation increases steadily from 2011/12 and over the 2012/13 MTEF.

The increase in 2009/10 against the Corporate Services sub-programme relates to the suspension from Vote 1: Office of the Premier, of the 2010 Arts and Crafts programme, and the costs of the 2009 wage agreement. The increase in 2010/11 reflects the costs of the 2010 wage agreement, as well as the centralisation of the cleaning function under this programme. Historical figures were not adjusted, as prior to 2010 there was no formal contract in place. In the 2011/12 Adjusted Appropriation, funding was shifted from Programme 2: Cultural Affairs and Programme 3: Library and Archive Services for the My School Cultural Adventure programme, to provide effective monitoring and control, further security contracts were centralised under this programme and additional funding provided for the 2011 wage agreement. This explains the increase in *Goods and services*. The allocation over the 2012/13 MTEF reflects an inflationary adjustment.

The growth in *Compensation of employees* from 2008/09 to the 2011/12 Main Appropriation resulted from the higher than anticipated 2009 and 2010 wage agreements, as well as the filling of critical posts. In the 2011/12 Adjusted Appropriation, the budget was reduced due to delays in the filling of posts, offsetting an adjustment for the higher than anticipated 2011 wage agreement. The budget over the MTEF makes provision for salary adjustments, pay progression and the payment of performance bonuses.

The increase in *Goods and services* in 2009/10 was due to the shifting of funding from Vote 1: Office of the Premier in respect of the 2010 Arts and Crafts programme. The 2009/10 spending also included SITA, security and cleaning services costs. The high 2010/11 spending included the cost of a number of events held in respect of the social mobilisation campaign and the cost of public viewing areas for the 2010 World Cup. This explains the reduced allocation in the 2011/12 Main Appropriation. In the 2011/12 Adjusted Appropriation, funding was moved to Programme 1 from Programme 2 and 3 for the My School Cultural Adventure programme and for the centralisation of security services. Also, in the same process funding for motor vehicle licences was moved to *Transfers and subsidies to: Provinces and municipalities* to align to the revised SCOA classification for the payment of these licences. Historic figures have been adjusted in this regard. *Goods and services* increases steadily over the 2012/13 MTEF.

Expenditure against *Transfers and subsidies to: Non-profit institutions* from 2008/09 onwards relates to transfers to projects managed by the Special Projects unit which came into existence in 2008/09, but was only moved to this programme in 2009/10 when Programme 4, which housed the tourism function, was moved to Vote 4: Economic Development and Tourism. The increased spending in 2009/10 relates to the

introduction of a number of new transfer payments such as the Young Fashion Designers and iTunga Development transfers, to name a few. In the 2011/12 Main Appropriation, new transfer payments were introduced in respect of the Comrades Marathon Association, Stable Theatre, Umgababa Youth Festival and the Youth ID Campaign. In the 2011/12 Adjusted Appropriation, the transfers for the Maskandi Festival and the Comrades Marathon Association were cancelled and the transfer payment to the Sakhisizwe Organisation reduced to off-set spending pressures against *Goods and services* in respect of SITA services and lease payments, and provide for portion of the cost of a new transfer to NB Productions. The allocation over the 2012/13 MTEF relates to the transfer payment to the Sakhisizwe Organisation, the Umgababa Youth Festival and the Jazz Festival.

The 2008/09 expenditure against *Machinery and equipment* relates to the purchase of vehicles and equipment. The amounts in 2010/11, the 2011/12 Main Appropriation and over the 2012/13 MTEF relate to the upgrading and replacement of obsolete computer equipment.

6.2 Programme 2: Cultural Affairs

The purpose of this programme is to provide for projects and interventions in the arts, culture, language and museum services. The aim is to provide an environment conducive to the celebration, nourishment and growth of these sectors. This programme complies with the structure set for the sector, except for the fact that there is no Heritage Resource Services sub-programme, as this function falls under Vote 1: Office of the Premier in this province.

The main aim of the Arts and Culture sub-programme is to ensure cultural diversity and the advancement of artistic disciplines into viable industries. The focus of the Language Services sub-programme is the promotion of multi-lingualism and development of historically marginalised languages, and the facilitation of access to government information and services through translation, interpretation and ensuring respect for language rights. The main aim of the Museum Services sub-programme is to act as the custodian of tangible and intangible heritage in order to preserve, protect, conserve and appreciate for future generations.

Tables 15.17 and 15.18 below summarise payments and estimates from 2008/09 to 2014/15.

Table 15.17: Summary of payments and estimates - Programme 2: Cultural Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Management	1 446	1 974	2 515	2 759	2 771	2 771	2 900	3 059	3 243
Arts and Culture	69 545	66 611	114 763	77 574	76 882	76 882	90 860	93 262	98 453
Museum Services	6 861	6 814	7 449	29 002	28 849	28 849	28 814	26 666	28 334
Language Services	7 539	6 800	7 601	8 534	8 510	8 510	9 051	9 532	10 100
Total	85 391	82 199	132 328	117 869	117 012	117 012	131 625	132 519	140 130

Table 15.18: Summary of payments and estimates by economic classification - Programme 2: Cultural Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	55 874	52 150	62 434	66 220	66 022	66 022	75 351	79 163	84 314
Compensation of employees	26 241	30 311	33 312	39 583	39 692	39 692	45 425	48 378	51 522
Goods and services	29 633	21 839	29 122	26 637	26 330	26 330	29 926	30 785	32 792
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	24 385	24 712	26 403	37 969	35 185	35 185	36 006	38 156	40 068
Provinces and municipalities	1 090	1 078	1 170	10 055	7 068	7 068	7 065	7 553	7 971
Departmental agencies and accounts	5 350	5 751	6 096	6 401	6 401	6 401	6 721	7 057	7 445
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	17 657	17 778	18 703	21 513	21 626	21 626	22 220	23 546	24 652
Households	288	105	434	-	90	90	-	-	-
Payments for capital assets	5 132	5 336	43 491	13 680	15 805	15 805	20 268	15 200	15 748
Buildings and other fixed structures	4 560	4 819	42 266	13 500	13 500	13 500	20 068	15 000	15 548
Machinery and equipment	572	517	945	180	2 305	2 305	200	200	200
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	280	-	-	-	-	-	-
Payments for financial assets	-	1	-	-	-	-	-	-	-
Total	85 391	82 199	132 328	117 869	117 012	117 012	131 625	132 519	140 130

The increase in Programme 2 in 2008/09 caters for the renovations to the hall and campsites and for the building of art centres. No allocation was made in 2009/10 for these projects, explaining the reduction in 2009/10. The above explains similar movements in the Arts and Culture sub-programme. In 2010/11, the department received a further R56.943 million for these renovations, explaining the lower 2011/12 Main Appropriation. The funding over the 2012/13 MTEF includes funding moved from Programme 3: Library and Archive Services for the cost of the main events hosted by the department, such as National Freedom Day Celebration, Reed Dance, Heritage Day Commemoration, and the First Fruit Ceremony.

The expenditure by the Museum Services sub-programme rises steadily over the period 2008/09 to 2010/11. The substantial increase in the 2011/12 Main Appropriation reflects funding for the provincialisation of museums, including increased subsidies to both affiliated museums and museums managed by Boards of Trustees. This explains the substantial increase in *Transfers and subsidies to: Provinces and municipalities* from 2011/12 onward. In the 2011/12 Adjusted Appropriation, the allocation was slightly reduced in order to provide funding for security contracts which were centralised under Programme 1. The allocation over the 2012/13 MTEF reflects funding for the provincialisation of museums and the construction and renovations to museums.

The high spending against the Languages Services sub-programme in 2008/09 relates to once-off costs for renovations to the building occupied by the unit. This explains the lower spending in 2009/10. This sub-programme reflects steady growth from 2010/11 to 2014/15.

The increase in *Compensation of employees* from 2008/09 to 2011/12 caters for the wage agreements, the carry-through costs, as well as the filling of posts. The allocation increases steadily over the MTEF.

Goods and services includes the cost of the main events hosted by the department. In 2009/10, the department reprioritised funds to offset spending pressures in *Compensation of employees* and transfer payments (to cater for the introduction of several new transfer payments, such as iTunga Development), accounting for the decrease from 2008/09 to 2009/10. The reduction in 2009/10 was also due to the introduction of cost-cutting. Spending in 2010/11 included the cost of equipment for the campsites of the department, explaining the reduction in the 2011/12 Main Appropriation. In the 2011/12 Adjusted Appropriation, forced savings in *Goods and services* were moved to *Transfers and subsidies to: Non-profit institutions* for a new transfer payment to the Twist Theatre Development project and the transfers to the Jambo Art Centre, Dolosfees and the Bat Centre were increased. In addition, funding was moved to provide for the replacement of obsolete computer equipment, explaining the increase in *Machinery and equipment*. This funding was offset by a provision to address spending pressures in respect of catering and payments to artists for events held, as well as funding for the control of the provincialisation of museums process. The allocation increases steadily over the 2012/13 MTEF.

The spending against *Transfers and subsidies to: Provinces and municipalities* relates to transfers made to municipalities in respect of museum subsidies. The significant increase in the 2011/12 Main Appropriation reflects funding allocated for the provincialisation of museums. In the 2011/12 Adjusted Appropriation, this amount was reduced and redirected to *Goods and services* and *Machinery and equipment* in order to provide for support functions for the provincialisation process. The allocation increases at an inflationary rate over the 2012/13 MTEF.

Transfers and subsidies to: Departmental agencies and accounts reflects the transfer payment made to the Playhouse Company. The allocation to this entity shows steady growth over the seven-year period.

The category *Transfers and subsidies to: Non-profit institutions* provides for transfers to the KZN Philharmonic Orchestra, arts councils, art centres and museums managed by Boards of Trustees. In addition, support is also provided to various art organisations. The 2008/09 and 2009/10 figures reflect a number of new transfer payments which were introduced in these years, including the KZN African Film Festival and the MTN Jazz Festival. In the 2011/12 Adjusted Appropriation, the transfer payment to Ekhaya Art Centre was cancelled and combined with the KZN African Film Festival, new transfers to the Twist Theatre Development and Jambo Art Centre were introduced and the transfers to the Dolosfees and the Bat Centre were increased. The 2012/13 MTEF allocation provides for the continuation of most transfers, as well as the introduction of new transfers to the Catalina Theatre and Ewushini Art Centre.

As mentioned previously, the allocation to *Transfers and subsidies to: Households* relates to benefits paid to staff leaving the department.

The spending against *Buildings and other fixed structures* in 2009/10 and 2010/11 relates to the once-off costs of renovations to the hall and campsites, explaining the reduced allocation in the 2011/12 Main Appropriation, which was for renovations to existing museums, the construction of new museums, as well as the construction of art centres in Ugu, Ilembe and uMgungundlovu districts. The allocation over the 2012/13 MTEF relates to renovations to existing museums and art centres in the Amajuba, uMgungundlovu, Sisonke districts and the eThekweni Metro, to name a few, and the construction of new museums and art centres in Ugu, Ilembe, Zululand and Umzinyathi.

The allocation to the category *Machinery and equipment* increases steadily over the seven-year period except for the 2011/12 Adjusted Appropriation, where funding was reprioritised to replace obsolete computer equipment and the procurement of a mobile museum truck.

Service delivery measures – Programme 2: Cultural Affairs

Table 15.19 illustrates the service delivery measures relevant to Programme 2: Cultural Affairs. The service delivery measures are aligned to those of the sector. The significant non-standardised measures have also been included, as reflected below.

Table 15.19: Service delivery measures: Programme 2: Cultural Affairs

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
1	Arts and Culture standardised performance measures					
1.1	To establish structures and to provide institutional support					
	• No. of structures supported	77	76	76	76	
	• No. of significant days hosted in a cultural calendar	6	6	6	6	
	• No. of artists trained	2 870	4 715	4 715	4 715	
2	Arts and Culture non standardised performance measures					
2.1	To establish structures and to provide institutional support					
	• No. of SLAs concluded	31	66	68	69	
2.2	To facilitate access to facilities and programmes					
	• No. of sponsorships /bursaries awarded	50	51	51	51	
	• No. of participants attracted	30 220	73 000	73 000	73 000	
	• No. of programmes that have a multicultural experience	11	85	85	93	
	• No. of sector integrated programmes delivered	6	3	3	3	
2.3	To facilitate capacity building					
	• No. of documents/guidelines/procedure manuals developed, implemented and monitored	6	9	9	9	
2.4	To facilitate and support excellence enhancing programmes					
	• No. of performance programmes to enhance sustainability of cultural practitioners	8	2	2	2	
	• No. of cultural practitioners supported to participate at international level	15	2	4	10	
	• No. of community arts centres established	2	1	1	1	
3	Language Services standardised performance measures					
3.1	To establish and support the structures					
	• No. of language co-ordinating structures supported	3	32	38	45	
4	Language Services non standardised performance measures					
4.1	To provide language services					
	• No. of literary exhibitions conducted	1	1	1	1	
	• No. of documents translated	70	75	80	85	
	• No. of interpreting services conducted	5	15	16	17	
	• No. of persons empowered to deliver translations	2	6	6	6	
	• No. of documents edited	10	85	90	95	
	• No. of language planning programmes					
	- Status planning	4	4	4	4	
	- Corpus planning	4	6	6	6	
	• No. of literary development and promotion programmes	4	6	6	6	
	• No. of multilingualism promotion programmes	2	3	3	3	

Table 15.19: Service delivery measures: Programme 2: Cultural Affairs

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2011/12	2012/13	2013/14	2014/15
5	Museum services standardised performance measures					
5.1	To facilitate the upgrading or construction of new museums and heritage facilities	<ul style="list-style-type: none">No. of people visiting the facilities	13 500	80 000	85 000	90 000
5.2	To facilitate access to museum facilities and programmes	<ul style="list-style-type: none">No. of brochures and publications distributed	4	4	4	4
6	Museum services non standardised performance measures					
6.1	To facilitate access to museum facilities and programmes	<ul style="list-style-type: none">No. of museums represented in community participation structures	35	39	42	42
		<ul style="list-style-type: none">No. of SLAs	39	39	42	42
6.2	To facilitate the coordination and co-operation with other spheres of governmental structures	<ul style="list-style-type: none">No. of geographical place names reviewed	50	60	65	65
		<ul style="list-style-type: none">No. of outreach programmes implemented	40	40	40	40
		<ul style="list-style-type: none">No. of exhibitions staged	2	2	2	2
6.3	To facilitate access to museum facilities and programmes	<ul style="list-style-type: none">No. of school visits	25	25	25	25
		<ul style="list-style-type: none">No. of museum visits	35	180	185	200
		<ul style="list-style-type: none">No. of museum displays revamped	2	2	2	2
		<ul style="list-style-type: none">No. of training sessions offered to museums	2	3	3	3
		<ul style="list-style-type: none">No. of events participated in nationally	1	3	3	3
		<ul style="list-style-type: none">No. of curators trained	30	45	50	50
		<ul style="list-style-type: none">No. of collections digitised	1	1	1	1
		<ul style="list-style-type: none">No. of awareness museum programmes rolled out to communities	4	4	4	4
		<ul style="list-style-type: none">No. of events participated in provincially	5	5	5	5
		<ul style="list-style-type: none">No. of museums renovated	15	3	3	3
		<ul style="list-style-type: none">No. of new museums built	1	2	2	2

6.3 Programme 3: Library and Archive Services

The aim of this programme is to provide library and information services, as well as archive services.

The central function of the Archives sub-programme is to acquire, preserve and manage public and non-public records in order to ensure public access to the nation's archival heritage. This includes the acquisition and preservation of public records with historical value, ensuring accessibility of records and promotion of their utilisation, the proper management and care of all public records, and the collection of records with potential provincial value and significance.

The Library Services sub-programme caters for the provision of a public library service to affiliated municipal public libraries throughout the province. The aim of this sub-programme is the improvement of libraries, as well as the access to them by all communities, by building, upgrading and automating public libraries as well as developing and sustaining a reading culture.

This programme includes the Community Library Services conditional grant as a sub-programme, which is additional to the sector structure.

Tables 15.20 and 15.21 below summarise payments and estimates relating to these functions for the period 2008/09 to 2014/15.

Table 15.20: Summary of payments and estimates - Programme 3: Library and Archive Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Management	1 300	1 250	1 091	1 390	1 396	1 396	1 411	1 487	1 576
Library Services	66 722	64 085	84 655	104 303	103 432	103 432	184 019	311 787	330 935
Archives	15 012	12 613	12 694	16 287	16 330	16 330	16 128	17 069	18 156
Community Library Services grant	24 753	30 597	41 261	45 401	48 971	48 971	48 619	56 297	69 674
Total	107 787	108 545	139 701	167 381	170 129	170 129	250 177	386 640	420 341

Table 15.21: Summary of payments and estimates by economic classification - Programme 3: Library and Archive Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	78 702	73 823	82 710	85 917	84 623	84 623	87 932	101 144	110 583
Compensation of employees	29 189	33 317	35 542	45 844	42 955	42 955	49 160	52 355	55 759
Goods and services	49 513	40 506	47 168	40 073	41 668	41 668	38 772	48 789	54 824
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	21 650	15 820	21 767	47 851	48 323	48 323	139 696	261 180	274 651
Provinces and municipalities	21 537	15 727	21 397	47 752	48 154	48 154	139 587	261 065	274 530
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	68	99	99	99	109	115	121
Households	113	93	302	-	70	70	-	-	-
Payments for capital assets	7 435	18 902	35 224	33 613	37 183	37 183	22 549	24 316	35 107
Buildings and other fixed structures	2 752	15 469	26 221	28 273	31 843	31 843	16 357	18 616	27 107
Machinery and equipment	4 683	1 889	8 825	5 340	5 340	5 340	6 192	5 700	8 000
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	1 544	178	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	107 787	108 545	139 701	167 381	170 129	170 129	250 177	386 640	420 341

The significant increase in 2010/11 was mainly due to the funding for the provincialisation of public libraries and the appointment of personnel to manage the project, as well as the various carry-through costs of the wage agreements. In 2010/11, unspent funds from 2009/10 were rolled over and additional funding for the 2010 wage agreement was allocated to the programme. This explains the increase in *Compensation of employees*, as well as in *Buildings and other fixed structures* and *Machinery and equipment*. The substantial increase in the 2011/12 Main Appropriation and over the 2012/13 MTEF relates to further funding received for the provincialisation of public libraries. This explains the significant increase in *Transfers and subsidies to: Provinces and municipalities* and the Library Services sub-programme, particularly over the 2012/13 MTEF. In the 2011/12 Adjusted Appropriation, unspent funds from 2010/11 were rolled over for the Mbazwana library, funded from the conditional grant. This explains the increase in *Buildings and other fixed structures* in the 2011/12 Adjusted Appropriation.

The spending against the Management sub-programme is low in 2009/10 and 2010/11 due to cost-cutting, thereafter increasing steadily over the remainder of the period.

As mentioned previously, the sub-programme: Library Services reflects a substantial increase from 2010/11 due to the funding received for the provincialisation of public libraries with a significant increase over the 2012/13 MTEF, particularly in 2013/14 and 2014/15, due to the incorporation of the eThekweni Metro and Msunduzi Municipality into the provincialisation process.

The high spending against the Archives sub-programme in 2008/09 relates to the payment of leases. From 2009/10 onwards, leases were centralised under Programme 1: Administration, explaining the reduction in 2009/10. The historic figures could not be adjusted due to a lack of information. The reduction in the first year of the 2012/13 MTEF was to fund the main events under Programme 2 and further projects relating to the My School Cultural Adventure programme under Programme 1, before increasing slightly in the two outer years of the MTEF.

The Community Library Services grant sub-programme increased substantially in 2009/10 and 2010/11. In 2009/10, unspent grant funding from 2008/09 was rolled over in respect of a mobile library bus and the Mbazwana library. In 2010/11, funds were again rolled over for these items. In addition, funding was allocated for a library building project in the Qhudeneni area. In the 2011/12 Adjusted Appropriation, the

allocation was increased as a result of the roll-over from 2010/11 for the completion of the Mbazwana library. The allocations for further transfers to municipalities for the acquisition of ICT and library material increase steadily over the 2012/13 MTEF.

Compensation of employees increases over the seven-year period due to the costs of various wage agreements, as well as the carry-through costs of filled posts. In the 2011/12 Adjusted Appropriation, savings were realised due to the non-filling of posts because of delays in the completion of the Mbazwana library. These savings were reprioritised for the provincialisation of libraries. The allocation over the 2012/13 MTEF includes a provision for the filling of posts, salary adjustments, pay progression and the payment of performance bonuses.

The high spending against *Goods and services* in 2008/09 was due to the purchase of tertiary books for libraries funded by the Community Library Services grant. The reduction in 2009/10 relates to increased transfers to libraries for operational costs (including library material) from the Community Library Services grant, rather than direct spending by the department. The high 2010/11 spending resulted from the acquisition of library material for the Mbazwana library, to ensure that the library is fully stocked when it is opened to the public. This explains the lower 2011/12 Main Appropriation. In the 2011/12 Adjusted Appropriation, savings identified in *Transfers and subsidies to: Provinces and municipalities* in respect of the transfer to the eThekweni Metro for the new mega-library, were reprioritised to provide for the purchase of library material, ICT projects and increased internet costs. The lower 2012/13 amount results from the movement of funds to Programme 2 to provide for the increased budget allocated for the department's main events. The allocation increases again in the two outer years of the MTEF.

