



PROVINCE OF KWAZULU-NATAL

**ESTIMATES
OF
PROVINCIAL REVENUE AND
EXPENDITURE**

2013/14

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

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FOREWORD

Crafting the 2013/14 MTEF for KwaZulu-Natal (KZN) has been a very difficult exercise. There are two fiscal shocks that have emerged. Firstly, the 2011 Census results have had a negative impact on the magnitude of the provincial equitable share. In short, KZN's population, while still growing, the rate of growth is declining, resulting in a reduction in the equitable share allocation. In real numbers, KZN's equitable share is reduced by R1.124 billion, R2.387 billion and R3.261 billion over the 2013/14 MTEF. Although National Treasury (NT) has allocated some buffer funding to cushion against this reduction, it is not enough to fully finance the reduction. The second fiscal shock emanates from the national fiscal stance of curbing the unsustainable growth in public spending over the medium term, in order to stabilise the national debt portfolio. Currently, debt service costs are the fastest growing expenditure item in the national expenditure framework and, if these remain unchecked, they will crowd out service delivery expenditure in the near future. To give effect to this fiscal stance, National Cabinet approved a 1, 2 and 3 per cent reduction in the baselines of all government agencies. For provinces, these reductions are effected on 20 per cent of provincial equitable shares. For KZN, this results in reductions of R170 million, R358 million and R555 million over the 2013/14 MTEF.

Factoring in NT's buffer funding – alluded to earlier of R290 million, R656 million and R773 million over the 2013/14 MTEF – the net effect of both reductions, namely the Census data and the 1, 2 and 3 per cent baseline cuts of the provincial equitable share, is a R1.005 billion, R2.089 billion and R2.592 billion reduction over the 2013/14 MTEF. The province has not experienced such reductions in the recent past, and it will take some time to adjust. What is clear, though, is that the province needs to be innovative, eliminate wastage, and focus on the core business of government. To this effect, the provincial Cabinet has approved a revised list of cost-cutting measures aimed at assisting the province to finance the budget reductions. The details of the revised cost-cutting measures are contained in this *Estimates of Provincial Revenue and Expenditure (EPRE)* document.

Another area where savings can be realised is in the procurement of goods and services (SCM). As custodians of SCM, Provincial Treasury (PT) has gone on tender to secure an electronic procurement tool. This tool will eliminate collusion between government officials and suppliers. It will also improve transparency and ensure that government pays market prices for goods and services. This is a critical part of prudent fiscal management.

It is my honour to present the 2013/14 *EPRE* to the people of KZN 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 and public entities accountable for the public funds they spend.



S'miso Les Magagula

Head: KwaZulu-Natal Provincial Treasury

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LIST OF ABBREVIATIONS