Transfers and subsidies to: Provinces and municipalities caters for library building programmes, and the operational costs thereof. In addition, funding is provided for the purchase of library material and for the salary costs of cyber cadets. In 2009/10, the department decided that it would undertake all infrastructure projects itself. However, the reduction in the transfers for this purpose in 2010/11 was offset by increased transfers for the provincialisation of libraries in the Sisonke, Zululand and Umzinyathi Districts. The significant increase in the 2011/12 Main Appropriation is due to the transfer to the eThekweni Metro, in respect of portion of the costs of building a mega-library, for the purchase of library materials, as well as funding for the provincialisation of libraries. The increase in the 2011/12 Adjusted Appropriation resulted from the net effect of a reduction in the contribution for the mega-library, as well as increased funding for provincialisation transfers to the Msunduzi and Umzimkulu Municipalities. The significantly higher allocations over the 2012/13 MTEF are due to further funding received for the provincialisation of public libraries, as well as the department's contribution toward the completion of the mega-library.

The category *Transfers and subsidies to: Non-profit institutions* from 2010/11 onwards relates to a newly created transfer payment for a Family Literacy project which is run by a NGO who train mothers in rural areas to read so that they can in turn promote literacy to their children.

The allocation to *Transfers and subsidies to: Households* relates to staff exit costs.

With regard to *Buildings and other fixed structures*, 2008/09 and 2009/10 reflect mainly the costs of the Mbazwana library. Due to the previously mentioned change in the policy regarding infrastructure projects, the allocation increases significantly from 2010/11. The spending in 2010/11 also includes the cost of construction of the Qhudeneni library, further costs of the Mbazwana library, the upgrading of the Dannhauser library and the construction of the KwaNdalane library. The 2011/12 Main Appropriation included funding for the completion of the KwaNdalane, Ntambanana, Mbazwana and Qhudeneni libraries, as well as the planning of the Maphumulo library. In the 2011/12 Adjusted Appropriation, R3.570 million in respect of the Mbazwana library was rolled over from 2010/11. The decreased allocations over the 2012/13 MTEF are due to the completion of the Mbazwana library, and include funding for the commencement of libraries in Maphumulo and Ndumo.

Machinery and equipment is high in 2008/09 due to the purchase of library equipment on behalf of municipalities in order to cut down on delivery times. The lower 2009/10 figure reflects the reprioritisation of funding to *Buildings and other fixed structures* for the Mbazwana library. The higher expenditure in 2010/11 reflects the procurement of four mobile trucks to service areas where there are no

libraries, as well as head count systems in 20 libraries. In 2011/12, funding was provided for the furnishing of the Mbazwana library, as well as computer equipment for affiliated libraries. The allocation over the 2012/13 MTEF reflects funding for further head-count systems, furniture and equipment for new libraries, as well as computer equipment.

Software and other intangible assets in 2009/10 and 2010/11 relates to the upgrading of the library management system.

Service delivery measures – Programme 3: Library and Archive Services

Table 15.22 below illustrates the service delivery measures relevant to Programme 3: Library and Archive Services. The service delivery measures are aligned to those of the sector. The significant non-standardised measures have also been included, as reflected below. The measure *No. of items digitised* is a new measure introduced with effect from 2012/13.

Table 15.22: Service delivery measures: Programme 3: Library and Archives Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
1	Library Services standardised performance measures				
1.1.	Provide library materials, books and other formats to public libraries	138 000	100 000	95 000	90 000
1.2	Monitor and support public libraries	100	100	100	120
2	Library Services non standardised performance measures				
2.1	Provide infrastructure required for public libraries				
	• No. of new libraries built	2	2	2	2
	• No. of library buildings upgraded	1	2	2	2
	• No. of community libraries provided with information and communication technology (ICT) infrastructure	54	10	10	10
2.2	To promote the awareness of libraries to enhance usage				
	• No. of specialised services established	4	4	4	4
	• No. of promotional projects conducted	4	4	4	4
2.3	Develop a strategy for transfer of community libraries to the provincial sphere of government				
	• No. of community libraries provided with provincial funding	96	220	220	222
2.4	Provide library materials, books and other formats to public libraries				
	• No. of comprehensive collection assessment reports carried out at libraries	20	20	20	20
2.5	To promote user awareness of libraries and culture of reading				
	• No. of libraries with system for counting library users	17	2	2	2
	• No. of automated libraries with on-line public access system (OPAC)	43	35	40	20
3	Archive Services standardised performance measures				
3.1	To ensure sound records management services within governmental bodies				
	• No. of records classification systems approved	12	12	12	12
	• No. of governmental bodies inspected	90	90	90	90
	• No. of records managers trained	10	10	11	11
	• No. of awareness programmes rolled out to communities	12	12	12	12
4	Archive Services non standardised performance measures				
4.1	To ensure sound records management services within governmental bodies				
	• No. of disposal authorities issued	6	10	8	8
	• No. of enquiries received	1 559	1 559	1 655	1 655
	• No. of enquiries processed	1 559	1 559	1 655	1 655
	• No. of records management staff trained	300	300	400	400
4.2	To effectively manage archives at repositories				
	• No. of data coded entries submitted on National Automated Archive Information Retrieval System (NAAIRS) database	4 000	4 000	4 400	4 400
	• No. of researchers visiting repositories	2 200	2 200	2 400	2 400
	• No. of archival groups arranged for retrieval	3	3	4	4
	• No. of ICT facilities provided for public use	3	3	3	3
	• No. of linear meters of transfers received from govt. bodies	200	100	200	200
4.3	To promote awareness and use of archives				
	• No. of oral history programmes conducted	3	3	3	3
	• No. of events participated in provincially, nationally and internationally	3	3	3	3
	• No. of information sessions presented to govt. bodies	6	7	8	8
	• No. of items digitised	New	300 000	500 000	700 000

7. Other programme information

7.1 Personnel numbers and costs

Table 15.23 below provides details of the personnel numbers per programme.

Table 15.23: Personnel numbers and costs per programme

	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
Personnel numbers							
1. Administration	114	124	117	140	143	143	143
2. Cultural Affairs	119	100	122	134	148	148	148
3. Library and Archive Services	203	208	184	233	232	232	232
Total	436	432	423	507	523	523	523
Total personnel cost (R thousand)	84 629	98 317	107 481	127 954	145 354	154 802	164 864
Unit cost (R thousand)	194	228	254	252	278	296	315

The increase in personnel numbers from 2011 to 2012 under Programme 1: Administration pertains to the filling of critical posts within Financial Management and Human Resource Management and Development.

The reduction in personnel numbers in respect of Programme 2: Cultural Affairs from 2009 to 2010 was due to personnel leaving and their posts not being filled due to the moratorium on the filling of non-critical posts. The increase in this programme from 31 March 2010 to 31 March 2011 relates to the function shift of Museum Services from Vote 1: Office of the Premier. The increase in personnel numbers from 2013 onwards relates to the appointment of staff within Museum Services to administer and oversee the provincialisation of museums.

With regard to Programme 3: Library and Archive Services, the increase in personnel numbers from 31 March 2012 onwards is due to the filling of posts, as well as the appointment of staff to implement the provincialisation of public libraries, for which additional funding was allocated over the MTEF.

The number of posts for all programmes remains the same over the 2012/13 MTEF.

Table 15.24 below provides details of the personnel numbers and costs of the department over the seven-year period. Most of the posts within the Human Resources and Finance components have now been filled to ensure effective service delivery.

Table 15.24: Details of personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Total for department									
Personnel numbers (head count)	436	432	423	507	507	507	523	523	523
Personnel cost (R thousand)	84 629	98 317	107 481	132 172	127 954	127 954	145 354	154 802	164 864
Human resources component									
Personnel numbers (head count)	31	30	30	36	36	36	40	40	40
Personnel cost (R thousand)	6 884	7 106	7 558	9 696	9 658	9 658	11 481	12 226	13 022
Head count as % of total for department	7	7	7	7	7	7	8	8	8
Personnel cost as % of total for department	8	7	7	7	8	8	8	8	8
Finance component									
Personnel numbers (head count)	38	38	36	45	45	45	45	45	45
Personnel cost (R thousand)	8 164	8 674	9 962	13 141	12 195	12 195	14 000	14 911	15 879
Head count as % of total for department	9	9	9	9	9	9	9	9	9
Personnel cost as % of total for department	10	9	9	10	10	10	10	10	10
Full time workers									
Personnel numbers (head count)	436	432	423	507	507	507	523	523	523
Personnel cost (R thousand)	84 629	98 317	107 481	132 172	127 954	127 954	145 354	154 802	164 864
Head count as % of total for department	100	100	100	100	100	100	100	100	100
Personnel cost as % of total for department	100	100	100	100	100	100	100	100	100
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousand)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-

7.2 Training

Table 15.25 provides details of expenditure on training by the department over the seven-year period. The lower allocation in 2011/12 reflects that the department has been optimising on the training opportunities that are offered by the Provincial Public Service Training Academy which are free of charge. However, a decision has been taken to centralise the funding for training and development of staff under Programme 1: Administration. The funding over the 2012/13 MTEF makes provision for skills development in terms of the Workplace Skills Plan. The department is complying with the requirements of the Skills Development Act, which requires that it budgets at least 1 per cent of its salary expenses on training.

Table 15.25: Payments and estimates on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
1. Administration	640	551	1 265	850	864	864	1 322	1 461	1 563
2. Cultural Affairs									
3. Library and Archive Services									
Total	640	551	1 265	850	864	864	1 322	1 461	1 563

Table 15.26 provides further information on training analysed into gender and type of training for the seven-year period.

Table 15.26: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Number of staff	436	432	423	507	507	507	523	523	523
Number of personnel trained	246	270	278	291	291	291	292	294	305
of which									
Male	66	104	97	110	110	110	110	111	115
Female	180	166	181	181	181	181	182	183	190
Number of training opportunities	278	270	278	291	291	291	292	294	296
of which									
Tertiary	24	45	24	40	40	40	40	40	40
Workshops	45	50	45	50	50	50	50	50	50
Seminars	15	17	15	20	20	20	20	20	20
Other	194	158	194	181	181	181	182	184	186
Number of bursaries offered	24	23	45	45	45	55	45	45	56
External						10			10
Internal	24	23	45	45	45	45	45	45	46
Number of interns appointed	22	25	50	50	50	50	50	50	51
Number of learnerships appointed	34	-	40	40	40	40	40	40	41
Number of days spent on training	120	-	200	200	200	200	200	200	202

The department conducted a skills audit in 2010/11 and training provided has been in line with the outcome of this skills audit. All senior managers in the department have undergone competency tests and the department has addressed skills gaps. During the 2012/13 MTEF, the department will continue to place emphasis on the appointment of both interns and learnerships. In addition, bursaries are being awarded in order to address skill shortages in the arts and culture sector.

The category *Other* refers to non-accredited training. The department utilises the Provincial Public Service Training Academy that offers free training opportunities for ‘soft skills’, which include customer care, diversity coaching and mentoring.

ANNEXURE – VOTE 15: ARTS AND CULTURE

Table 15.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	286	189	195	184	184	216	194	205	225
Sale of goods and services produced by dept. (excl. capital assets)	286	189	195	184	184	216	194	205	225
Sales by market establishments									
Administrative fees									
Other sales	286	189	195	184	184	216	194	205	225
Of which									
Other	286	189	195	184	184	216	194	205	225
Sale of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits	161	169	101	156	156	110	100	100	100
Interest, dividends and rent on land	1	2	-	-	-	-	-	-	-
Interest	1	2	-	-	-	-	-	-	-
Dividends									
Rent on land									
Sale of capital assets	-	-	184	-	-	-	-	-	-
Land and subsoil assets									
Other capital assets	-	-	184	-	-	-	-	-	-
Transactions in financial assets and liabilities	74	110	129	20	20	211	100	100	100
Total	522	470	609	360	360	537	394	405	425

Table 15.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	193 574	193 248	221 011	230 509	231 095	231 095	250 814	272 497	292 414
Compensation of employees	84 629	98 317	107 481	132 172	127 954	127 954	145 354	154 802	164 864
Salaries and wages	73 638	84 242	91 975	114 992	111 320	111 320	126 458	134 678	143 431
Social contributions	10 991	14 075	15 506	17 180	16 634	16 634	18 896	20 124	21 433
Goods and services	108 945	94 931	113 530	98 337	103 141	103 141	105 460	117 695	127 550
of which									
Administrative fees	791	327	215	374	374	374	295	349	368
Advertising	5 112	2 755	4 511	3 500	3 644	3 644	4 317	4 625	4 786
Assets <R5000	1 550	1 107	984	1 671	20 249	20 249	17 369	23 645	27 947
Audit cost: External	709	907	1 490	1 150	1 227	1 227	2 168	2 240	2 327
Bursaries (employees)	159	202	84	236	236	236	248	250	257
Catering: Departmental activities	5 706	5 068	7 574	5 648	851	851	302	344	360
Communication	5 839	4 421	4 314	4 219	4 402	4 402	4 438	4 751	5 302
Computer services	9 389	9 810	6 923	10 287	10 210	10 210	11 451	12 384	13 445
Cons/prof: Business & advisory services	143	61	36	75	75	75	90	90	93
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	65	15	67	126	276	276	136	136	143
Contractors	7 345	9 131	13 029	6 082	6 943	6 943	11 535	11 803	12 372
Agency & support/outsourced services	1 842	372	1 353	592	7 845	7 845	8 414	8 719	9 490
Entertainment	32	41	57	71	71	71	59	60	61
Fleet services (incl. GMT)	1 995	1 992	1 979	2 377	2 457	2 457	2 322	2 495	2 807
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	9	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	21	35	5	10	10	10	10	10	11
Inventory: Learner and teacher supp material	27 842	22 945	31 838	18 787	301	301	68	68	71
Inventory: Materials and supplies	109	115	221	620	453	453	252	252	261
Inventory: Medical supplies	5	4	-	-	-	-	-	-	-
Inventory: Medicine	-	-	10	9	9	9	6	6	6
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	145	214	933	330	283	283	357	405	425
Inventory: Stationery and printing	2 853	2 623	4 076	3 436	3 166	3 166	3 583	3 980	4 149
Lease payments	10 252	8 785	8 297	11 634	11 634	11 634	12 231	12 366	12 697
Rental and hiring	-	-	-	-	2 660	2 660	1 209	1 246	1 318
Property payments	2 843	3 324	3 990	4 403	2 855	2 855	3 630	4 083	4 283
Transport provided: Departmental activity	3 276	4 541	3 602	4 525	3 344	3 344	4 673	4 932	5 176
Travel and subsistence	15 791	11 531	12 395	12 569	14 339	14 339	11 962	13 457	14 137
Training and development	640	551	1 265	850	864	864	1 322	1 461	1 563
Operating expenditure	579	509	269	510	2 863	2 863	585	642	667
Venues and facilities	3 903	3 545	4 013	4 246	1 500	1 500	2 428	2 896	3 028
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	46 293	41 259	48 951	86 737	84 608	84 608	176 422	300 056	315 439
Provinces and municipalities	22 685	16 870	22 637	57 889	55 322	55 322	146 752	268 718	282 601
Provinces	58	65	70	82	100	100	100	100	100
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	58	65	70	82	100	100	100	100	100
Municipalities	22 627	16 805	22 567	57 807	55 222	55 222	146 652	268 618	282 501
Municipalities	22 627	16 805	22 567	57 807	55 222	55 222	146 652	268 618	282 501
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	5 350	5 751	6 096	6 401	6 401	6 401	6 721	7 057	7 445
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	5 350	5 751	6 096	6 401	6 401	6 401	6 721	7 057	7 445
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	17 857	18 420	19 349	22 447	22 725	22 725	22 949	24 281	25 393
Households	401	218	869	-	160	160	-	-	-
Social benefits	401	198	685	-	160	160	-	-	-
Other transfers to households	-	20	184	-	-	-	-	-	-
Payments for capital assets	13 419	24 634	79 386	47 610	54 105	54 105	43 156	39 881	51 310
Buildings and other fixed structures	7 312	20 288	68 487	41 773	45 343	45 343	36 425	33 616	42 655
Buildings	7 312	20 288	68 487	41 773	45 343	45 343	36 425	33 616	42 655
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 107	2 802	10 364	5 837	8 762	8 762	6 731	6 265	8 655
Transport equipment	2 562	1 268	5 536	-	1 475	1 475	-	-	-
Other machinery and equipment	3 545	1 534	4 828	5 837	7 287	7 287	6 731	6 265	8 655
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	1 544	535	-	-	-	-	-	-
Payments for financial assets	3	16	21	-	10	10	-	-	-
Total	253 289	259 157	349 369	364 856	369 818	369 818	470 392	612 434	659 163

Table 15.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	58 998	67 275	75 867	78 454	80 450	80 450	87 531	92 190	97 517
Compensation of employees	29 199	34 689	38 627	46 745	45 307	45 307	50 769	54 069	57 583
Salaries and wages	25 414	30 320	33 719	40 669	39 417	39 417	44 169	47 040	50 097
Social contributions	3 785	4 369	4 908	6 076	5 890	5 890	6 600	7 029	7 486
Goods and services	29 799	32 586	37 240	31 709	35 143	35 143	36 762	38 121	39 934
of which									
Administrative fees	59	74	132	94	94	94	139	141	144
Advertising	2 935	1 483	2 248	1 703	1 577	1 577	2 219	2 306	2 353
Assets <R5000	120	177	31	374	152	152	394	397	522
Audit cost: External	709	907	1 490	1 150	1 227	1 227	2 168	2 240	2 327
Bursaries (employees)	153	132	84	236	236	236	248	250	257
Catering: Departmental activities	930	1 229	1 254	971	124	124	56	56	58
Communication	3 079	2 203	1 999	1 561	1 744	1 744	1 843	1 855	2 273
Computer services	1 250	1 859	1 540	1 691	1 614	1 614	2 180	2 193	2 240
Cons/prof: Business & advisory services	-	11	-	55	55	55	58	58	60
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	65	15	67	126	276	276	136	136	143
Contractors	1 631	5 390	7 224	1 568	2 680	2 680	3 295	3 365	3 454
Agency & support/outsourced services	643	139	816	79	2 415	2 415	1 249	1 257	1 385
Entertainment	26	30	50	48	48	48	51	51	52
Fleet services (incl. GMT)	1 131	877	562	997	897	897	649	657	685
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	-	-	8	-	11	11	-	-	-
Inventory: Materials and supplies	5	61	83	344	130	130	-	-	-
Inventory: Medical supplies	5	4	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	2	2	2	-	-	-
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	4	3	1	18	18	18	22	22	23
Inventory: Stationery and printing	1 167	835	1 945	1 175	1 175	1 175	1 237	1 246	1 278
Lease payments	5 087	7 734	7 908	11 258	11 258	11 258	11 847	11 938	12 249
Rental and hiring	-	-	-	-	171	171	200	240	260
Property payments	1 889	2 194	1 903	2 299	1 810	1 810	2 005	2 116	2 192
Transport provided: Departmental activity	487	768	272	-	140	140	-	-	-
Travel and subsistence	6 482	4 760	6 152	4 622	6 032	6 032	5 016	5 525	5 786
Training and development	458	440	1 021	356	356	356	1 187	1 298	1 392
Operating expenditure	417	320	146	245	505	505	266	268	275
Venues and facilities	1 067	941	304	737	396	396	297	506	526
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	258	727	781	835	1 100	1 100	720	720	720
Provinces and municipalities	58	65	70	-	100	100	100	100	100
Provinces	58	65	70	-	100	100	100	100	100
Provincial Revenue Funds									
Provincial agencies and funds	58	65	70	-	100	100	100	100	100
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions	200	642	578	835	1 000	1 000	620	620	620
Households	-	20	133	-	-	-	-	-	-
Social benefits									
Other transfers to households	-	20	133	-	-	-	-	-	-
Payments for capital assets	852	396	671	317	1 117	1 117	339	365	455
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	852	396	594	317	1 117	1 117	339	365	455
Transport equipment	415	396	222	-	-	-	-	-	-
Other machinery and equipment	437	-	372	317	1 117	1 117	339	365	455
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	-	77	-	-	-	-	-	-
Payments for financial assets	3	15	21	-	10	10	-	-	-
Total	60 111	68 413	77 340	79 606	82 677	82 677	88 590	93 275	98 692

Table 15.D: Details of payments and estimates by economic classification - Programme 2: Cultural Affairs

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	55 874	52 150	62 434	66 220	66 022	66 022	75 351	79 163	84 314
Compensation of employees	26 241	30 311	33 312	39 583	39 692	39 692	45 425	48 378	51 522
Salaries and wages	22 830	26 200	28 754	34 438	34 532	34 532	39 520	42 089	44 824
Social contributions	3 411	4 111	4 558	5 145	5 160	5 160	5 905	6 289	6 698
Goods and services	29 633	21 839	29 122	26 637	26 330	26 330	29 926	30 785	32 792
of which									
Administrative fees	535	24	14	45	45	45	12	12	13
Advertising	1 612	522	1 412	818	818	818	1 036	1 033	1 079
Assets <R5000	408	116	375	570	873	873	328	328	340
Audit cost: External									
Bursaries (employees)	6	70	-	-	-	-	-	-	-
Catering: Departmental activities	4 280	3 575	6 135	4 098	148	148	45	45	46
Communication	1 552	1 185	1 125	1 324	1 324	1 324	1 158	1 157	1 198
Computer services	119	202	74	113	113	113	65	65	67
Cons/prof: Business & advisory services	143	50	36	20	20	20	32	32	33
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	4 885	3 267	5 624	3 826	3 575	3 575	7 493	7 534	7 967
Agency & support/outsourced services	612	242	440	8	4 903	4 903	6 617	6 799	7 407
Entertainment	5	10	6	20	20	20	5	5	5
Fleet services (incl. GMT)	440	683	980	727	847	847	875	873	1 106
Housing									
Inventory: Food and food supplies	9	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	21	35	5	10	10	10	10	10	11
Inventory: Learner and teacher supp material	-	117	78	290	290	290	68	68	71
Inventory: Materials and supplies	98	52	123	276	276	276	252	252	261
Inventory: Medical supplies									
Inventory: Medicine	-	-	10	7	7	7	6	6	6
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	45	69	814	98	98	98	103	102	106
Inventory: Stationery and printing	700	343	568	557	557	557	497	496	514
Lease payments	3 251	600	201	184	184	184	176	176	182
Rental and hiring	-	-	-	-	2 203	2 203	1 009	1 006	1 058
Property payments	342	447	565	1 274	387	387	494	493	512
Transport provided: Departmental activity	2 555	3 712	3 285	4 525	3 032	3 032	4 524	4 773	5 014
Travel and subsistence	6 196	4 546	4 442	5 386	5 746	5 746	4 167	4 568	4 809
Training and development	29	51	120	66	80	80	-	-	-
Operating expenditure	84	150	70	27	525	525	61	61	63
Venues and facilities	1 706	1 771	2 620	2 368	249	249	893	891	924
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	24 385	24 712	26 403	37 969	35 185	35 185	36 006	38 156	40 068
Provinces and municipalities	1 090	1 078	1 170	10 055	7 068	7 068	7 065	7 553	7 971
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	1 090	1 078	1 170	10 055	7 068	7 068	7 065	7 553	7 971
Municipalities	1 090	1 078	1 170	10 055	7 068	7 068	7 065	7 553	7 971
Municipal agencies and funds									
Departmental agencies and accounts	5 350	5 751	6 096	6 401	6 401	6 401	6 721	7 057	7 445
Social security funds									
Entities receiving funds	5 350	5 751	6 096	6 401	6 401	6 401	6 721	7 057	7 445
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions	17 657	17 778	18 703	21 513	21 626	21 626	22 220	23 546	24 652
Households	288	105	434	-	90	90	-	-	-
Social benefits	288	105	383	-	90	90	-	-	-
Other transfers to households	-	-	51	-	-	-	-	-	-
Payments for capital assets	5 132	5 336	43 491	13 680	15 805	15 805	20 268	15 200	15 748
Buildings and other fixed structures	4 560	4 819	42 266	13 500	13 500	13 500	20 068	15 000	15 548
Buildings	4 560	4 819	42 266	13 500	13 500	13 500	20 068	15 000	15 548
Other fixed structures									
Machinery and equipment	572	517	945	180	2 305	2 305	200	200	200
Transport equipment	86	297	196	-	1 475	1 475	-	-	-
Other machinery and equipment	486	220	749	180	830	830	200	200	200
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	-	280	-	-	-	-	-	-
Payments for financial assets	-	1	-	-	-	-	-	-	-
Total	85 391	82 199	132 328	117 869	117 012	117 012	131 625	132 519	140 130

Table 15.E: Details of payments and estimates by economic classification - Programme 3: Library and Archive Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	78 702	73 823	82 710	85 917	84 623	84 623	87 932	101 144	110 583
Compensation of employees	29 189	33 317	35 542	45 844	42 955	42 955	49 160	52 355	55 759
Salaries and wages	25 394	27 722	29 502	39 885	37 371	37 371	42 769	45 549	48 510
Social contributions	3 795	5 595	6 040	5 959	5 584	5 584	6 391	6 806	7 249
Goods and services	49 513	40 506	47 168	40 073	41 668	41 668	38 772	48 789	54 824
of which									
Administrative fees	197	229	69	235	235	235	144	196	211
Advertising	565	750	851	979	1 249	1 249	1 062	1 286	1 354
Assets <R5000	1 022	814	578	727	19 224	19 224	16 647	22 920	27 085
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	496	264	185	579	579	579	201	243	256
Communication	1 208	1 033	1 190	1 334	1 334	1 334	1 437	1 739	1 831
Computer services	8 020	7 749	5 309	8 483	8 483	8 483	9 206	10 126	11 138
Cons/prof: Business & advisory services									
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	829	474	181	688	688	688	747	904	951
Agency & support/outsourced services	587	(9)	97	505	527	527	548	663	698
Entertainment	1	1	1	3	3	3	3	4	4
Fleet services (incl. GMT)	424	432	437	735	713	713	798	965	1 016
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	27 842	22 828	31 752	18 497	-	-	-	-	-
Inventory: Materials and supplies	6	2	15	-	47	47	-	-	-
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	96	142	118	214	167	167	232	281	296
Inventory: Stationery and printing	986	1 445	1 563	1 704	1 434	1 434	1 849	2 238	2 357
Lease payments	1 914	451	188	192	192	192	208	252	266
Rental and hiring	-	-	-	-	286	286	-	-	-
Property payments	612	683	1 522	830	658	658	1 131	1 474	1 579
Transport provided: Departmental activity	234	61	45	-	172	172	149	159	162
Travel and subsistence	3 113	2 225	1 801	2 561	2 561	2 561	2 779	3 364	3 542
Training and development	153	60	124	428	428	428	135	163	171
Operating expenditure	78	39	53	238	1 833	1 833	258	313	329
Venues and facilities	1 130	833	1 089	1 141	855	855	1 238	1 499	1 578
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	21 650	15 820	21 767	47 851	48 323	48 323	139 696	261 180	274 651
Provinces and municipalities	21 537	15 727	21 397	47 752	48 154	48 154	139 587	261 065	274 530
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	21 537	15 727	21 397	47 752	48 154	48 154	139 587	261 065	274 530
Municipalities	21 537	15 727	21 397	47 752	48 154	48 154	139 587	261 065	274 530
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions	-	-	68	99	99	99	109	115	121
Households	113	93	302	-	70	70	-	-	-
Social benefits	113	93	302	-	70	70	-	-	-
Other transfers to households									
Payments for capital assets	7 435	18 902	35 224	33 613	37 183	37 183	22 549	24 316	35 107
Buildings and other fixed structures	2 752	15 469	26 221	28 273	31 843	31 843	16 357	18 616	27 107
Buildings	2 752	15 469	26 221	28 273	31 843	31 843	16 357	18 616	27 107
Other fixed structures									
Machinery and equipment	4 683	1 889	8 825	5 340	5 340	5 340	6 192	5 700	8 000
Transport equipment	2 061	575	5 118	-	-	-	-	-	-
Other machinery and equipment	2 622	1 314	3 707	5 340	5 340	5 340	6 192	5 700	8 000
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	1 544	178	-	-	-	-	-	-
Payments for financial assets									
Total	107 787	108 545	139 701	167 381	170 129	170 129	250 177	386 640	420 341

Table 15.F: Payments and estimates by economic classification: Conditional grant: Community Library Services grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
					2011/12				
Current payments	12 536	8 141	12 574	8 333	9 360	9 360	13 933	23 661	25 586
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	12 536	8 141	12 574	8 333	9 360	9 360	13 933	23 661	25 586
of which									
Administrative fees	-	3	-	-	-	-	-	-	-
Advertising	58	1	45	-	-	-	-	-	-
Assets <R5000	674	458	294	3 638	3 638	3 638	5 820	11 750	14 683
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	7	4	100	100	100	200	250	250
Communication	-	-	-	-	-	-	-	-	-
Computer services	3 621	1 376	4 348	2 150	3 177	3 177	6 094	8 001	7 400
Cons/prof: Business & advisory services	-	-	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency & support/outsourced services	-	-	-	420	420	420	220	350	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	550	550	550	420	1 020	1 235
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	7 923	5 955	7 609	1 000	1 000	1 000	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	-	43	8	-	-	-	60	320	-
Lease payments	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	-	66	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	30	-	-	-	-	-	-
Travel and subsistence	253	238	74	300	300	300	350	470	518
Training and development	-	-	65	175	175	175	300	700	700
Operating expenditure	-	-	-	-	-	-	-	-	-
Venues and facilities	7	60	31	-	-	-	469	800	800
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	6 251	6 391	9 908	18 458	17 431	17 431	23 141	20 339	20 588
Provinces and municipalities	6 251	6 391	9 840	18 359	17 332	17 332	23 032	20 224	20 473
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	6 251	6 391	9 840	18 359	17 332	17 332	23 032	20 224	20 473
Municipalities	6 251	6 391	9 840	18 359	17 332	17 332	23 032	20 224	20 473
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	68	99	99	99	109	115	115
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	5 966	16 065	18 779	18 610	22 180	22 180	11 545	12 297	23 500
Buildings and other fixed structures	2 419	13 751	12 431	15 800	19 370	19 370	8 045	9 297	17 000
Buildings	2 419	13 751	12 431	15 800	19 370	19 370	8 045	9 297	17 000
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 547	798	6 348	2 810	2 810	2 810	3 500	3 000	6 500
Transport equipment	1 436	-	4 647	180	180	180	-	-	-
Other machinery and equipment	2 111	798	1 701	2 630	2 630	2 630	3 500	3 000	6 500
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	1 516	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	24 753	30 597	41 261	45 401	48 971	48 971	48 619	56 297	69 674

Table 15.G: Details of payments of infrastructure by category

No.	Project name	Municipality/ Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available 2012/13	MTEF forward estimates		
			Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish							2013/14	2014/15	
R thousand															
New and replacement assets									-	-	-	-	-	-	-
1.	Construction of libraries	Various	Library building	2	01 Apr 2012	31 Mar 2015	Com. Libr. Serv.	Programme 3	-	25 342	-	8 045	9 297	17 000	
2.	Construction of libraries	Various	Library building	2	01 Apr 2012	31 Mar 2015	Equitable share	Programme 3	-	27 738	-	8 312	9 319	10 107	
3.	Construction of museums	Various	Museum	4	01 Apr 2012	31 Mar 2015	Equitable share	Programme 2	-	18 773	-	8 500	5 000	5 273	
4.	Construction of art centres	Various	Art centre	3	01 Apr 2012	31 Mar 2015	Equitable share	Programme 2	-	30 000	-	6 568	10 000	10 000	
Total New and replacement assets									-	101 853	-	31 425	33 616	42 380	
Upgrades and additions									-	-	-	-	-	-	
1.	Upgrade of art centres	Various	Art centre	3	01 Apr 2012	31 Mar 2015	Equitable share	Programme 2	-	5 275	-	5 000	-	275	
Total Upgrades and additions									-	5 275	-	5 000	-	275	
Rehabilitation, renovations and refurbishments									-	-	-	-	-	-	
Maintenance and repairs									-	-	-	-	-	-	
Infrastructure transfers - current									-	-	-	-	-	-	
Infrastructure transfers - capital									-	-	-	-	-	-	
1.	Construction of mega-ibrary	eThekwini	Library building	1	01 Apr 2011	31 Mar 2014	Com. Libr. Serv.	Programme 3	-	-	-	13 600	10 000	-	
Total Infrastructure transfers - capital									-	-	-	13 600	10 000	-	
Total Infrastructure									-	107 128	-	50 025	43 616	42 655	

Table 15.H: Summary of transfers to local government (Library Building Projects, Comm. Libraries, Museums and Provincialisation)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni	4 626	2 634	4 642	18 250	14 609	14 609	93 363	170 829	179 552
Total: Ugu Municipalities	6 956	6 660	607	6 379	6 475	6 475	6 790	14 231	15 007
B KZN211 Vulamehlo	-	-	-	-	-	-	-	599	632
B KZN212 Umdoni	4 591	4 355	90	2 042	2 138	2 138	2 247	4 419	4 660
B KZN213 Umzumbe	-	-	-	-	-	-	-	599	632
B KZN214 uMuziwabantu	61	90	96	334	334	334	351	625	658
B KZN215 Ezinqoleni	2 034	1 902	90	329	329	329	346	620	653
B KZN216 Hibiscus Coast	270	313	331	3 674	3 674	3 674	3 846	7 369	7 772
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	497	1 349	1 791	2 622	3 880	3 880	14 655	28 516	29 925
B KZN221 uMshwathi	-	-	-	-	195	195	454	953	1 005
B KZN222 uMngeni	122	254	253	386	905	905	1 752	3 323	3 505
B KZN223 Mpofana	25	41	42	181	320	320	470	848	895
B KZN224 Impendle	59	-	421	85	220	220	335	610	643
B KZN225 Msunduzi	206	964	979	1 789	1 794	1 794	10 963	21 553	22 581
B KZN226 Mkhambathini	85	90	96	101	231	231	283	482	507
B KZN227 Richmond	-	-	-	80	215	215	398	747	789
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	866	524	472	4 117	4 047	4 047	4 150	8 652	9 124
B KZN232 Emnambithi/Ladysmith	210	57	175	1 737	1 681	1 681	1 774	3 461	3 650
B KZN233 Indaka	-	-	-	233	318	318	335	1 060	1 118
B KZN234 Umtshezi	164	185	195	1 315	1 187	1 187	1 134	2 132	2 248
B KZN235 Okhahlamba	-	-	12	503	532	532	561	927	978
B KZN236 Imbabazane	492	282	90	329	329	329	346	1 072	1 130
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	2 140	1 317	2 748	3 345	3 278	3 278	3 454	6 099	6 429
B KZN241 Endumeni	63	159	1 363	1 700	1 666	1 666	1 757	3 145	3 316
B KZN242 Nqutu	-	180	646	687	687	687	721	1 270	1 338
B KZN244 Msinga	1 998	910	233	318	341	341	360	635	669
B KZN245 Umvoti	79	68	506	640	584	584	616	1 049	1 106
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	548	248	355	3 189	3 171	3 171	3 339	6 225	6 563
B KZN252 Newcastle	548	248	355	2 783	2 680	2 680	2 822	5 325	5 615
B KZN253 eMahlangueni	-	-	-	169	254	254	267	468	493
B KZN254 Dannhauser	-	-	-	237	237	237	250	432	455
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	392	68	2 886	3 257	3 150	3 150	3 367	6 287	6 627
B KZN261 eDumbe	86	-	434	459	459	459	482	906	955
B KZN262 uPhongolo	78	-	471	498	498	498	523	992	1 045
B KZN263 Abaqulusi	149	68	1 276	1 543	1 487	1 487	1 565	2 942	3 102
B KZN265 Nongoma	79	-	311	329	278	278	346	620	653
B KZN266 Ulundi	-	-	394	428	428	428	451	827	872
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	162	679	5 835	6 137	6 020	6 020	6 367	6 469	6 822
B KZN271 Umhlabyalingana	79	90	1 320	1 513	1 502	1 502	1 573	1 438	1 517
B KZN272 Jozini	-	-	1 021	996	991	991	1 036	1 087	1 146
B KZN273 The Big 5 False Bay	-	-	644	586	586	586	600	630	665
B KZN274 Hlabisa	-	210	765	813	712	712	836	877	924
B KZN275 Mtubatuba	83	379	2 085	2 229	2 229	2 229	2 322	2 437	2 570
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	5 119	2 887	1 092	6 133	6 106	6 106	6 519	12 091	12 746
B KZN281 Umfolozi	-	-	-	169	169	169	177	372	392
B KZN282 uMhlatuze	864	429	632	3 429	3 367	3 367	3 539	6 640	6 999
B KZN283 Ntambanana	-	-	-	233	318	318	330	604	638
B KZN284 uMlalazi	4 170	2 271	254	1 650	1 566	1 566	1 648	3 096	3 265
B KZN285 Mthonjaneni	85	90	96	334	334	334	370	645	679
B KZN286 Nkandla	-	97	110	318	352	352	455	734	773
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	673	248	367	2 408	2 357	2 357	2 477	5 317	5 606
B KZN291 Mandeni	79	-	90	563	563	563	591	1 134	1 195
B KZN292 KwaDukuza	231	158	169	1 497	1 446	1 446	1 521	2 944	3 105
B KZN293 Ndwedwe	363	90	108	348	348	348	365	640	674
B KZN294 Maphumulo	-	-	-	-	-	-	-	599	632
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	648	191	1 772	1 970	2 129	2 129	2 171	3 902	4 100
B KZN431 Ingwe	323	-	446	477	477	477	501	926	976
B KZN432 Kwa Sani	-	-	144	152	237	237	249	430	442
B KZN433 Greater Kokstad	79	-	693	735	740	740	778	1 428	1 505
B KZN434 Ubuhlebezwe	59	90	317	334	334	334	351	625	658
B KZN435 Umzimkulu	187	101	172	272	341	341	292	493	519
C DC43 Sisonke District Municipality	-	-	-	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
Total	22 627	16 805	22 567	57 807	55 222	55 222	146 652	268 618	282 501

Table 15. I: Transfers to local government - Museum subsidies

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni	126	134	142	6 250	4 200	4 200	4 547	4 865	5 133
Total: Ugu Municipalities	270	138	145	362	250	250	268	286	302
B KZN216 Hibiscus Coast	270	138	145	362	250	250	268	286	302
Total: uMgungundlovu Municipalities	151	176	198	1 074	943	943	589	629	664
B KZN222 uMngeni	63	68	73	200	125	125	134	143	151
B KZN223 Mpofana	25	41	42	181	125	125	134	143	151
B KZN225 Msunduzi	63	67	83	693	693	693	321	343	362
Total: Uthukela Municipalities	166	152	172	724	500	500	402	429	453
B KZN232 Ennambithi/Ladysmith	63	57	73	181	125	125	134	143	151
B KZN234 Umtshezi	103	95	99	362	250	250	134	143	151
B KZN235 Okhahlamba	-	-	-	181	125	125	134	143	151
Total: Umzinyathi Municipalities	63	137	147	520	425	425	455	486	513
B KZN241 Endumeni	63	69	74	339	300	300	321	343	362
B KZN245 Umvoti	-	68	73	181	125	125	134	143	151
Total: Amajuba Municipalities	62	68	73	362	250	250	268	286	302
B KZN252 Newcastle	62	68	73	362	250	250	268	286	302
Total: Zululand Municipalities	63	68	73	181	125	125	134	143	151
B KZN263 Abaqulusi	63	68	73	181	125	125	134	143	151
Total: uThungulu Municipalities	126	137	147	401	250	250	268	286	302
B KZN282 uMhlathuze	63	69	74	181	125	125	134	143	151
B KZN284 uMlalazi	63	68	73	220	125	125	134	143	151
Total: Ilembe Municipalities	63	68	73	181	125	125	134	143	151
B KZN292 KwaDukuza	63	68	73	181	125	125	134	143	151
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
Total	1 090	1 078	1 170	10 055	7 068	7 068	7 065	7 553	7 971

Table 15.J: Transfers to local government - Library building projects

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni									
Total: Ugu Municipalities	6 601	6 099	-	-	-	-	-	-	-
B KZN212 Umdoni	4 506	4 276	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	61	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	2 034	1 823	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	261	-	421	-	-	-	-	-	-
B KZN222 uMngeni	59	-	-	-	-	-	-	-	-
B KZN224 Impendle	59	-	421	-	-	-	-	-	-
B KZN225 Msunduzi	143	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	422	236	-	-	-	-	-	-	-
B KZN232 Ennambithi/Ladysmith	61	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	61	-	-	-	-	-	-	-	-
B KZN236 Imbabazane	300	236	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	1 998	831	-	-	-	-	-	-	-
B KZN244 Msinga	1 998	831	-	-	-	-	-	-	-
Total: Amajuba Municipalities	401	-	-	-	-	-	-	-	-
B KZN252 Newcastle	401	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	83	24	-	-	-	-	-	-	-
B KZN274 Hlabisa	-	24	-	-	-	-	-	-	-
B KZN275 Mtubatuba	83	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	4 663	2 124	-	-	-	-	-	-	-
B KZN282 uMhlathuze	556	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	4 107	2 124	-	-	-	-	-	-	-
Total: Ilembe Municipalities	367	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	83	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	284	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	490	22	-	-	-	-	-	-	-
B KZN431 Ingwe	244	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	59	-	-	-	-	-	-	-	-
B KZN435 Umzimkulu	187	22	-	-	-	-	-	-	-
Total	15 286	9 336	421	-	-	-	-	-	-

Table 15.K: Transfers to local government - Provincialisation of libraries

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
A KZN2000 eThekweni	-	-	-	-	-	-	73 316	153 964	162 419
Total: Ugu Municipalities	-	-	-	5 350	5 350	5 350	5 617	12 822	13 526
B KZN211 Vulamehlo	-	-	-	-	-	-	-	514	542
B KZN212 Umdoni	-	-	-	1 867	1 867	1 867	1 960	4 116	4 342
B KZN213 Umzumbe	-	-	-	-	-	-	-	514	542
B KZN214 uMuziwabantu	-	-	-	233	233	233	245	514	542
B KZN215 Ezinqoleni	-	-	-	233	233	233	245	514	542
B KZN216 Hibiscus Coast	-	-	-	3 017	3 017	3 017	3 167	6 650	7 016
Total: uMgungundlovu Municipalities	-	-	-	-	1 365	1 365	12 443	26 131	27 577
B KZN221 uMshwathi	-	-	-	-	195	195	454	953	1 005
B KZN222 uMngeni	-	-	-	-	585	585	1 411	2 963	3 126
B KZN223 Mpofana	-	-	-	-	195	195	336	705	744
B KZN224 Impendle	-	-	-	-	130	130	245	514	542
B KZN225 Msunduzi	-	-	-	-	-	-	9 507	19 968	21 076
B KZN226 Mkhambathini	-	-	-	-	130	130	177	371	391
B KZN227 Richmond	-	-	-	-	130	130	313	657	693
Total: Uthukela Municipalities	-	-	-	3 070	3 070	3 070	3 222	7 668	8 089
B KZN232 Emnambithi/Ladysmith	-	-	-	1 448	1 448	1 448	1 520	3 192	3 367
B KZN233 Indaka	-	-	-	233	233	233	245	964	1 017
B KZN234 Umtshezi	-	-	-	852	852	852	894	1 878	1 981
B KZN235 Okhahlamba	-	-	-	304	304	304	318	668	705
B KZN236 Imbabazane	-	-	-	233	233	233	245	966	1 019
Total: Umzinyathi Municipalities	-	-	2 119	2 238	2 238	2 238	2 350	4 932	5 202
B KZN241 Endumeni	-	-	1 113	1 175	1 175	1 175	1 234	2 590	2 732
B KZN242 Nqutu	-	-	442	467	467	467	490	1 028	1 084
B KZN244 Msinga	-	-	221	233	233	233	245	514	542
B KZN245 Umvoti	-	-	343	363	363	363	381	800	844
Total: Amajuba Municipalities	-	-	-	2 460	2 460	2 460	2 583	5 424	5 721
B KZN252 Newcastle	-	-	-	2 139	2 139	2 139	2 246	4 716	4 975
B KZN253 eMadlangeni	-	-	-	169	169	169	177	372	392
B KZN254 Dannhauser	-	-	-	152	152	152	160	336	354
Total: Zululand Municipalities	-	-	2 362	2 494	2 494	2 494	2 618	5 498	5 799
B KZN261 eDumbe	-	-	344	363	363	363	381	800	844
B KZN262 uPhongolo	-	-	381	402	402	402	422	886	934
B KZN263 Abaqulusi	-	-	1 113	1 176	1 176	1 176	1 234	2 592	2 734
B KZN265 Nongoma	-	-	221	233	233	233	245	514	542
B KZN266 Ulundi	-	-	303	320	320	320	336	706	745
Total: Umkhanyakude Municipalities	-	-	5 262	5 632	5 632	5 632	5 833	5 929	6 256
B KZN271 Umhlalabuyalingana	-	-	1 320	1 412	1 412	1 412	1 483	1 342	1 416
B KZN272 Jozini	-	-	836	895	895	895	930	976	1 030
B KZN273 The Big 5 False Bay	-	-	548	586	586	586	600	630	665
B KZN274 Hlabisa	-	-	665	712	712	712	730	766	808
B KZN275 Mtubatuba	-	-	1 893	2 027	2 027	2 027	2 110	2 215	2 337
Total: uThungulu Municipalities	-	-	-	4 757	4 757	4 757	4 994	10 486	11 061
B KZN281 Umfolozi	-	-	-	169	169	169	177	372	392
B KZN282 uMhlathuze	-	-	-	2 652	2 652	2 652	2 784	5 846	6 167
B KZN283 Ntambanana	-	-	-	233	233	233	245	514	542
B KZN284 uMlalazi	-	-	-	1 237	1 237	1 237	1 298	2 726	2 876
B KZN285 Mthonjaneni	-	-	-	233	233	233	245	514	542
B KZN286 Nkandla	-	-	-	233	233	233	245	514	542
Total: Ilembe Municipalities	-	-	-	1 921	1 921	1 921	2 016	4 746	5 006
B KZN291 Mandeni	-	-	-	467	467	467	490	1 028	1 084
B KZN292 KwaDukuza	-	-	-	1 220	1 220	1 220	1 281	2 690	2 838
B KZN293 Ndwedwe	-	-	-	234	234	234	245	514	542
B KZN294 Maphumulo	-	-	-	-	-	-	-	514	542
Total: Sisonke Municipalities	-	-	1 393	1 471	1 535	1 535	1 543	3 241	3 407
B KZN431 Ingwe	-	-	344	363	363	363	381	800	844
B KZN432 Kwa Sani	-	-	144	152	152	152	159	334	341
B KZN433 Greater Kokstad	-	-	524	554	554	554	581	1 221	1 288
B KZN434 Ubuhlebezwe	-	-	221	233	233	233	245	514	542
B KZN435 Umzimkulu	-	-	160	169	233	233	177	372	392
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
Total	-	-	11 136	29 393	30 822	30 822	116 555	240 841	254 063

Table 15.L: Transfers to local government - Community Library Services grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
A KZN2000 eThekweni	4 500	2 500	4 500	12 000	10 409	10 409	15 500	12 000	12 000
Total: Ugu Municipalities	85	423	462	667	875	875	905	1 123	1 179
B KZN211 Vulamehlo	-	-	-	-	-	-	-	85	90
B KZN212 Umdoni	85	79	90	175	271	271	287	303	318
B KZN213 Umzumbe	-	-	-	-	-	-	-	85	90
B KZN214 uMuziwabantu	-	90	96	101	101	101	106	111	116
B KZN215 Ezinqoleni	-	79	90	96	96	96	101	106	111
B KZN216 Hibiscus Coast	-	175	186	295	407	407	411	433	454
Total: uMgungundlovu Municipalities	85	1 173	1 172	1 548	1 572	1 572	1 623	1 756	1 684
B KZN222 uMngeni	-	186	180	186	195	195	207	217	228
B KZN224 Impendle	-	-	-	85	90	90	90	96	101
B KZN225 Msunduzi	-	897	896	1 096	1 101	1 101	1 135	1 242	1 143
B KZN226 Mkhambathini	85	90	96	101	101	101	106	111	116
B KZN227 Richmond	-	-	-	80	85	85	85	90	96
Total: Uthukela Municipalities	278	136	300	323	477	477	526	555	582
B KZN232 Emnambithi/Ladysmith	86	-	102	108	108	108	120	126	132
B KZN233 Indaka	-	-	-	-	85	85	90	96	101
B KZN234 Umtshezi	-	90	96	101	85	85	106	111	116
B KZN235 Okhahlamba	-	-	12	18	103	103	109	116	122
B KZN236 Imbabazane	192	46	90	96	96	96	101	106	111
Total: Umzinyathi Municipalities	79	349	482	587	615	615	649	681	714
B KZN241 Endumeni	-	90	176	186	191	191	202	212	222
B KZN242 Nqutu	-	180	204	220	220	220	231	242	254
B KZN244 Msinga	-	79	12	85	108	108	115	121	127
B KZN245 Umvoti	79	-	90	96	96	96	101	106	111
Total: Amajuba Municipalities	85	180	282	367	461	461	488	515	540
B KZN252 Newcastle	85	180	282	282	291	291	308	323	338
B KZN253 eMahlangueni	-	-	-	-	85	85	90	96	101
B KZN254 Dannhauser	-	-	-	85	85	85	90	96	101
Total: Zululand Municipalities	329	-	451	582	531	531	615	646	677
B KZN261 eDumbe	86	-	90	96	96	96	101	106	111
B KZN262 uPhongolo	78	-	90	96	96	96	101	106	111
B KZN263 Abaqulusi	86	-	90	186	186	186	197	207	217
B KZN265 Nongoma	79	-	90	96	45	45	101	106	111
B KZN266 Ulundi	-	-	91	108	108	108	115	121	127
Total: Umkhanyakude Municipalities	79	655	573	505	388	388	514	540	566
B KZN271 Umhlabyalingana	79	90	-	101	90	90	90	96	101
B KZN272 Jozini	-	-	185	101	96	96	106	111	116
B KZN273 The Big 5 False Bay	-	-	96	-	-	-	-	-	-
B KZN274 Hlabisa	-	186	100	101	-	-	106	111	116
B KZN275 Mtubatuba	-	379	192	202	202	202	212	222	233
Total: uThungulu Municipalities	330	626	945	975	1 099	1 099	1 257	1 319	1 383
B KZN282 uMhlathuze	245	360	558	596	590	590	621	651	681
B KZN283 Ntambanana	-	-	-	-	85	85	85	90	96
B KZN284 uMlalazi	-	79	181	193	204	204	216	227	238
B KZN285 Mthonjaneni	85	90	96	101	101	101	125	131	137
B KZN286 Nkandla	-	97	110	85	119	119	210	220	231
Total: Ilembe Municipalities	243	180	294	306	311	311	327	428	449
B KZN291 Mandeni	79	-	90	96	96	96	101	106	111
B KZN292 KwaDukuza	85	90	96	96	101	101	106	111	116
B KZN293 Ndwedwe	79	90	108	114	114	114	120	126	132
B KZN294 Maphumulo	-	-	-	-	-	-	-	85	90
Total: Sisonke Municipalities	158	169	379	499	594	594	628	661	693
B KZN431 Ingwe	79	-	102	114	114	114	120	126	132
B KZN432 Kwa Sani	-	-	-	-	85	85	90	96	101
B KZN433 Greater Kokstad	79	-	169	181	186	186	197	207	217
B KZN434 Ubuhlebezwe	-	90	96	101	101	101	106	111	116
B KZN435 Umzimkulu	-	79	12	103	108	108	115	121	127
Total	6 251	6 391	9 840	18 359	17 332	17 332	23 032	20 224	20 467

VOTE 16

Sport and Recreation

Operational budget	R 377 288 000
MEC remuneration	Nil
Total amount to be appropriated	R 377 288 000
Responsible MEC	Mrs. N. N Sibhidla-Saphetha, MEC for Arts, Culture, Sport and Recreation ¹
Administering department	Sport and Recreation
Accounting officer	Head: Sport and Recreation

1. Overview

Vision

The vision of the Department of Sport and Recreation is: *United and healthy communities through sport and recreation.*

Mission statement

The department's mission is: *To maximise opportunities through the promotion, development and transformation of sport and recreation programmes to create cohesive and sustainable communities and enhance the quality of life of the citizens of KwaZulu-Natal.*

Strategic goals

The strategic goals of the department are to promote and contribute to:

- Transformation and development of sport and recreation.
- Economic growth and opportunities through sport and recreation.
- Good governance in sport and recreation.
- Sound co-operative governance.

Strategic objectives

Strategic policy direction: The department is committed to the promotion, development and transformation of sport and recreation through sustainable development and high performance programmes with an emphasis on rural and previously disadvantaged areas and within targeted groups such as women, youth, senior citizens and people with disabilities.

The department has set the following strategic objectives in order to achieve this:

- *Service Delivery Management:* To effectively and efficiently manage development, transformation, empowerment and high performance through the delivery of sustainable sport and recreation programmes, implementation of policy and prescripts and by fostering strong relationships with all relevant stakeholders by 2015.
- *Provincial Policy and Planning:* To manage the development of integrated provincial planning, sport and recreation policy, quality research and the equitable allocation and distribution of resources to

¹ The salary of the MEC for Sport and Recreation is budgeted for under Vote 15: Arts and Culture

support the creation of an equal opportunities environment and promote the delivery of sport and recreation by 2015.

- *Sport*: To transform the provincial sport and recreation environment and promote the culture of a winning province through the establishment of strategic working partnerships with the relevant stakeholders. This will enable the delivery of new/upgraded infrastructure, talent optimisation, sports development, scientific support and high performance programmes with particular emphasis on athletes from disadvantaged and rural communities to be achieved by 2015.
- *Recreation*: To establish and sustain activity hubs and recreation service delivery sites to encourage mass participation and promote sustainable recreation programmes at district/ward levels promoting active and healthy lifestyles benefiting one million people from all age-groups and abilities in our communities by 2015.
- *School Sport*: To provide an integrated school sport programme that promotes transformation through mass participation, advocacy campaigns, infrastructure development, talent optimisation and high performance sport for 490 000 learners by 2015.

Core functions

The core functions of the department are:

- To ensure that sport and recreation are accessible to all people of KZN, especially previously disadvantaged people, rural communities, the disabled and women.
- To initiate programmes that target the development of human resource potential through the development of all coaches, technical officials, volunteers and administrators, with the aim of improving the quality of sport and recreation.
- To co-ordinate co-operative governance and the involvement of stakeholders to ensure alignment with the provincial sport and recreation policy.
- To effect and co-ordinate national and international agreements and initiatives, as entered into by the province in the interest of sport and recreation.
- To facilitate and organise sporting and recreational events at district, provincial, national and international level.
- To implement the sport and recreation policy and provide funding for sport and recreation agencies in the province.
- To facilitate the provision and upgrading of sport and recreation facilities.
- To accelerate the delivery of sport and recreation in the province through mass participation of the citizens of KZN.
- To achieve excellence in sport and recreation.
- To implement sport and recreation agencies, which contribute to the overall vision of the department.
- To host and co-host major provincial, national and international sporting events.
- To facilitate the establishment of a Provincial Sports Council.

Legislative and other mandates

Sport and recreation in South Africa is characterised and governed by the following main legislation:

- Constitution of the Republic of South Africa Act (Act No. 108 of 1996), Schedule 5, Part A
- National Sport and Recreation Act (Act No. 110 of 1998)
- National Sport and Recreation Amendment Act (Act No. 18 of 2007)

- Safety at Sport and Recreational Events Bill (B7- 2009)
- South African Boxing Act (Act No. 11 of 2001)
- Revised White Paper on Sport and Recreation, 2010
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Annual Division of Revenue Act
- Public Service Act (Act No. 103 of 1994) and Public Service Regulations, 2001
- Labour Relations Act (Act No. 66 of 1995)
- KZN Provincial Supply Chain Management Policy Framework (2006)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)
- Promotion of Equality and Prevention of Unfair Discrimination Act (Act No. 4 of 2000)
- Protected Disclosures Act (Act No. 26 of 2000)
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003)
- Public Service Regulations, 2001
- Public Service Co-ordinating Bargaining Council Resolutions
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Employment Equity Act (Act No. 55 of 1998)
- Skills Development Act (Act No. 97 of 1998)
- Skills Development Levies Act (Act No. 9 of 1999)

2. Review of the 2011/12 financial year

Section 2 provides a review of 2011/12, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

General

The department's key activities, among others, included the implementation of the Mass Participation and Sport Development (MPSD) grant in 880 schools, on-going recreation programmes, creation of decent jobs and building new infrastructure for sport and recreation such as 11 combination courts, 15 futsal courts and 12 sport fields. Greater emphasis was placed on programmes aimed at developing citizenship values in young people and teaching them how to make a valuable contribution in their communities.

Developing an active and healthy nation

The *Siya dlala* Mass Participation Programme, which is a national flagship programme aimed at getting the nation to play in an effort to address the spread of HIV and AIDS, crime, heart attacks, high blood pressure and tuberculosis, received focused attention. The programme was delivered through 106 activity hubs which provide life skills to the youth and offer them the opportunity to engage in an active and healthy lifestyle.

Transformation

The provision of new and adequate sport and recreation facilities and maximising access to existing facilities forms the cornerstone of the department's transformation initiatives. The department completed five combination courts, seven new sport facilities and 12 upgrades to existing facilities which includes the completion of 10 soccer fields. The South African Breweries (SAB) entered into agreement with the

department to provide state-of-the art soccer facilities in rural KZN. The department committed funds for various soccer facilities, such as at Enyokeni (Nongoma) and Mbumbulu (eThekweni).

Transfer of funds to non-profit institutions (NPOs)

During the period under review, funds were transferred to 58 NPOs (sport federations and recreation agencies/associations). Two transfer payments were effected for KZN's athletics team, for their transformation and development programmes and for hosting of the national youth run.

Revival of school sport

Although challenges were initially experienced by the department regarding the launching of the rural farm schools programme, the programme is now on the ground, with 80 farm schools benefiting. The programme was implemented in partnership with the Department of Education. A total of 1 085 schools were added to the School Sport Mass Participation Programme (SSMPP), 440 being new schools in 44 targeted poverty wards. There are currently 125 369 participants in the programme, of which 62 212 are female and 1 921 are disabled. A total of 24 age-group football leagues were established.

Social cohesion

The department constructed 263 recreational sites and supported over 200 sites. The indigenous games and Rural Horse Riding was one of 63 recreational festivals held to entrench the ideals of the African Renaissance. The department also promoted social cohesion through its active support for major sporting events such as the Spar Ladies Race, National Youth Run and Comrades Marathon. A total of 40 new clubs were formed in the Club Development programme.

South African games

Team KZN, which comprises 450 athletes with 170 support staff and management, participated in the SA Games in Polokwane in Limpopo in October 2011. The team took the title of first place with 59 gold medals.

3. Outlook for the 2012/13 financial year

Section 3 looks at the key focus areas for 2012/13, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

General

In 2012/13, the department will focus on strengthening the environment for sport and recreation starting from a base of mass participation in communities and schools. The plan aims to provide a framework that will guide their programmes to ensure that sport improves the lives of all citizens in KZN. The department's high performance programme intends to sustain the province's competitive sports strategy by investing in the development of identified athletes to ensure the department's progress from broad based mass participation through to provincial, national and international competition. The department has identified the need to work closely with tertiary institutions, in an effort to ensure that disadvantaged athletes can access their programmes, thereby enjoying the benefits of scientific testing, medical screening, competition, nutritional support and high performance training.

Revival of school sport

The school sport programme will be implemented in two streams, namely top schools and youth requisite skills. A further 440 schools are targeted, totalling 1 525 schools in the programme. The department will establish and support 58 schools which will serve as the base for talent identification, optimisation and specialisation. The school sport programme will target 490 000 learners.

Sport for change

This programme intends to use sport and recreation as a means to develop citizenship values in young people and teach them how they can make a valuable contribution in their communities. The programme will adopt a holistic approach to education which includes technical skills, life skills and preparation for work. The department intends using the 15 existing youth clubs to deliver ongoing sustainable programmes. Also, the department is targeting 1 500 youth to benefit from the programme.

Empowerment programmes

The department has targeted 3 800 coaches to benefit from coaching programmes implemented through sport federations and aligned to the National Coaching Framework. Furthermore, the department will implement accredited training for 3 500 technical officials and 3 774 volunteers and administrators.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 16.1 below shows the sources of funding for Vote 16 over the seven-year period 2008/09 to 2014/15. The table also compares actual and budgeted receipts against actual and budgeted payments.

The department receives a provincial allocation in the form of an equitable share, and national conditional grant allocations in respect of the MPSD and the EPWP Integrated Grant for Provinces.

Table 16.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Provincial allocation	155 757	174 039	216 851	270 639	270 639	270 639	285 166	300 679	318 710
Conditional grants	59 735	85 148	90 756	87 694	87 694	87 694	92 122	96 544	101 986
Mass Participation and Sport Development grant	59 735	85 148	90 256	87 694	87 694	87 694	91 122	96 544	101 986
EPWP Integrated Grant for Provinces	-	-	500	-	-	-	1 000	-	-
Total receipts	215 492	259 187	307 607	358 333	358 333	358 333	377 288	397 223	420 696
Total payments	213 267	239 342	276 740	358 333	358 333	358 333	377 288	397 223	420 696
Surplus/(Deficit) before financing	2 225	19 845	30 867	-	-	-	-	-	-
Financing									
of which									
Provincial roll-overs	2 151	-	3 458	-	-	-	-	-	-
Provincial cash resources	1 570	7 000	-	-	-	-	-	-	-
Surplus/(deficit) after financing	5 946	26 845	34 325	-	-	-	-	-	-

In 2008/09, an amount of R2.151 million was rolled over from 2007/08 for the construction of sport and recreation facilities in municipalities, and the department was allocated an additional R1.570 million to cater for the higher than anticipated 2008 wage agreement. The under-spending of R5.946 million in 2008/09 can mainly be ascribed to the non-filling of posts and the resignation of volunteers who assist and co-ordinate sporting codes, such as swimming for rural communities (the high turnover of volunteers is because they obtain permanent employment and then leave). The late leasing of the virtual office (a centralised office for small sport federations who do not have offices, equipped with equipment, such as gym and computer equipment and furniture) in respect of the MPSD, which was secured late in March 2009, also contributed to the under-spending. Moreover, as the purchase of gym equipment for the virtual office exceeded R500 000, the bidding process had to be followed, which took longer than expected.

In 2009/10, the department received R7 million relating to soccer development from the Office of the Premier. The under-expenditure of R26.845 million mainly relates to cost-cutting with R5.897 million being in respect of the MPSD grant.

The under-spending of the MPSD grant in 2009/10 resulted from challenges with acquiring the sporting equipment for activity parks (play parks for recreational purposes). Of the R5.897 million under-spent, R3.458 million was rolled over to 2010/11 in respect of swings, jungle gyms, etc. for the activity parks and items such as tents, medical catering and transport services for the community, with regard to sporting events undertaken.

As mentioned above, the department received a roll-over in 2010/11, as well as R500 000 in respect of the EPWP Integrated Grant for Provinces grant, in line with DORA, 2010. The department under-spent by R34.325 million due to the moratorium on the filling of non-critical vacant posts and delays experienced in finding appropriate office space for the department by the Department of Public Works, which resulted in delays in the relocation of the department's head office from Durban to Pietermaritzburg. The department experienced delays in respect of transfer payments to municipalities for

the construction of sport facilities. Furthermore, the department experienced challenges with the construction of combination and futsal courts, which resulted from longer than anticipated tender processes (such as not getting suitable bidders).

The growth from 2011/12 onward can be attributed to the soccer development funding that was moved from the Office of the Premier, toward the establishment of district offices, capacity building and War on Poverty programmes, personnel costs, as well as inflationary increases. It should be noted that the soccer development funding was not ring-fenced, and can thus be used for any sport and recreation activities related to the core functions of the department.

The department has been allocated additional funding in respect of the EPWP Integrated Grant for Provinces in line with DORA, 2012. The department shows a steady increase over the 2012/13 MTEF.

4.2 Departmental receipts collection

Table 16.2 below provides details of the revenue collection by this department from 2008/09 to 2014/15.

Table 16.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	40	35	49	55	55	61	65	70	75
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	169	-	-	-	239	-	-	-
Transactions in financial assets and liabilities	89	149	118	-	-	77	30	30	30
Total	129	353	167	55	55	377	95	100	105

The main source of revenue for the department is commission on payroll deductions and fees charged by the department for the issuing of tender documents, which falls under *Sale of goods and services other than capital assets*. The rationale for the levy of issuing tender documents is to limit the number of uncommitted service providers, who often collect costly tender documents at no charge and thereafter do not submit them. The projections over the MTEF period are based on the projected year-end collection for 2009/10 and 2010/11.

The amounts against *Sale of capital assets* in 2009/10 and the 2011/12 Revised Estimate relate to the auctioning of redundant items such as vehicles, computers, etc. There are no projections in 2010/11 and over the MTEF, as the department is not anticipating any further sales at this stage.

The department also collects revenue from *Transactions in financial assets and liabilities*, mainly in respect of the recovery of staff debts. The fluctuations can be attributed to the difficulty in projecting accurately for this category due to its uncertain nature.

4.3 Donor funding - Nil

5. Payment summary

This section summarises the key assumptions, additional allocations, payments and budgeted estimates for the vote in terms of programmes and economic classification.

Details of the economic classification per programme are presented in *Annexure – Vote 16: Sport and Recreation*.

5.1 Key assumptions

The budget allocations for the 2012/13 MTEF are based on the approved Annual Performance Plan, in line with the service delivery requirements of the department. Some of the key assumptions are:

- The cost-cutting measures, as reissued by Provincial Treasury in 2012/13, will be adhered to over the 2012/13 MTEF.
- Provision was made for the carry-through costs of the 2011 wage agreement and an inflationary wage adjustment of 5 per cent for the three years of the 2012/13 MTEF, and an annual 1.5 per cent pay progression.
- Provision has been made for the filling of vacant posts.
- Provision has been made to accommodate the organisational review in preparation for 2012/13 and to align the organisation to more efficient delivery of services.
- *Goods and services* was increased in line with CPI projections.
- *Payments for capital assets* was estimated using a zero-based method, where the department assessed the funding requirements for capital in terms of furniture, fittings, computers, vehicles, etc.

5.2 Additional allocations for the 2010/11 to 2012/13 MTEF

Table 16.3 shows additional funding received by the department over the three MTEF periods: 2010/11, 2011/12 and 2012/13. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants. The purpose of such a table is two-fold. Firstly, it shows the 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 carry-through allocations for the 2010/11 and 2011/12 MTEF periods (i.e. for the financial year 2014/15) are based on the incremental percentage used in the 2012/13 MTEF.

Table 16.3: Summary of additional provincial allocations for 2010/11 to 2012/13 MTEF

R thousand	2010/11	2011/12	2012/13	2013/14	2014/15
2010/11 MTEF period	30 534	71 579	75 303	79 445	84 211
Carry-through of 2009/10 Adjustments Estimate - 2009 wage agreement	2 369	2 648	2 930	3 091	3 277
Provincial priorities	28 165	68 931	72 373	76 354	80 935
<i>Soccer Development from Office of the Premier</i>	28 146	68 911	72 352	76 331	80 911
<i>Policy on Incapacity Leave and Ill Health Retirement (PILIR)</i>	19	20	21	22	23
2011/12 MTEF period		1 340	1 286	1 190	1 261
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement		1 483	1 470	1 421	1 506
National Cabinet decision to cut provinces by 0.3 per cent		(143)	(184)	(231)	(245)
2012/13 MTEF period			971	1 020	1 071
Carry-through of 2011 wage agreement			971	1 020	1 071
Total	30 534	72 919	77 560	81 655	86 544

In the 2010/11 MTEF, the department received additional funding relating to soccer development from the Office of the Premier. The additional funding relates to both Legacy and 2010 community mobilisation games and road shows conducted in the province. The department also received funding over the 2010/11 MTEF in respect of the higher than anticipated 2009 wage agreement, as well as PILIR.

In the 2011/12 MTEF, the department received funding in respect of the higher than anticipated 2010 wage agreement. Also, National Cabinet took a decision to cut all national votes and the provincial equitable share by 0.3 per cent. The bulk of this equitable share reduction in KZN was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus of the province. The balance was sourced proportionately from all 16 provincial votes.

In the 2012/13 MTEF, the department was allocated funding toward the carry-through costs of the higher than anticipated 2011 wage agreement.

5.3 Summary of programme and economic classification

The budget and programme structure of the department has been amended to align it with the revised uniform budget and programme structure for the Sport, Arts and Culture sector, as illustrated in Table 16.4 below.

Table 16.4: Reconciliation of structural changes to Vote 16: Sport and Recreation

2011/12 structure		2012/13 structure	
Programme	Sub-programme	Programme	Sub-programme
1. Administration	1.1 Office of the MEC 1.2 Corporate Services	1. Administration	1.1 Corporate Services
2. Sport and Recreation	2.1 Management 2.2 Sport 2.3 Recreation 2.4 Mass Sport and Recreation Participation Programme 2.5 World Cup 2010 and Major Projects 2.6 Facilities	2. Sport and Recreation	2.1 Management 2.2 Sport 2.3 Recreation 2.4 School Sport

As reflected in the table above, the department still maintains two programmes, as in the previous year. However, some of the sub-programmes have been removed in order to align to the sector.

Detailed information on each programme change is explained under the section pertaining to the programme. It should be noted that, as far as possible, the department attempted to restate prior years' figures, but this was not possible in every instance. As a result, it is difficult to explain all trends from 2008/09 to 2011/12, particularly at programme and sub-programme levels.

Tables 16.5 and 16.6 below provide a summary of the vote's payments and budgeted estimates over the seven-year period, by programme and economic classification, respectively. There has been a steady increase in actual spending and the budget over the seven-year period.

Table 16.5: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	41 790	38 139	42 888	78 057	71 255	71 255	82 446	83 112	88 099
2. Sport and Recreation	171 477	201 203	233 852	280 276	287 078	287 078	294 842	314 111	332 597
Total	213 267	239 342	276 740	358 333	358 333	358 333	377 288	397 223	420 696

Table 16.6: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	162 600	204 744	251 568	307 720	305 312	304 045	313 904	332 719	359 798
Compensation of employees	57 725	70 224	88 733	104 961	104 672	104 672	124 422	131 753	140 715
Goods and services	104 875	134 520	162 835	202 759	200 640	199 373	189 482	200 966	219 083
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	31 912	26 100	14 278	25 437	28 245	29 512	29 482	31 390	33 278
Provinces and municipalities	23 018	20 377	8 205	16 770	19 289	19 289	18 377	19 389	20 553
Departmental agencies and accounts	48	58	70	67	89	89	105	118	125
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	8 392	5 200	6 000	8 600	8 600	8 600	11 000	11 883	12 600
Households	454	465	3	-	267	1 534	-	-	-
Payments for capital assets	18 755	8 498	10 894	25 176	24 776	24 776	33 902	33 114	27 620
Buildings and other fixed structures	12 607	5 815	8 400	19 997	19 997	19 997	30 265	29 380	23 663
Machinery and equipment	5 635	1 924	1 582	4 734	4 334	4 334	3 170	3 241	3 435
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	513	759	912	445	445	445	467	493	522
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	213 267	239 342	276 740	358 333	358 333	358 333	377 288	397 223	420 696

Programme 1: Administration shows a slight dip in 2009/10 in comparison to 2008/09 mainly due to cost-cutting. In addition, only two of the four anticipated district offices were set up due to the Department of Public Works not identifying appropriate office space timeously. The dip can also be ascribed to the reprioritisation of funds to Programme 2 to cater for the higher than anticipated 2009 wage agreement. The decrease in the 2011/12 Adjusted Appropriation is attributed to an amount of R6.802 million that was shifted to Programme 2. This was due to the non-implementation of the new organisational structure. The department anticipated implementing the new structure during 2011/12 but, due to union resistance, this did not occur. As a result, the department shifted the funds from Programme 1 to Programme 2 in order to align the budget correctly, pending the implementation of the new structure. The purpose of the funds remained unchanged. The increase in 2011/12 and over the 2012/13 MTEF relates largely to the funding for the setting up of district offices (for running the administrative functions of sport and recreation in district municipalities) to support its endeavour to have offices in all 11 districts, and the carry-through of the various wage agreements, the filling of vacant posts, as well as inflationary increments.

Programme 2: Sport and Recreation shows a substantial increase in 2009/10 mainly due to additional funding allocated for the MPSD grant, construction of sport and recreation facilities, funding relating to soccer development moved from Vote 1: Office of the Premier, appointment of personnel, the carry-through of the 2008 wage agreement, as well as the reprioritisation from Programme 1, as mentioned above. The increase in 2010/11 relates to the carry-through of the 2009 wage agreement, funding received from the Office of the Premier for soccer development and the roll-over from 2009/10 in respect of the MPSD grant. As explained above, the increase in the 2011/12 Adjusted Appropriation is due to the shifting of funds from Programme 1 to Programme 2. The increase over the 2012/13 MTEF can be attributed to the funding received for soccer development, as well as inflationary increments. This also explains the trend in *Goods and services*.

The increase in *Compensation of employees* from 2008/09 to 2014/15 reflects the growth of the department's personnel in respect of the organisational structure, and volunteers employed under the conditional grant. The decrease in the 2011/12 Adjusted Appropriation is due to funds moved from *Compensation of employees* as a result of delays experienced in filling budgeted vacant posts.

Goods and services reflects an increasing trend from 2009/10 onward. The increase in 2009/10 was due to funding received in respect of soccer development, as well as funds reprioritised from *Transfers and subsidies to: Provinces and municipalities* and *Transfers and subsidies to: Non-profit institutions* due to enforced savings, to cater for project management costs, as well as commitments from 2008/09. The department built a synthetic court in 2008/09 and, in 2009/10, allocated funding for additional courts from the MPSD grant. However, the department received a directive from the National Department of Sport and Recreation (NDoSR) late in 2008/09 that no further infrastructure was to be built with the conditional grant funding. Hence, the department moved funding from *Buildings and other fixed structures* to *Goods and services*, resulting in high spending against *Goods and services* and low spending against *Buildings and other fixed structures*. The decrease in the 2011/12 Adjusted Appropriation can be attributed to the delays experienced by the Department of Public Works in finding appropriate office space for the department in Pietermaritzburg.

The decrease against *Transfers and subsidies to: Provinces and municipalities* in 2009/10 can be attributed to funds moved to *Buildings and other fixed structures* as a result of the new approach of the department. The department decided to minimise the use of municipalities as implementing agents for the construction of sport facilities, but rather to undertake a number of construction projects directly to improve service delivery in sport and recreation. The department experienced delays in respect of transfer payments to municipalities for the construction of sport facilities. According to the department, the municipalities experienced challenges such as adverse weather which hampered the completion of sport fields by constructors in, hence the decrease in 2010/11. The increase in the 2011/12 Adjusted Appropriation is due to spending pressures relating to commitments which remained incomplete as at 31 March 2011 in respect of the Ingangane, Mpofana and Nkosi Bhambatha projects. The increase over the 2012/13 MTEF is due to inflationary increments.

Transfers and subsidies to: Provinces and municipalities also caters for the payment of motor vehicle licences. These were previously budgeted for under *Goods and services* but, due to a change in the SCOA classification, they are now paid under *Provinces and municipalities*. This was corrected in the 2011/12 Adjusted Appropriation, and the prior years' figures were restated for comparison purposes.

Transfers and subsidies to: Departmental agencies and accounts relates to payments to other departmental agencies (Tourism and Hospitality, Education and Training Authority (THETA)) in respect of the Skills Development Levy. The increase from 2009/10 to 2010/11 can be attributed to the increase in the number of posts filled. The increase in 2011/12 and over the 2012/13 MTEF period relates to the anticipation that vacant posts will be filled.

The low amount against *Transfers and subsidies to: Non-profit institutions* in 2009/10 can be attributed to a reprioritisation to *Goods and services* to cater for commitments from 2008/09 and to cater for enforced savings relating to the Cabinet-approved Provincial Recovery Plan. The increase over the 2012/13 MTEF is to cater for anticipated increases in the number of requests from sport federations for financial assistance.

Transfers and subsidies to: Households fluctuates over the seven-year period and relates to staff exit costs which are difficult to accurately project.

The high 2008/09 amount against *Buildings and other fixed structures* was in respect of a synthetic court built as part of the Legacy programme. The low expenditure in 2009/10 is due to the fact that the department received a directive from the NDoSR that no further infrastructure is to be built with the conditional grant funding late in 2008/09. The funding was shifted from this category to *Goods and services*. The department experienced challenges with the construction of combination and futsal courts. This resulted from longer than anticipated tender processes (such as not getting the right bidders). The tenders were only issued in the last quarter of 2010/11, and hence the under-spending in 2010/11. The substantial increase in 2011/12 and over the 2012/13 MTEF in respect of a number of construction projects that the department will undertake directly.

The high spending against *Machinery and equipment* 2008/09 and 2010/11 amount relates to additional vehicles purchased due to the appointment of sports officers who undertake field work. The low in 2009/10 is due to enforced savings such as no new vehicles and furniture purchased. The decrease in the 2011/12 Adjusted Appropriation is due to a shift to *Goods and services* as a result of the incorrect classification of the purchase of sport equipment as capital expenditure instead of current expenditure. The allocations over the 2012/13 MTEF is in respect of the purchase of office and computer equipment relating to filling of vacant posts.

The increase in 2009/10 against *Software and other intangible assets* was due to software licences purchased for the setting-up of new district offices, as well as for the setting-up and maintenance of servers in the uMgungundlovu and eThekweni offices. The increase in 2010/11 is for the Project Proposal Management System software (this system manages project expenditure and performance management data). The existing system has been modified by the service provider and has been placed at the head office where it is accessible to all district offices. This means that the department does not need to purchase additional software for all district offices, hence the reduction in 2011/12. The increase over the 2012/13 MTEF is due to inflationary increments.

5.4 Summary of payments and estimates by district municipal area

Table 16.7 provides a summary of spending (including some administrative costs such as compensation, subsistence and travelling, etc.) by the department in each district municipality, as the functions of these personnel directly impact on service delivery in the respective municipality.

The department has improved spending at district municipal level over the years, and this process is expected to improve substantially once all 11 district offices become fully operational. The total estimated spending across all the district municipalities reflects steady growth over the five-year period 2010/11 to 2014/15.

Table 16.7: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14	2014/15
eThekweni	6 919	11 471	15 948	16 870	17 668
Ugu	5 673	14 296	13 668	14 409	15 021
uMgungundlovu	175 453	146 221	143 404	155 238	166 726
Uthukela	4 035	14 091	16 694	17 655	18 441
Umkhanyathi	7 046	15 869	15 164	16 019	16 743
Amajuba	4 353	12 530	13 143	13 873	14 455
Zululand	5 956	14 963	18 464	19 560	20 484
Umkhanyakude	5 069	15 088	16 028	16 900	17 650
uThungulu	6 169	13 927	12 984	13 691	14 260
Ilembe	7 743	13 207	14 519	15 312	15 935
Sisonke	5 436	15 415	13 826	14 584	15 214
Total	233 852	287 078	293 842	314 111	332 597

The bulk of the spending for the five-year period under review is concentrated in the uMgungundlovu District Municipality. The department hosts various provincial and national events. Although staff from all districts assist with these events, and participants are from all district municipalities, they are managed and co-ordinated centrally and, therefore, the expenditure is reflected against uMgungundlovu, where the department's head office is located. Furthermore, the amounts reflected against uMgungundlovu and eThekweni also include the transfer payments that are made to non-profit institutions. These institutions are mostly based in eThekweni and uMgungundlovu, but operate throughout the province. It is very difficult for these institutions to report back to the department on their expenditure per district municipality, hence the full allocation of their budget to these two districts.

The substantial increase against uMgungundlovu in 2010/11 is due to the conditional grant budget being allocated centrally at the head office, due to most national and provincial events being undertaken as a head office initiative.

The spending per district municipality fluctuates over the MTEF period. This is due to the fact that the construction of facilities is not allocated equally across the 11 districts in any given year, but is based on the assessment of the needs per individual district.

Also contributing to the fluctuation in the spending across the different district municipalities is the allocation of the MPSD grant for each district municipality. Allocations to district municipalities are based on the schools, clubs and hubs that are targeted in each year.

5.5 Summary of conditional grant payments and estimates

Tables 16.8 and 16.9 below show a summary of the MPSD grant and of the EPWP Integrated Grant for Provinces payments and estimates over the seven-year period. The MPSD grant comprises of school sport, community mass participation and club development.

Note that the historical figures set out in Table 16.8 below reflect actual expenditure, and should not be compared to those reflected in Table 16.1, which represent the actual receipts per grant. The department has been allocated additional funding in respect of the EPWP Integrated Grant for Provinces in line with DORA, 2012.

Further details are given in *Annexure – Vote 16: Sport and Recreation*.

Table 16.8: Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11		2011/12		2012/13	2013/14	2014/15
Mass Participation and Sport Development grant	56 856	79 249	93 714	87 694	87 694	87 694	91 122	96 544	101 986
EPWP Integrated Grant for Provinces	-	-	-	-	-	-	1 000	-	-
Total	56 856	79 249	93 714	87 694	87 694	87 694	92 122	96 544	101 986

Table 16.9: Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	55 385	78 742	93 664	87 694	87 694	87 694	92 122	96 544	101 986
Compensation of employees	18 755	25 565	41 260	27 594	27 594	27 594	15 426	15 940	17 471
Goods and services	36 630	53 177	52 404	60 100	60 100	60 100	76 696	80 604	84 515
Interest and rent on land									
Transfers and subsidies to:	-	-	-	-	-	-	-	-	-
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Foreign government and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households									
Payments for capital assets	1 471	507	50	-	-	-	-	-	-
Buildings and other fixed structures	921	-	-	-	-	-	-	-	-
Machinery and equipment	550	507	50	-	-	-	-	-	-
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total	56 856	79 249	93 714	87 694	87 694	87 694	92 122	96 544	101 986

The substantial increase against the MPSD grant from 2009/10 to 2010/11 is due to the inclusion of the funding for the third element of the grant, the Legacy element. The increase in 2010/11 also relates to the funds rolled over from 2009/10, as explained previously. The slight decrease in 2011/12 can be ascribed to the reduction of the conditional grant funding by NDoSR, as mentioned previously. The increase over the 2012/13 MTEF is due to inflationary increments.

The increase in *Compensation of employees* from 2009/10 to 2010/11 can be attributed to the increase in the number of volunteers employed due to the increase in the number of new schools, hubs and clubs that are added to the programme each year. The increase in 2010/11 can also be attributed to the increase in stipends for volunteers employed. The decrease in 2011/12 is due to the reduction of the conditional grant funding by NDoSR. Also, in line with a directive from NDoSR, the department reduced the number of volunteers employed under the Mass School Sport element of the MPSD. This is due to the fact that, when these volunteers have been trained and capacitated, they obtain permanent employment and then leave. The decrease over the 2012/13 MTEF is line in with the directive from NDoSR, that the department must train and capacitate educators in schools who will then coach the students, in order to retain skills in the sector. The funds that became available from this directive were reprioritised to *Goods and services*.

The noticeable increase in *Goods and services* from 2009/10 onward is due to the establishment of clubs to further develop the different codes of sport. In addition, the establishment of sport academies and high performance centres, as well as the carry-through costs for the administration of the district offices, increased the *Goods and services* spending. The roll-over of R3.458 million was allocated to this category in 2010/11. This was offset by the amount moved to *Compensation of employees* over the same period. The increase over the 2012/13 MTEF is due to inflationary increments.

The once-off amount against *Buildings and other fixed structures* in 2008/09 relates to the construction of a synthetic court as part of the Legacy programme, as mentioned previously.

From 2011/12 onward, there is no budget against *Machinery and equipment* due to assets that will be purchased being less than R5 000 and hence will be paid for under *Goods and services*.

5.6 Summary of infrastructure payments and estimates

Table 16.10 below illustrates infrastructure spending over the seven-year period.

Table 16.10: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
New and replacement assets	12 607	5 815	8 400	19 997	19 997	19 997	30 265	29 380	23 663
Existing infrastructure assets	1 116	1 017	1 556	2 250	2 250	2 250	2 163	2 282	2 419
Upgrades and additions									
Rehabilitation, renovations and refurbishments									
Maintenance and repairs	1 116	1 017	1 556	2 250	2 250	2 250	2 163	2 282	2 419
Infrastructure transfer	22 995	20 357	8 197	16 770	19 274	19 274	18 360	19 370	20 532
Current	-	-	-	1 650	3 300	3 300	2 400	2 532	2 684
Capital	22 995	20 357	8 197	15 120	15 974	15 974	15 960	16 838	17 848
Capital infrastructure	35 602	26 172	16 597	35 117	35 971	35 971	46 225	46 218	41 511
Current infrastructure	1 116	1 017	1 556	3 900	5 550	5 550	4 563	4 814	5 103
Total	36 718	27 189	18 153	39 017	41 521	41 521	50 788	51 032	46 614

New and replacement assets provides for the construction of combination and Futsal courts at schools and in communities. The 2008/09 amount is due to additional funding allocated for the construction of sport and recreation facilities, and includes the construction of combination courts in schools. This is in line with the department's attempt to match the needs of the schools and communities with the provision of appropriate facilities. The dip in 2009/10 can be attributed to the fact that the department could not build the activity parks, as planned. The substantial increase in 2011/12 and over the 2012/13 MTEF relates to a number of construction projects that the department will undertake directly.

Maintenance and repairs caters for repairs to office buildings and sporting facilities. The slight decrease in 2009/10 is due to transfer of ownership to municipalities and schools alike, whereby these stakeholders are now responsible for maintenance of the sport and recreation facilities. The increase in 2010/11 can be ascribed to carry-over costs from 2009/10, in respect of maintenance and repairs, such as resurfacing of combi courts and the erection of fences, which was undertaken late in 2009/10 and was only completed in 2010/11. The increase in 2011/12 and over the 2012/13 MTEF is due to inflationary increments.

A major part of the department's capital infrastructure budget is reflected against *Infrastructure transfer: Capital*. The decrease in 2009/10 can be ascribed to enforced savings relating to the Provincial Recovery Plan. The reduction from 2010/11 relates to the new approach the department has undertaken to reduce the use of municipalities as implementing agents for the construction of sport facilities, as well as the under-spending in that year, as explained previously. The increase in the 2011/12 Adjusted Appropriation is due to funds moved from *Goods and services* to cater for the construction of sport fields which were incomplete as at 31 March 2011, such as the Ingangane, Mpofana and Nkosi Bhambatha projects.

The increase in the 2011/12 Adjusted Appropriation against *Infrastructure transfer: Current* is due to funds moved from *Infrastructure transfer: Capital* in respect of the maintenance and repairs of sport facilities. The amounts reflected from 2012/13 onward are in respect of provision made for the appointment of staff to undertake the maintenance of sport fields constructed.

5.7 Summary of Public Private Partnerships – Nil

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.9 Transfers to other entities

Table 16.11 below indicates the transfer payments that the department makes to sporting organisations for the promotion and development of sport and recreation within the province. Note that all transfer payments fall under *Transfer and subsidies to: Non-profit institutions*.

Table 16.11: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
		2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
						2011/12				
Age-in-Action	2.3 Recreation	-	-	200	200	100	100	225	-	-
Angling	2.2 Sport	-	-	-	-	-	-	50	-	-
Beach Sports Development Organisation	2.3 Recreation	-	-	-	-	-	-	100	-	-
Ballroom Recreation and Wellness Initiative	2.3 Recreation	-	-	-	-	50	50	-	-	-
Children's Rights Organisation	2.3 Recreation	-	-	-	-	75	75	125	-	-
CSIR	2.2 Sport	-	-	-	-	-	-	400	-	-
Dance Sport	2.2 Sport	-	-	150	150	225	225	275	-	-
Dare-to-Dream	2.3 Recreation	-	-	250	150	120	120	150	-	-
DISSA (Disabled Sport South Africa)	2.2 Sport	400	500	400	450	380	380	410	-	-
eThekweni Netball Association	2.2 Sport	-	-	100	-	-	-	-	-	-
Fly Fishing	2.2 Sport	-	-	75	-	-	-	-	-	-
Harness Racing Association	2.3 Recreation	-	-	175	-	175	175	200	-	-
Indigenous Games Council	2.3 Recreation	-	-	-	100	175	175	200	-	-
KZN Academy of Sport	2.2 Sport	600	600	525	750	950	950	500	-	-
KZN Amateur Boxing Organisation	2.2 Sport	-	200	250	325	300	300	325	-	-
KZN Aquatics	2.2 Sport	452	400	500	600	525	525	575	-	-
KZN Athletics	2.2 Sport	530	1 550	900	1 050	1 100	1 100	1 025	-	-
KZN Baseball	2.2 Sport	-	80	100	100	125	125	175	-	-
KZN Basketball	2.2 Sport	-	-	100	125	100	100	125	-	-
KZN Canoe Union	2.2 Sport	140	150	150	150	175	175	225	-	-
KZN Chess	2.2 Sport	-	-	-	-	100	100	100	-	-
KZN Cricket Union	2.2 Sport	450	400	400	475	400	400	450	-	-
KZN Golf Union	2.2 Sport	60	-	-	100	90	90	100	-	-
KZN Gymnastics	2.2 Sport	220	200	200	250	300	300	325	-	-
KZN Handball	2.2 Sport	-	-	-	-	50	50	75	-	-
KZN Hockey	2.2 Sport	-	-	-	200	180	260	250	-	-
KZN Inland Cricket Union	2.2 Sport	-	-	-	-	150	150	175	-	-
KZN Karate	2.2 Sport	-	-	50	50	50	50	75	-	-
KZN Love-Life	2.3 Recreation	-	-	-	300	150	150	175	-	-
KZN Midlands Netball Association	2.2 Sport	-	-	15	450	-	-	-	-	-
KZN Netball Association	2.2 Sport	-	-	-	475	-	420	960	-	-
KZN Rugby Union	2.2 Sport	900	600	500	575	550	550	575	-	-
KZN Softball	2.2 Sport	-	-	50	75	50	50	75	-	-
KZN Surfing	2.2 Sport	150	-	50	50	50	50	100	-	-
KZN Table Tennis	2.2 Sport	-	-	-	150	100	100	-	-	-
KZN Tennis Association	2.2 Sport	-	-	-	150	150	150	100	-	-
KZN Volleyball	2.2 Sport	300	200	-	150	200	200	200	-	-
Natal Deep Sea Angling Association	2.2 Sport	-	-	75	75	-	-	-	-	-
Natal Midlands Hockey Association	2.2 Sport	-	-	-	-	80	-	-	-	-
Netball Amajuba	2.2 Sport	-	-	-	-	35	-	-	-	-
Netball eThekweni	2.2 Sport	-	-	-	-	35	-	-	-	-
Netball Ilembe	2.2 Sport	-	-	-	-	35	-	-	-	-
Netball PEC (Provincial Executive Committee)	2.2 Sport	-	-	-	-	35	-	-	-	-
Netball Sisonke	2.2 Sport	-	-	-	-	35	-	-	-	-
Netball Ugu	2.2 Sport	-	-	-	-	35	-	-	-	-
Netball uMgungundlovu	2.2 Sport	-	-	-	-	35	-	-	-	-
Netball Umkhanyakude	2.2 Sport	-	-	-	-	35	-	-	-	-
Netball Umzinyathi	2.2 Sport	-	-	-	-	35	-	-	-	-
Netball Uthukela	2.2 Sport	-	-	-	-	35	-	-	-	-
Netball uThungulu	2.2 Sport	-	-	-	-	35	-	-	-	-
Netball Zululand	2.2 Sport	-	-	100	-	35	-	-	-	-
Rowing and Sailing	2.2 Sport	-	-	35	75	-	-	-	-	-
Rural Horse Riding Council	2.3 Recreation	-	-	-	100	110	110	150	-	-
Provincial Sports Council	2.2 Sport	-	-	-	-	-	-	100	-	-
SA Thola Association	2.3 Recreation	-	-	-	-	50	50	50	-	-
SAFA - KZN	2.2 Sport	1 200	-	550	650	720	720	1 500	-	-
USSA (University Sport SA KZN)	2.2 Sport	-	-	100	100	75	75	100	-	-
Various other organisations	Various	2 990	320	-	-	-	-	280	11 883	12 600
Total		8 392	5 200	6 000	8 600	8 600	8 600	11 000	11 883	12 600

The department allocates funds to sporting organisations only once they have met all requirements for the transfer payment to be effected. The department receives business plans from these organisations and, based on these plans, funds are allocated for transfer payments. In previous years, this process was done during the year and the amounts allocated to specific recipients were formalised during the Adjustments Estimate. The lower amount in 2009/10 relates to enforced savings in respect of the Provincial Recovery Plan. The decrease in 2010/11 in comparison to 2008/09 can be attributed to the new approach the department has embarked on to provide the relevant goods and services and human resources for the implementation of the programme to sport federations. The increase in 2011/12 and over the 2012/13 MTEF is to cater for the increase in the number of requests from sport federations for financial assistance.

The line *Various other organisations* includes other non-profit institutions such as schools, sporting clubs, recreation clubs, etc., who assist the department in promoting sport and recreation in the province. The amount allocated to these institutions depends on the number and nature of requests received. The

amounts in 2013/14 and 2014/15 will be reviewed and funds will be allocated to a number of sport federations, accordingly.

5.10 Transfers to local government

Tables 16.12 and 16.13 indicate transfers made to local government by category and by grant name.

Details of the amounts reflected per municipality are reflected in *Annexure – Vote 16: Sport and Recreation*.

Table 16.12: Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Category B	2 143	14 751	7 455	14 670	16 964	16 964	15 210	-	-
Category C	20 852	5 606	742	2 100	2 310	2 310	3 150	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	19 370	20 532
Total	22 995	20 357	8 197	16 770	19 274	19 274	18 360	19 370	20 532

Table 16.13: Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Infrastructure	2.2 Sport	22 995	20 357	8 197	15 120	15 974	15 974	15 960	16 838	17 848
Maintenance grant	2.2 Sport	-	-	-	1 650	3 300	3 300	2 400	2 532	2 684
Total		22 995	20 357	8 197	16 770	19 274	19 274	18 360	19 370	20 532

The transfers against Categories B and C cater for transfer payments made to local and district municipalities as implementing agents for the construction of sport and recreation facilities. The increase in 2008/09 against can be attributed to the roll-over from 2007/08 for the construction of sport and recreation facilities within municipalities. The slight decrease in 2009/10 can be attributed to the reprioritisation to *Goods and services* for the appointment of project managers. The substantial decrease in 2010/11 is due to the challenges experienced in respect of transfer payments to municipalities for the construction of sport facilities, such as adverse weather conditions, as mentioned above. The increase over the MTEF in comparison to 2011/12 Main Appropriation is due to inflationary increases. The increase in the 2011/12 Adjusted Appropriation is to cater to the construction of sport fields which were incomplete as at 31 March 2011 such as the Ingangane, Mpofana and Nkosi Bhambatha projects, as mentioned previously. This accounts for the trend against Infrastructure.

The transfer payments earmarked for local and district municipalities in 2009/10 were based on the current status of the construction of facilities in these districts. Due to the nature of the construction, some of these projects are rolled out over two financial years. For 2012/13 to 2014/15, the funding is reflected against *Unallocated/unclassified*. A comprehensive facilities' audit, which commenced in 2008/09 is used to allocate funding to individual municipalities, based on the needs established through the audit.

The increase in the 2011/12 Adjusted Appropriation against the Maintenance grant is in respect of the maintenance and repairs of sport facilities, as explained previously.

The slight growth over the 2012/13 MTEF in comparison to the 2011/12 Adjusted Appropriation is mainly due to inflationary increments.

It should be noted that the amounts against *Transfers and subsidies to: Provinces and municipalities* in Table 16.5 above include funds in respect of motor vehicle licences. As previously explained, during the 2011/12 Adjustments Estimate, funds were moved in respect of motor vehicle licences from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities*. This is due to an amendment of the SCOA classification for motor vehicle licences. These funds will not be transferred to any municipality and, therefore the amounts are not reflected in Tables 16.12 and 16.13.

5.11 Transfers and subsidies

Table 16.14 below is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a steady increase from 2008/09 to 2014/15 for the category as a whole.

Table 16.14: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	404	388	78	67	131	131	122	137	146
Provinces and municipalities	23	20	8	-	15	15	17	19	21
Motor vehicle licences	23	20	8	-	15	15	17	19	21
Departmental agencies and accounts	48	58	70	67	89	89	105	118	125
Skills Development Levy-THETA	48	58	70	67	89	89	105	118	125
Households	333	310	-	-	27	27	-	-	-
Other transfer to households	333	310	-	-	27	27	-	-	-
2. Sport and Recreation	31 508	25 712	14 200	25 370	28 114	29 381	29 360	31 253	33 132
Provinces and municipalities	22 995	20 357	8 197	16 770	19 274	19 274	18 360	19 370	20 532
Sport facilities	22 995	20 357	8 197	16 770	19 274	19 274	18 360	19 370	20 532
Non-profit institutions	8 392	5 200	6 000	8 600	8 600	8 600	11 000	11 883	12 600
Sport federations	8 392	5 200	6 000	8 600	8 600	8 600	11 000	11 883	12 600
Households	121	155	3	-	240	1 507	-	-	-
Other transfers to households	121	155	3	-	240	1 507	-	-	-
Total	31 912	26 100	14 278	25 437	28 245	29 512	29 482	31 390	33 278

During the 2011/12 Adjustments Estimate, the department shifted funds in respect of motor vehicle licences from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities* in line with a SCOA reclassification. The prior year figures were restated for comparison purposes.

Departmental agencies and accounts in Programme 1 is in respect of the Skills Development Levy. The increase in the 2011/12 Adjusted Appropriation is due to the increase in the number of volunteers appointed.

Households in both Programmes 1 and 2 caters for staff exits, which are difficult to predict, accounting for the fluctuations in trend.

Provinces and municipalities (Municipalities – sport facilities) under Programme 2 shows a fluctuating trend from 2009/10 onward, due to additional funding allocated for the construction of sport facilities. A detailed trend analysis is provided under Section 5.6 above.

Non-profit institutions under Programme 2 relates to transfer payments to sport federations for the promotion and development of sport and recreation within the province. A detailed trend analysis is provided under Section 5.9 above.

6. Programme description

The services rendered by this department are categorised under two programmes, namely Programme 1: Administration and Programme 2: Sport and Recreation. The expenditure and budgeted estimates for each of these programmes are summarised in terms of economic classification below, details of which are presented in *Annexure – Vote 16: Sport and Recreation*.

6.1 Programme 1: Administration

The purpose of this programme is to provide overall management of the department.

The programme's aim includes management of the department through the office of the Head of Department and the provision of financial management, human resource services, administration services, and security and communication services which are included under the sub-programme Corporate Services.

Tables 16.15 and 16.16 below summarise payments and estimates relating to this programme, for the financial years 2008/09 to 2014/15.

Table 16.15: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Office of the MEC	6 282	1 371	-	-	-	-	-	-	-
Corporate Services	35 508	36 768	42 888	78 057	71 255	71 255	82 446	83 112	88 099
Total	41 790	38 139	42 888	78 057	71 255	71 255	82 446	83 112	88 099

Table 16.16: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	36 044	35 783	40 467	74 411	66 345	66 345	68 687	71 241	82 996
Compensation of employees	17 503	14 524	17 301	25 552	23 181	23 181	27 539	29 439	31 451
Goods and services	18 541	21 259	23 166	48 859	43 164	43 164	41 148	41 802	51 545
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	404	388	78	67	131	131	122	137	146
Provinces and municipalities	23	20	8	-	15	15	17	19	21
Departmental agencies and accounts	48	58	70	67	89	89	105	118	125
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	333	310	-	-	27	27	-	-	-
Payments for capital assets	5 342	1 968	2 343	3 579	4 779	4 779	13 637	11 734	4 957
Buildings and other fixed structures	-	-	-	-	-	-	10 000	8 000	1 000
Machinery and equipment	5 085	1 416	1 532	3 134	4 334	4 334	3 170	3 241	3 435
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	257	552	811	445	445	445	467	493	522
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	41 790	38 139	42 888	78 057	71 255	71 255	82 446	83 112	88 099

The substantial reduction against the Office of the MEC sub-programme in 2009/10 is attributed to the department no longer having a stand-alone ministry, but now sharing a ministry with the Department of Arts and Culture. This arose from the provincial reconfiguration of departments following the 2009 elections, and hence no provision was made from 2010/11 onward.

The sub-programme: Corporate Services increases from 2009/10 to 2010/11. The increase against the sub-programme and *Goods and services* from 2009/10 to 2011/12 Main Appropriation is due to additional funding for the establishment of district offices, and provision of security required for the additional offices. The decrease in the 2011/12 Adjusted Appropriation resulted from the non-implementation of the new organisational structure. The department anticipated implementing the new structure during 2011/12 but, due to union resistance, this did not occur. As a result, the department shifted funds from Programme 1 to Programme 2 in order to correctly align the budget, pending the implementation of the new structure. The purpose of the funds remains unchanged.

The low 2009/10 amount against *Compensation of employees* can be attributed to reprioritisation, due to the moratorium on the filling of non-critical vacant posts, to Programme 2 to fund the higher than anticipated 2009 wage agreement. The increase from 2010/11 is to cater for the annual wage agreement. The decrease in the 2011/12 Adjusted Appropriation is due to the delays experienced in filling budgeted vacant posts. The increase over the 2012/13 MTEF caters largely for inflationary increases.

The decrease in the 2011/12 Adjusted Appropriation against *Goods and services* is due to delays experienced by the Department of Public Works in finding appropriate office space for the department in Pietermaritzburg.

Transfers and subsidies to: Departmental agencies and accounts is in respect of the Skills Development Levy. The increase in 2009/10 and 2010/11 relates to outstanding accounts from previous years for the THETA skills development contributions only paid in those years. The slight increase in the 2011/12

Adjusted Appropriation can be ascribed to the skills development contribution being higher than anticipated. The increase over the 2012/13 MTEF is due to inflationary increments.

Transfers and subsidies to: Households to cater for staff exit cost, this is difficult to predict, accounting for the fluctuating trend.

The high expenditure in 2008/09 against *Machinery and equipment* resulted from the purchase of additional motor vehicles and new network servers, as well as the upgrading of departmental computer equipment. The decrease in 2009/10 and 2010/11 can be attributed to cost-cutting. The increase in the 2011/12 Adjusted Appropriation is to cater for six motor vehicles which were ordered in 2010/11, but delivery and payment was made in 2011/12. The increase over the MTEF is due to inflationary increases.

The increase in 2009/10 against *Software and other intangible assets* was due to software licences purchased for the setting-up of new district offices, as well as for the setting-up and maintenance of servers in the uMgungundlovu and eThekweni offices. The increase in 2010/11 is for the Project Proposal Management System software. The existing system has been modified by the service provider and has been placed at the head office where it is accessible to all district offices. This means that the department does not need to purchase additional software for all district offices, hence the reduction over the 2012/13 MTEF. The funds allocated over the MTEF are for upgrading and maintenance of the system.

6.2 Programme 2: Sport and Recreation

The purpose of this programme is to promote, develop, administer and fund sport in KZN. It also ensures advancement of participation in sport and recreation, talent identification and the promotion of performance excellence. The programme conforms to the uniform budget structure for the sector as revised in 2011. The programme consists of four sub-programmes, whereas previously there were six sub-programmes. It should be noted that, as far as possible, the department attempted to restate prior years' figures, but this was not possible in every instance.

Programme 2: Sport and Recreation focuses on the following areas:

- Providing financial assistance to sport and recreation organisations for development programmes, provincial and national tournaments.
- Managing a number of annual sport and recreation functions.
- Hosting major provincial, national and international sport events.
- Promoting sport activities for targeted groups such as the disabled, senior citizens, youth and women.
- Its role in the Provincial Academy of Sport, which provides for the development of sport including the identification of talent and the provision of education, training and sport science to athletes.
- Promoting mass participation.
- Promoting and developing community sport, junior sport and recreational activities.
- Infrastructure development, which encourages both job creation and development of sport facilities in different nodes in the province, targeting previously disadvantaged areas.

The four sub-programmes under this programme have the following purposes:

- Management: Management of sport and recreation, co-ordination of the district offices, research for sport and recreation and monitoring of sport programmes.
- Sport: Implementation of sport programmes focusing on the development of sport in the province.
- Recreation: Implementation of recreational programmes to promote an active lifestyle.
- School Sport: Implementation of the national conditional grant for the mobilisation of the masses for sport through schools and communities and to create a legacy for sport in the province.

Tables 16.17 and 16.18 below reflect a summary of payments and estimates relating to this programme for the financial years 2008/09 to 2014/15.

Table 16.17: Summary of payments and estimates - Programme 2: Sport and Recreation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Management	25 792	36 370	36 310	55 295	64 916	64 916	71 092	75 251	79 750
Sport	77 255	99 143	118 168	151 807	135 061	135 061	123 324	132 543	141 124
Recreation	27 625	29 083	44 664	38 249	38 249	38 249	41 264	43 841	46 297
School Sport	40 805	36 607	34 710	34 925	48 852	48 852	59 162	62 476	65 426
Total	171 477	201 203	233 852	280 276	287 078	287 078	294 842	314 111	332 597

Table 16.18: Summary of payments and estimates by economic classification - Programme 2: Sport and Recreation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	126 556	168 961	211 101	233 309	238 967	237 700	245 217	261 478	276 802
Compensation of employees	40 222	55 700	71 432	79 409	81 491	81 491	96 883	102 314	109 264
Goods and services	86 334	113 261	139 669	153 900	157 476	156 209	148 334	159 164	167 538
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	31 508	25 712	14 200	25 370	28 114	29 381	29 360	31 253	33 132
Provinces and municipalities	22 995	20 357	8 197	16 770	19 274	19 274	18 360	19 370	20 532
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	8 392	5 200	6 000	8 600	8 600	8 600	11 000	11 883	12 600
Households	121	155	3	-	240	1 507	-	-	-
Payments for capital assets	13 413	6 530	8 551	21 597	19 997	19 997	20 265	21 380	22 663
Buildings and other fixed structures	12 607	5 815	8 400	19 997	19 997	19 997	20 265	21 380	22 663
Machinery and equipment	550	508	50	1 600	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	256	207	101	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	171 477	201 203	233 852	280 276	287 078	287 078	294 842	314 111	332 597

There has been a steady increase in the budget allocation of Programme 2 over the seven-year period, which manages and oversees the core functions of the department.

The increase against the Management sub-programme from 2009/10 relates to the expansion of major events such as the Dusi Canoe Marathon, Premier Sports Award, etc. The increase in the 2011/12 Adjusted Appropriation relates to the department shifting funds in respect of Strategic Management Services from Programme 1 to Programme 2 against the same economic classifications. This was due to the non-implementation of the new organisational structure. The department anticipated implementing the new structure in 2011/12 but, due to union resistance, this did not occur. As a result, funds were shifted the funds from Programme 1 to Programme 2 in order to align the budget correctly, pending the implementation of the new structure.

The substantial increase in the Sport sub-programme from 2009/10 onward can be attributed to the inclusion of the previous structure's facilities sub-programme, in line with the revised uniform budget and programme structure of the Sports, Arts and Culture sector. The decrease in the 2011/12 Adjusted Appropriation is due to funds moved to the School Sport sub-programme to accommodate an anticipated over-expenditure against *Compensation of employees* within the conditional grant. The department participates in the SA Games once every two years, hence the decrease in 2012/13 and the increase in 2013/14 and 2014/15.

The budget for the sub-programme: Recreation, which houses part of the conditional grant, increases from 2009/10 onward. The increase can be attributed to the inclusion of the *Siyadlala* Mass Participation Programme element, which used to fall under the World Cup 2010 and Major Events sub-programme, in line with the revised uniform budget and programme structure of the Sport, Arts and Culture sector.

The sub-programme: School Sport includes a portion of the conditional grant and the World Cup 2010 and Major Projects sub-programme. The allocation against this sub-programme decreases in 2009/10 and 2010/11 due to funds moved from the World Cup 2010 and Major Projects sub-programme to cater for commitments in respect of sport and recreation consumables from 2009/10. The increase in the 2011/12 Adjusted Appropriation is due to funds moved from the Sport sub-programme to accommodate an anticipated over-expenditure against *Compensation of employees* within the conditional grant.

The increase in *Compensation of employees* from 2009/10 to 2014/15 reflects the growth of the department's personnel in respect of permanent staff as per the organisational structure, and volunteers employed under the conditional grant. As mentioned, funds were reprioritised from the soccer development funds to cater for this increase. The increase over the 2012/13 MTEF is in line with the new organisational structure and the increases in the number of hubs, clubs and schools. The increase in the 2011/12 Adjusted Appropriation is due to funds shifted from the same category in Programme 1 to Programme 2 in order to align the budget correctly, pending the implementation of the new structure, as explained previously.

The increase in the 2011/12 Adjusted Appropriation is due to the reprioritisation of funds from the same category in Programme 1 as a result of the non-implementation of the new organisational structure, as previously mentioned.

The reduction in *Transfers and subsidies to: Provinces and municipalities* in 2009/10 can be attributed to funds moved to *Building and other fixed structures* as a result of the new approach of the department, as mentioned previously. The department experienced delays in respect of transfer payments to municipalities for the construction of sport facilities, such as adverse weather conditions, as mentioned previously. This explains the decrease in 2010/11. The increase in the 2011/12 Adjusted Appropriation is due to funds moved from *Goods and services* to cater for the construction of sport fields which were incomplete as at 31 March 2011 such as Ingangane, Mpofana and Nkosi Bhambatha projects, as mentioned previously. The increase over the 2012/13 MTEF is due to inflationary increments.

The high 2008/09 amount against *Transfers and subsidies to: Non-profit institutions* relates to the increase in requests from sport federations for financial assistance. The decrease from 2009/10 is due to enforced savings in accordance with the Provincial Recovery Plan, and reprioritisation of funds to *Goods and services* to fund commitments from the previous year. The increase over the 2012/13 MTEF is to cater for the increase in the number of requests from sport federations for financial assistance.

Transfers and subsidies to: Households relates to staff exit costs which are difficult to predict.

The amount against *Software and other intangible assets* in 2008/09 and 2009/10 was due to expenditure on software licences that was needed for the expansion of the department. There are no projections over the 2012/13 MTEF, as the department does not anticipate the purchase of any software, at this stage.

Service delivery measures – Programme 2: Sport and Recreation

Table 16.19 illustrates the main service delivery measures relevant to Programme 2 from 2011/12 to 2014/15. In the development of these measures, every attempt was made to align them with the generic measures for the Sport, Arts and Culture sector. The generic measures that were considered to be relevant have been incorporated in the department's 2012/13 APP, and are reflected below.

This programme has been amended for the 2012/13 MTEF to conform to the Sport, Arts and Culture sector. As a result, new performance indicators were introduced from 2012/13 onward.

Table 16.19: Service delivery measures – Programme 2: Sport and Recreation

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
1. Sport					
1.1. Support decentralisation of sport structures	• No. of sport federations supported through decentralising services	New	2	3	3
	• No. of affiliated and functional clubs supported	New	2 500	3 000	3 500

Table 16.19: Service delivery measures – Programme 2: Sport and Recreation

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
1.2. Promote transformation through the support of good governance, talent optimisation, sports development and high performance progs with sport and recreation federations/agencies through transfer payments	No. of sport federations/agencies supported through transfer payments	45	52	52	53
	No. of recreation federations/agencies supported through transfer payments	7	11	11	12
	No. of people benefiting from support for recreation progs.	New	7 000	8 000	9 000
	No. of advocacy campaigns/behavioral change progs. implementation with recreational agencies	6	7	8	9
	No. of formal talent identification progs.	New	52	52	53
	No. of athletes benefiting from talent optimisation/development progs.	New	580	700	765
	No. of high performance sports	New	40	50	60
	No. of sport and federations progs. monitored	15	18	23	28
	No. of coaches trained	1 900	1 700	1 800	1 900
1.3. Support sport development through accredited capacity building prog.	No. of sport administrators/volunteers trained	2 300	2 400	2 500	2 600
	No. of technical officials trained	1 600	1 700	1 800	1 900
	No. of coaches trained through the districts	New	550	660	770
	No. of capacity building workshops held on promoting good governance	New	4	4	4
1.4. Support sport federations to perform optimally in national competitions	No. of sport federations/entities benefiting from provision of the sport house	New	8	10	12
	No. of administrative contract jobs created to support the sport house	New	4	5	6
	No. of affiliated functional clubs supported (per code)	New	630	700	850
	No. of formalised partnerships to support the high performance prog	New	3	3	3
1.5. Support sport federations to perform optimally in national competitions	No. of provincial teams supported to national tournaments	New	20	25	30
	No. of athletes selected in provincial teams to national tournaments	New	750	900	1 100
	No. of national medals targeted in prioritised codes of sport	New	40	45	50
1.6. Build/renovate/upgrade community sport and recreation facilities	No. of basic sport and recreation facilities constructed	12	12	12	12
	No. of upgraded/rehabilitated sport and recreation facilities	4	5	9	9
	No. of recreational wellness centres (fitness centres) supported	New	5	5	5
1.7. Provide support for utilisation and maintenance of facility	No. of municipalities receiving facility maintenance equipment	12	14	14	14
	No. of municipalities receiving facility maintenance support grants	11	33	44	55
1.8. Job creation	No. of jobs created by municipalities	11	33	44	55
	No. of temporary jobs created by municipalities	170	180	180	180
1.9. Increase grass-roots participation through implementation of an integrated and sustainable club structure	No. of clubs supported through goods and services	249	369	489	609
	No. of tournaments hosted	24	36	48	60
	No. contract jobs created	25	28	48	60
	No. of coaches trained	160	480	480	480
	No. of technical officials trained	160	480	480	480
	No. of sport administrators trained	80	240	240	240
	No. of sport academies established and supported	1	5	12	12
1.10. Support the development of sport through establishment of an academy system at provincial and regional level	No. of accredited sport academies supported	New	15	22	25
	No. of athletes supported	New	750	1 100	1 250
	No. of sport academies established and supported	1	5	12	12
1.11. To establish and sustain provincial/district sport councils toward an integrated sports development system	No. of sport councils established and supported	New	12	23	34
1.12. Implementation of development progs through games/festivals	No. of developmental games supported at provincial and district level (SALGA games)	12	12	12	12
	No. of USSA institutions supported (tertiary)	6	6	6	6
	No. of USSA athletes supported to international competitions	New	4	8	5
1.13. Implementation of stakeholder consultation forums	No. of <i>indaba</i> on women in sport hosted	1	5	12	12
	No. of provincial sport and recreation <i>indaba</i>	1	1	1	1
1.14. Implementation of achievement recognition awards function	No. of school sport recognition awards functions hosted at district level	New	11	11	11
	No. of provincial sport and recreation recognition awards functions hosted	New	1	1	1
1.15. Provision of effective sport and recreation progs. in prioritised wards (<i>Sukuma Sakhe</i>)	No. of <i>Sukuma Sakhe</i> programme implemented with districts	New	11	22	33
	No. of youth centres/agencies supported	New	22	33	44
	No. of contract jobs created to support the <i>Sukuma Sakhe</i> prog.	New	1 457	1 457	1 457
	No. of contract jobs for EPWP	New	55	55	55
	No. of sport administrators and volunteers trained	New	22	48	48

Table 16.19: Service delivery measures – Programme 2: Sport and Recreation

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2011/12	2012/13	2013/14	2014/15
1.16. Support capacity building progs. toward improving corporate governance	<ul style="list-style-type: none"> No. of coaches symposiums/workshops hosted No. of technical officials symposiums/workshops hosted No. of coaches/technical officials/etc benefiting from exchange prog. 	New New 8	2 2 10	4 4 12	12 12 15
1.17. Grant access to quality education for qualifying disadvantaged individuals (Provincial Talent Retention Strategy)	<ul style="list-style-type: none"> No. of external bursaries granted in line with the strategic framework for high performance sport 	10	12	15	18
1.18. Provision of equipment/organisational support to community based organisations	<ul style="list-style-type: none"> No. of clubs/organisations benefiting from community outreach prog. 	New	300	350	400
1.19. To address moral-regeneration of youth through the sport for change prog.	<ul style="list-style-type: none"> No. of existing youth clubs/organisations supported at district level No. of life skills/capacity building progs. implemented No. of youth benefiting from advocacy progs. 	New New New	15 15 1 500	15 15 1 500	25 25 2 500
1.20. Hosting of major events	<ul style="list-style-type: none"> No. of major events hosted in the province 	10	10	10	12
2. Recreation					
2.1. To increase participation by developing and implementing targeted recreation progs. in service delivery sites in the province	<ul style="list-style-type: none"> No. of provincial and national recreational progs. co-ordinated No. of recreation service delivery sites supported No. of clubs/groups formed No. of recreation committees/structures supported No. of progs. addressing moral regeneration supported No. of progs. addressing social cohesion supported No. of progs. addressing active healthy lifestyles No. of recreational festivals presented at district level No. of partnerships formalised to promote delivery of sustainable recreation progs. and behavioral change No. of national/international health focus progs. supported No. of people benefiting from recreation progs. 	6 301 253 88 New New New 72 6 New 290 000	7 345 270 98 12 13 12 72 7 3 310 000	8 390 293 108 20 18 14 74 8 3 330 000	8 429 322 128 22 24 16 83 9 3 350 000
2.2. To facilitate capacity building, advocacy and job creation	<ul style="list-style-type: none"> No. of recreation leaders trained No. of jobs created (recreation leaders) No. of advocacy campaigns facilitated (HIV and AIDS) 	880 25 1	980 25 2	1 180 25 2	1 298 25 2
2.3. To promote and sustain active and healthy lifestyles through the implementation of mass sport participation prog. (Siyadlala) in hubs	<ul style="list-style-type: none"> No. of hubs established and supported No. of mass mobilisation festivals organised and supported No. of youth camps hosted and supported No. of outreach progs. identified and supported No. of sport development progs. initiated and supported No. of contract based jobs created No. of permanent jobs created and sustained No. of administrators/contract workers trained No. of people benefiting from the prog. No. of females benefiting from the prog. No. of people with disabilities benefiting from the prog. 	106 New New New 106 648 New 636 900 000 300 000 100	117 12 13 3 117 190 22 212 1 000 000 345 000 800	128 12 13 3 128 84 86 64 1 100 000 390 000 1 000	139 12 13 3 139 - 139 53 1 200 000 435 000 1 200
3. School Sport					
3.1. Implementation of an integrated school sport prog. in schools	<ul style="list-style-type: none"> No. of new schools in the prog No. of schools in the prog No. of poverty wards where schools are established No. of sport focus schools established and supported No. of learners benefiting from the school sport prog No. of female learners benefiting No. of disabled learners benefiting No. of contract based jobs created to sustain the prog. No. of contract based jobs created in sport federations No. of contract workers trained to sustain the prog. No. of educator coaches trained No. of educator technical officials trained No. of clusters monitored on implementation of the prog. No. of district tournaments in the top schools prog. supported No. of provincial tournaments in the top schools prog. supported No. of champion provincial top schools teams supported to national tournaments No. of district code structures for the youth olympic pathway supported 	440 1 085 80 New 325 000 125 000 1 300 63 New New 2 640 2 640 New New New New New New	440 1 525 124 58 490 000 175 000 1 400 355 18 38 1 320 1 320 12 11 1 6 66	440 1 965 168 80 610 000 215 000 1 500 357 18 40 1 320 1 320 16 11 1 8 88	440 2 404 212 102 730 000 255 000 1 600 359 18 42 1 320 1 320 20 11 1 10 110

Table 16.19: Service delivery measures – Programme 2: Sport and Recreation

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2011/12	2012/13	2013/14	2014/15	
3.2. Implementation of schools' youth olympic pathway in six codes of sport	• No. of provincial code structures for the youth olympic pathway supported	New	6	8	10	
	• No. of provincial tournaments for the youth olympic pathway supported	New	6	8	10	
	• No. of provincial teams supported for specialised training and preparation	New	6	8	10	
	• No. of identified athletes supported to high performance camps	New	600	800	1 000	
	• No. of learners to represent international junior/school sport competitions supported	5	5	5	5	
	• No. of code structures monitored on implementation of the youth olympic prog.	New	6	8	10	
	• No. of provincial teams selected for specialised training and preparation	New	6	8	10	
	• No. of identified athletes supported to high performance camps	New	600	800	1 000	
	• No. of learners to represent international junior/school sport competitions supported	5	5	5	5	
	• No. of code structures monitored on implementation of the youth olympic prog.	New	6	8	10	
3.3. Build/renovate/upgrade school sport and recreation facilities	• No. of new combination courts with artificial turf constructed in schools/communities	26	11	11	11	
	• No. of new school sport facilities completed	15	15	15	15	

7. Other programme information

7.1 Personnel numbers and costs

Tables 16.20 and 16.21 illustrate the personnel numbers and estimates pertaining to the department.

The increase in the total personnel numbers from 31 March 2009 to 31 March 2010 is due to the growth of the department in establishment of district offices in all 11 districts, and the employment of volunteers (contract workers) under the conditional grant. These volunteers receive a stipend and are paid through PERSAL.

The decrease in the average unit cost from 2012/13(as at 31 March 2013) is due to the large number of volunteers, as well as the significantly lower salaries paid to them.

Table 16.21 shows the breakdown of personnel in terms of the human resources and finance components. The increase from 2010/11 to 2011/12 is due to the department budgeting for the full staff complement.

The drastic reduction as at 31 March 2012 is due to the number of volunteers employed under the conditional grant is as per a directive from NDoSR, as previously explained.

Table 16.20: Personnel numbers and costs by programme

Personnel numbers	As at	As at	As at	As at	As at	As at	As at
	31 March 2009	31 March 2010	31 March 2011	31 March 2012	31 March 2013	31 March 2014	31 March 2015
1. Administration	89	84	89	74	75	75	75
2. Sport and Recreation	1 511	1 804	2 264	1 234	2 254	2 234	2 217
of which							
Volunteers	1 435	1 721	2 181	1 104	2 125	2 105	2 088
Total	1 600	1 888	2 353	1 308	2 329	2 309	2 292
Total personnel cost (R thousand)	57 725	70 224	88 733	104 672	124 422	131 753	140 715
Unit cost (R thousand)	36	37	38	80	53	57	61

Table 16.21: Details of departmental personnel numbers and costs

	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
				2011/12					
Total for department									
Personnel numbers (head count)	1 600	1 888	2 353	939	939	1 308	2 329	2 309	2 292
Personnel cost (R thousand)	57 725	70 224	88 733	104 961	104 672	104 672	124 422	131 753	140 715
Human resources component									
Personnel numbers (head count)	13	17	17	18	18	18	18	18	18
Personnel cost (R thousand)	3 028	4 680	6 047	6 688	6 666	6 666	6 131	6 560	7 012
Head count as % of total for department	0.81	0.90	0.72	1.92	1.92	1.38	0.77	0.78	0.79
Personnel cost as % of total for department	5.25	6.66	6.81	6.37	6.37	6.37	4.93	4.98	4.98
Finance component									
Personnel numbers (head count)	22	18	18	23	23	23	23	23	23
Personnel cost (R thousand)	3 642	3 303	4 534	6 274	6 247	6 247	6 750	7 228	7 720
Head count as % of total for department	1.38	0.95	0.76	2.45	2.45	1.76	0.99	1.00	1.00
Personnel cost as % of total for department	6.31	4.70	5.11	5.98	5.97	5.97	5.43	5.49	5.49
Full time workers									
Personnel numbers (head count)	165	167	172	204	204	204	204	204	204
Personnel cost (R thousand)	38 970	44 659	47 473	77 367	77 078	77 078	109 996	115 813	123 244
Head count as % of total for department	10.31	8.85	7.31	21.73	21.73	15.60	8.76	8.83	8.90
Personnel cost as % of total for department	67.51	63.60	53.50	73.71	73.64	73.64	88.41	87.90	87.58
Part-time workers									
Personnel numbers (head count)									
Personnel cost (R thousand)									
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	1 435	1 721	2 181	735	735	1 104	2 125	2 105	2 088
Personnel cost (R thousand)	18 755	25 565	41 260	27 594	27 594	27 594	14 426	15 940	17 471
Head count as % of total for department	89.69	91.15	92.69	78.27	78.27	84.40	91.24	91.17	91.10
Personnel cost as % of total for department	32.49	36.40	46.50	26.29	26.36	26.36	11.59	12.10	12.42

7.2 Training

Tables 16.22 and 16.23 reflect departmental payments on training per programme over the seven-year period for the administrative staff, as well as volunteer/contract employees and external role players such as educators and coaching personnel.

The substantial increase from 2010/11 to 2011/12 and over the MTEF period is due to the increase in volunteers employed within the mass sport and recreation conditional grant programme that required extensive training to equip them to deliver as per the departmental programme structures and mandate.

The decrease in the training budget against Programme 1 in the 2011/12 Adjusted Appropriation is mainly due to funds being reprioritised to *Goods and services* for the payment of interns.

The expenditure against Programme 2 decreases in the 2011/12 Adjusted Appropriation. This can be attributed to the way service providers quote their payment, as the amount quoted is inclusive of the venue, facilities and catering used for the training. The department unpacked the amount and allocated it against its appropriate SCOA classification. The increase over the 2012/13 MTEF relates to the training that will be conducted to ensure that educators are able to coach the students, in order to retain skills in the sector.

The department has also budgeted for the 1 per cent of its salary expense for staff training as per the requirement of the Skills Development Act.

Table 16.22: Payments and estimates on training

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
				2011/12					
1. Administration	258	580	966	1 100	900	900	1 171	1 216	1 274
2. Sport and Recreation	1 356	1 875	3 453	13 819	12 775	12 775	15 854	17 150	18 725
Total	1 614	2 455	4 419	14 919	13 675	13 675	17 025	18 366	19 999

Table 16.23 illustrates the number of staff, volunteers/contract employees and external role players affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

Table 16.23: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Number of staff	1 600	1 888	2 353	939	939	1 308	2 329	2 309	2 292
Number of personnel trained	134	163	164	197	197	197	353	244	249
<i>of which</i>									
Male	52	73	78	94	94	94	169	112	112
Female	82	90	86	103	103	103	184	132	137
Number of training opportunities	31	45	55	59	59	59	39	45	52
<i>of which</i>									
Tertiary	-	-	1	2	2	2	4	5	6
Workshops	5	15	18	21	21	21	5	4	4
Seminars	4	8	10	5	5	5	12	11	11
Other	22	22	26	31	31	31	18	25	31
Number of bursaries offered	35	37	45	37	37	37	52	67	82
External	-	-	-	-	-	-	5	10	15
Internal	35	37	45	37	37	37	47	57	67
Number of interns appointed	36	6	10	20	20	20	10	10	10
Number of learnerships appointed	1	12	20	10	10	10	1	1	1
Number of days spent on training	72	121	101	111	111	111	85	98	113

ANNEXURE – TO VOTE 16: SPORT AND RECREATION

Table 16.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	40	35	49	55	55	61	65	70	75
Sale of goods and services produced by dept. (excl. capital assets)	40	35	49	55	55	61	65	70	75
Sales by market establishments									
Administrative fees									
Other sales	40	35	49	55	55	61	65	70	75
Of which									
Other	40	35	49	55	55	61	65	70	75
Sale of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Dividends									
Rent on land									
Sale of capital assets	-	169	-	-	-	239	-	-	-
Land and subsoil assets									
Other capital assets	-	169	-	-	-	239	-	-	-
Transactions in financial assets and liabilities	89	149	118	-	-	77	30	30	30
Total	129	353	167	55	55	377	95	100	105

Table 16.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	162 600	204 744	251 568	307 720	305 312	304 045	313 904	349 364	377 442
Compensation of employees	57 725	70 224	88 733	104 961	104 672	104 672	124 422	131 753	140 715
Salaries and wages	52 515	63 985	81 054	83 969	83 738	83 738	99 537	105 406	112 576
Social contributions	5 210	6 239	7 679	20 992	20 934	20 934	24 885	26 347	28 139
Goods and services	104 875	134 520	162 835	202 759	200 640	199 373	189 482	217 611	236 727
of which									
Administrative fees	-	21	21	60	30	30	70	80	85
Advertising	2 895	2 082	992	2 032	2 032	2 032	2 914	2 977	3 051
Assets <R5000	1 337	436	162	3 550	2 950	2 950	2 472	2 503	2 633
Audit cost: External	715	1 238	1 284	1 719	1 900	1 900	2 264	2 370	2 581
Bursaries (employees)	84	65	83	400	400	400	1 000	1 120	1 245
Catering: Departmental activities	7 891	8 792	8 418	20 464	7 209	7 209	14 912	15 984	16 831
Communication	1 849	2 293	2 499	4 846	4 389	4 389	3 193	3 361	5 682
Computer services	2 232	3 805	4 072	7 426	7 046	7 046	6 064	5 968	6 327
Cons/prof: Business & advisory services	3 505	4 915	2 602	8 472	7 347	7 347	8 660	9 308	10 082
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	33	173	40	411	311	311	432	456	480
Contractors	2 266	3 155	3 499	19 985	9 448	9 448	10 987	13 591	19 913
Agency & support/outsourced services	416	302	605	315	770	801	489	512	543
Entertainment	-	40	-	-	-	-	-	-	-
Fleet services (incl. GMT)	871	874	1 132	1 862	1 847	1 440	1 938	2 043	2 165
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Raw materials	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	36 266	47 035	58 840	30 406	31 896	31 865	42 431	47 416	49 670
Inventory: Stationery and printing	3 110	2 566	1 535	4 674	4 034	2 767	5 385	5 861	6 263
Lease payments (incl. operating, excl. fin)	2 960	4 115	5 031	7 811	6 789	6 789	8 606	9 079	9 557
Property payments	1 756	2 210	2 859	5 490	5 290	5 097	4 835	5 133	5 486
Transport provided: Departmental activity	9 703	13 064	10 725	17 566	16 680	16 420	11 287	17 978	19 016
Travel and subsistence	5 026	5 202	6 869	8 784	7 345	7 945	9 239	9 779	10 328
Training and development	1 614	2 455	4 419	14 919	13 675	13 675	17 025	18 366	19 998
Operating expenditure	283	786	872	3 227	2 624	2 884	2 614	1 748	1 629
Venues and facilities	20 063	28 896	46 276	38 340	66 628	66 628	32 665	41 978	43 162
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	31 912	26 100	14 278	25 437	28 245	29 512	29 482	31 390	33 278
Provinces and municipalities	23 018	20 377	8 205	16 770	19 289	19 289	18 377	19 389	20 553
Provinces	23	20	8	-	15	15	17	19	21
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	23	20	8	-	15	15	17	19	21
Municipalities	22 995	20 357	8 197	16 770	19 274	19 274	18 360	19 370	20 532
Municipalities	22 995	20 357	8 197	16 770	19 274	19 274	18 360	19 370	20 532
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	48	58	70	67	89	89	105	118	125
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	48	58	70	67	89	89	105	118	125
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	8 392	5 200	6 000	8 600	8 600	8 600	11 000	11 883	12 600
Households	454	465	3	-	267	1 534	-	-	-
Social benefits	-	-	3	-	-	1 267	-	-	-
Other transfers to households	454	465	-	-	267	267	-	-	-
Payments for capital assets	18 755	8 498	10 894	25 176	24 776	24 776	33 902	33 114	27 620
Buildings and other fixed structures	12 607	5 815	8 400	19 997	19 997	19 997	30 265	29 380	23 663
Buildings	-	-	-	-	-	-	10 000	8 000	1 000
Other fixed structures	12 607	5 815	8 400	19 997	19 997	19 997	20 265	21 380	22 663
Machinery and equipment	5 635	1 924	1 582	4 734	4 334	4 334	3 170	3 241	3 435
Transport equipment	923	566	152	1 467	1 467	1 467	1 541	1 526	1 617
Other machinery and equipment	4 712	1 358	1 430	3 267	2 867	2 867	1 629	1 715	1 818
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	513	759	912	445	445	445	467	493	522
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	213 267	239 342	276 740	358 333	358 333	358 333	377 288	413 868	438 340

Table 16.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Current payments	36 044	35 783	40 467	74 411	66 345	66 345	68 687	71 241	82 996
Compensation of employees	17 503	14 524	17 301	25 552	23 181	23 181	27 539	29 439	31 451
Salaries and wages	15 234	12 509	14 874	20 442	18 545	18 545	22 031	23 555	25 165
Social contributions	2 269	2 015	2 427	5 110	4 636	4 636	5 508	5 884	6 286
Goods and services	18 541	21 259	23 166	48 859	43 164	43 164	41 148	41 802	51 545
of which									
Administrative fees	-	21	21	60	30	30	70	80	85
Advertising	1 246	495	929	1 780	1 780	1 780	2 442	2 463	2 496
Assets <R5000	925	325	116	2 638	2 038	2 038	2 144	2 157	2 286
Audit cost: External	715	1 238	1 284	1 719	1 900	1 900	2 264	2 370	2 581
Bursaries (employees)	84	65	83	400	400	400	400	420	445
Catering: Departmental activities	249	149	158	239	209	209	388	409	433
Communication	1 687	2 053	2 234	4 328	4 089	4 089	2 449	2 584	4 859
Computer services	2 232	3 724	3 688	7 066	6 686	6 686	5 686	5 569	5 904
Cons/prof: Business & advisory services	1 200	1 857	518	2 282	632	632	1 331	1 395	1 480
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	33	66	40	311	311	311	327	345	363
Contractors	243	129	496	5 115	3 448	3 448	183	194	5 392
Agency & support/outsourced services	366	302	512	315	700	700	489	512	543
Entertainment									
Fleet services (incl. GMT)	871	874	1 132	1 862	1 847	1 440	1 938	2 043	2 165
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Raw materials									
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	156	457	241	401	291	291	352	372	394
Inventory: Stationery and printing	1 759	1 716	946	1 868	1 228	1 228	2 600	2 965	3 259
Lease payments (incl. operating, excl. fin)	2 641	4 115	5 031	6 701	6 701	6 701	7 436	7 845	8 315
Property payments	1 600	1 406	2 859	5 290	5 290	5 097	4 625	4 911	5 264
Transport provided: Departmental activity	4	8	-	-	20	20	200	211	224
Travel and subsistence	2 024	1 319	1 441	1 945	1 545	2 145	2 386	2 510	2 660
Training and development	258	580	966	1 100	900	900	1 171	1 216	1 274
Operating expenditure	95	231	319	2 587	2 504	2 504	1 797	886	735
Venues and facilities	153	129	152	852	615	615	470	345	388
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	404	388	78	67	131	131	122	137	146
Provinces and municipalities	23	20	8	-	15	15	17	19	21
Provinces	23	20	8	-	15	15	17	19	21
Provincial Revenue Funds									
Provincial agencies and funds	23	20	8		15	15	17	19	21
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	48	58	70	67	89	89	105	118	125
Social security funds									
Entities receiving funds	48	58	70	67	89	89	105	118	125
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	333	310	-	-	27	27	-	-	-
Social benefits									
Other transfers to households	333	310	-	-	27	27	-	-	-
Payments for capital assets	5 342	1 968	2 343	3 579	4 779	4 779	13 637	11 734	4 957
Buildings and other fixed structures	-	-	-	-	-	-	10 000	8 000	1 000
Buildings	-	-	-	-	-	-	10 000	8 000	1 000
Other fixed structures									
Machinery and equipment	5 085	1 416	1 532	3 134	4 334	4 334	3 170	3 241	3 435
Transport equipment	923	566	152	1 467	1 467	1 467	1 541	1 526	1 617
Other machinery and equipment	4 162	850	1 380	1 667	2 867	2 867	1 629	1 715	1 818
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	257	552	811	445	445	445	467	493	522
Payments for financial assets									
Total	41 790	38 139	42 888	78 057	71 255	71 255	82 446	83 112	88 099

Table 16.D: Details of payments and estimates by economic classification - Programme 2: Sport and Recreation

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	126 556	168 961	211 101	233 309	238 967	237 700	245 217	261 478	276 802
Compensation of employees	40 222	55 700	71 432	79 409	81 491	81 491	96 883	102 314	109 264
Salaries and wages	37 281	51 476	66 180	63 527	65 193	65 193	77 506	81 851	87 411
Social contributions	2 941	4 224	5 252	15 882	16 298	16 298	19 377	20 463	21 853
Goods and services	86 334	113 261	139 669	153 900	157 476	156 209	148 334	159 164	167 538
of which									
Administrative fees									
Advertising	1 649	1 587	63	252	252	252	472	514	555
Assets <R5000	412	111	46	912	912	912	328	346	347
Audit cost: External									
Bursaries (employees)	-	-	-	-	-	-	600	700	800
Catering: Departmental activities	7 642	8 643	8 260	20 225	7 000	7 000	14 524	15 575	16 398
Communication	162	240	265	518	300	300	744	777	823
Computer services	-	81	384	360	360	360	378	399	423
Cons/prof. Business & advisory services	2 305	3 058	2 084	6 190	6 715	6 715	7 329	7 913	8 602
Cons/prof. Infrastructure & planning									
Cons/prof. Laboratory services									
Cons/prof. Legal cost	-	107	-	100	-	-	105	111	117
Contractors	2 023	3 026	3 003	14 870	6 000	6 000	10 804	11 587	12 602
Agency & support/outsourced services	50	-	93	-	70	101	-	-	-
Entertainment	-	40	-	-	-	-	-	-	-
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Raw materials									
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	36 110	46 578	58 599	30 005	31 605	31 574	42 079	43 992	46 041
Inventory: Stationery and printing	1 351	850	589	2 806	2 806	1 539	2 785	2 896	3 004
Lease payments (incl. operating, excl. fin)	319	-	-	1 110	88	88	1 170	1 234	1 242
Property payments	156	804	-	200	-	-	210	222	222
Transport provided: Departmental activity	9 699	13 056	10 725	17 566	16 660	16 400	11 087	13 055	13 798
Travel and subsistence	3 002	3 883	5 428	6 839	5 800	5 800	6 853	7 269	7 668
Training and development	1 356	1 875	3 453	13 819	12 775	12 775	15 854	17 150	18 724
Operating expenditure	188	555	553	640	120	380	817	862	894
Venues and facilities	19 910	28 767	46 124	37 488	66 013	66 013	32 195	34 562	35 278
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	31 508	25 712	14 200	25 370	28 114	29 381	29 360	31 253	33 132
Provinces and municipalities	22 995	20 357	8 197	16 770	19 274	19 274	18 360	19 370	20 532
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	22 995	20 357	8 197	16 770	19 274	19 274	18 360	19 370	20 532
Municipalities	22 995	20 357	8 197	16 770	19 274	19 274	18 360	19 370	20 532
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions	8 392	5 200	6 000	8 600	8 600	8 600	11 000	11 883	12 600
Households	121	155	3	-	240	1 507	-	-	-
Social benefits	-	-	3	-	-	1 267	-	-	-
Other transfers to households	121	155	-	-	240	240	-	-	-
Payments for capital assets	13 413	6 530	8 551	21 597	19 997	19 997	20 265	21 380	22 663
Buildings and other fixed structures	12 607	5 815	8 400	19 997	19 997	19 997	20 265	21 380	22 663
Buildings									
Other fixed structures	12 607	5 815	8 400	19 997	19 997	19 997	20 265	21 380	22 663
Machinery and equipment	550	508	50	1 600	-	-	-	-	-
Transport equipment									
Other machinery and equipment	550	508	50	1 600	-	-	-	-	-
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	256	207	101	-	-	-	-	-	-
Payments for financial assets									
Total	171 477	201 203	233 852	280 276	287 078	287 078	294 842	314 111	332 597

Table 16.E: Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2011/12	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Current payments	55 384	78 741	93 664	87 694	87 694	87 694	92 122	96 544	101 986
Compensation of employees	18 754	25 565	41 260	27 594	27 594	27 594	15 426	15 940	17 471
Salaries and wages	18 607	25 361	40 107	22 075	22 075	22 075	12 521	12 752	13 977
Social contributions	147	204	1 153	5 519	5 519	5 519	2 905	3 188	3 494
Goods and services	36 630	53 176	52 404	60 100	60 100	60 100	76 696	80 604	84 515
of which									
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	296	418	-	200	200	200	417	456	494
Assets <R5000	408	111	46	300	300	300	315	332	332
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	4 158	5 598	3 544	5 310	5 310	5 310	6 686	7 525	7 776
Communication	18	8	34	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	259	49	12	871	871	871	1 194	1 386	1 623
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	472	584	117	5 291	5 291	5 291	3 657	4 024	4 579
Agency & support/outsourced services	28	-	-	-	-	-	-	-	-
Entertainment	-	15	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	17 898	25 959	31 802	17 035	17 035	17 035	28 816	29 586	30 517
Inventory: Stationery and printing	536	233	296	770	770	770	865	909	898
Lease payments	319	-	-	1 000	1 000	1 000	1 050	1 107	1 108
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	5	-	200	200	200	210	222	222
Transport provided: Departmental activity	4 110	6 681	2 727	5 221	5 221	5 221	3 798	4 494	4 717
Travel and subsistence	182	533	908	575	575	575	420	481	473
Training and development	1 283	1 203	2 688	12 623	12 623	12 623	14 287	14 497	15 912
Operating expenditure	36	110	155	299	299	299	315	332	332
Venues and facilities	6 627	11 669	10 075	10 405	10 405	10 405	14 666	15 253	15 532
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 471	508	50	-	-	-	-	-	-
Buildings and other fixed structures	921	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	921	-	-	-	-	-	-	-	-
Machinery and equipment	550	508	50	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	550	508	50	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	56 855	79 249	93 714	87 694	87 694	87 694	92 122	96 544	101 986

Table 16.E: Payments and estimates by economic classification: Mass Participation and Sport Development grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	55 384	78 741	93 664	87 694	87 694	87 694	91 122	96 544	101 986
Compensation of employees	18 754	25 565	41 260	27 594	27 594	27 594	14 426	15 940	17 471
Salaries and wages	18 607	25 361	40 107	22 075	22 075	22 075	11 541	12 752	13 977
Social contributions	147	204	1 153	5 519	5 519	5 519	2 885	3 188	3 494
Goods and services	36 630	53 176	52 404	60 100	60 100	60 100	76 696	80 604	84 515
of which									
Advertising	296	418	-	200	200	200	417	456	494
Assets <R5000	408	111	46	300	300	300	315	332	332
Catering: Departmental activities	4 158	5 598	3 544	5 310	5 310	5 310	6 686	7 525	7 776
Communication	18	8	34	-	-	-	-	-	-
Cons/prof: Business & advisory services	259	49	12	871	871	871	1 194	1 386	1 623
Contractors	472	584	117	5 291	5 291	5 291	3 657	4 024	4 579
Agency & support/outourced services	28	-	-	-	-	-	-	-	-
Entertainment	-	15	-	-	-	-	-	-	-
Inventory: Other consumables	17 898	25 959	31 802	17 035	17 035	17 035	28 816	29 586	30 517
Inventory: Stationery and printing	536	233	296	770	770	770	865	909	898
Lease payments	319	-	-	1 000	1 000	1 000	1 050	1 107	1 108
Property payments	-	5	-	200	200	200	210	222	222
Transport provided: Departmental activity	4 110	6 681	2 727	5 221	5 221	5 221	3 798	4 494	4 717
Travel and subsistence	182	533	908	575	575	575	420	481	473
Training and development	1 283	1 203	2 688	12 623	12 623	12 623	14 287	14 497	15 912
Operating expenditure	36	110	155	299	299	299	315	332	332
Venues and facilities	6 627	11 669	10 075	10 405	10 405	10 405	14 666	15 253	15 532
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 471	508	50	-	-	-	-	-	-
Buildings and other fixed structures	921	-	-	-	-	-	-	-	-
Other fixed structures	921	-	-	-	-	-	-	-	-
Machinery and equipment	550	508	50	-	-	-	-	-	-
Other machinery and equipment	550	508	50	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	56 855	79 249	93 714	87 694	87 694	87 694	91 122	96 544	101 986

Table 16.F: Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Current payments	-	-	-	-	-	-	1 000	-	-
Compensation of employees	-	-	-	-	-	-	1 000	-	-
Salaries and wages	-	-	-	-	-	-	980	-	-
Social contributions	-	-	-	-	-	-	20	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	1 000	-	-

Table 16.G: Details of payments of infrastructure by category

No.	Project name	Municipality/Region	Type of infrastructure		Project duration		Source of funding	Budget programme name	EPWP budget for current financial year	Total project cost	Payments to date from previous years	Total available	MTEF forward estimates	
			Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish						2012/13	2013/14	2014/15
R thousand														
New and replacement assets									-	-	-	-	-	-
1.	Combination courts	Various municipalities	Sporting courts	11	01 Apr 2011	31 Mar 2015	Equitable share	Programme 2	-	4 612	29 265	5 000	5 275	5 592
2.	Sports fields	Various municipalities	Sport fields	4	01 Apr 2011	31 Mar 2015	Equitable share	Programme 2	-	7 980	-	7 560	7 976	8 454
3.	Futsal courts	Various municipalities	Soccer courts	20	01 Apr 2011	31 Mar 2015	Equitable share	Programme 2	-	7 405	16 561	7 705	8 129	8 617
4.	Office building	Ugu/Sisonke	Building	1	01 Apr 2011	31 Mar 2015	Equitable share	Programme 1	-	-	-	10 000	8 000	1 000
Total New and replacement assets									-	19 997	45 826	30 265	29 380	23 663
Upgrades and additions									-	-	-	-	-	-
Rehabilitation, renovations and refurbishments									-	-	-	-	-	-
Maintenance and repairs									-	-	-	-	-	-
1.	Minor repairs and renovation	Various municipalities	Maintenance	7	01 Apr 2010	31 Mar 2015	Equitable share	Programme 2	-	2 250	13 132	2 163	2 282	2 419
Total Maintenance and repairs									-	2 250	13 132	2 163	2 282	2 419
Infrastructure transfers - current									-	-	-	-	-	-
1.	Maintenance grants	Various municipalities	Maintenance	22	01 Apr 2011	31 Mar 2015	Equitable share	Programme 2	-	3 300	3 300	2 400	2 532	2 684
Total Infrastructure transfers - current									-	3 300	3 300	2 400	2 532	2 684
Infrastructure transfers - capital									-	-	-	-	-	-
1.	Sports facilities	Various municipalities	Infrastructure transfer	8	01 Apr 2011	31 Mar 2015	Equitable share	Programme 2	-	15 974	102 449	15 960	16 838	17 848
Total Infrastructure transfers - capital									-	15 974	102 449	15 960	16 838	17 848
Total Infrastructure									-	41 521	164 707	50 788	51 032	46 614

Table 16.I: Summary of transfers to local government (Infrastructure)

R thousand	Audited Outcome			Main Appropriatio	Adjusted Appropriatio	Revised Estimate	Medium-term Estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	2 400	3 865	-	150	300	300	1 350	-	-
B KZN211 Vulamehlo	-	2 202	-	150	150	150	150	-	-
B KZN212 Umdoni	-	-	-	-	-	-	-	-	-
B KZN213 Umzumbe	-	-	-	-	150	150	150	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	-	-	-	-	-	1 050	-	-
B KZN216 Hibiscus Coast	-	913	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	2 400	750	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	1 800	645	1 372	2 250	2 722	2 722	2 400	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	322	322	-	-	-
B KZN224 Impendle	-	-	-	-	150	150	150	-	-
B KZN225 Msunduzi	-	-	-	2 100	1 050	1 050	2 100	-	-
B KZN226 Mkhambathini	-	-	1 050	150	1 200	1 200	150	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	1 800	645	322	-	-	-	-	-	-
Total: Uthukela Municipalities	1 500	2 577	-	-	150	150	1 200	-	-
B KZN232 Emnambithi/Ladysmith	-	2 202	-	-	-	-	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	-	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN236 Imbabazane	-	-	-	-	150	150	150	-	-
C DC23 Uthukela District Municipality	1 500	375	-	-	-	-	1 050	-	-
Total: Umzinyathi Municipalities	1 950	2 577	2 100	3 930	4 290	4 290	3 090	-	-
B KZN241 Endumeni	-	913	-	-	-	-	-	-	-
B KZN242 Nqutu	-	-	-	1 680	840	840	1 890	-	-
B KZN244 Msinga	-	-	1 050	2 250	2 250	2 250	1 050	-	-
B KZN245 Umvoti	-	-	1 050	-	1 200	1 200	150	-	-
C DC24 Umzinyathi District Municipality	1 950	1 664	-	-	-	-	-	-	-
Total: Amajuba Municipalities	1 116	1 281	420	2 100	2 467	2 467	2 250	-	-
B KZN252 Newcastle	-	906	-	-	7	7	1 050	-	-
B KZN253 eMadiangeni	-	-	-	-	150	150	150	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	1 116	375	420	2 100	2 310	2 310	1 050	-	-
Total: Zululand Municipalities	3 122	-	-	150	300	300	300	-	-
B KZN261 eDumbe	300	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	150	150	150	-	-
B KZN266 Ulundi	-	-	-	150	150	150	150	-	-
C DC26 Zululand District Municipality	2 822	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	1 692	2 576	1 050	1 980	2 490	2 490	2 340	-	-
B KZN271 Umhlabuyalingana	-	913	-	150	150	150	150	-	-
B KZN272 Jozini	-	-	-	-	150	150	150	-	-
B KZN273 The Big 5 False Bay	-	913	1 050	150	1 200	1 200	150	-	-
B KZN274 Hlabisa	325	-	-	-	150	150	1 050	-	-
B KZN275 Mtubatuba	-	-	-	1 680	840	840	840	-	-
C DC27 Umkhanyakude District Municipality	1 367	750	-	-	-	-	-	-	-
Total: uThungulu Municipalities	4 691	2 969	525	2 250	2 925	2 925	1 200	-	-
B KZN281 Umfolozi	325	650	-	-	-	-	-	-	-
B KZN282 uMhlathuze	673	-	-	-	-	-	-	-	-
B KZN283 Ntambanana	-	731	-	150	150	150	150	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	913	-	-	-	-	-	-	-
B KZN286 Nkandla	325	-	525	2 100	2 775	2 775	1 050	-	-
C DC28 uThungulu District Municipality	3 368	675	-	-	-	-	-	-	-
Total: Ilembe Municipalities	2 792	1 289	1 680	1 830	1 140	1 140	2 190	-	-
B KZN291 Mandeni	-	-	-	150	150	150	150	-	-
B KZN292 KwaDukuza	-	-	1 680	-	150	150	150	-	-
B KZN293 Ndwedwe	-	-	-	1 680	840	840	840	-	-
B KZN294 Maphumulo	-	1 289	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	2 792	-	-	-	-	-	1 050	-	-
Total: Sisonke Municipalities	1 932	2 578	1 050	2 130	2 490	2 490	2 040	-	-
B KZN431 Ingwe	-	-	-	-	150	150	1 050	-	-
B KZN432 Kwa Sani	-	1 289	-	150	150	150	-	-	-
B KZN433 Greater Kokstad	195	-	1 050	150	1 200	1 200	150	-	-
B KZN434 Ubuhlebezwe	-	-	-	1 680	840	840	840	-	-
B KZN435 Umzimkulu	-	917	-	150	150	150	-	-	-
C DC43 Sisonke District Municipality	1 737	372	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	19 370	20 532
Total	22 995	20 357	8 197	16 770	19 274	19 274	18 360	19 370	20 532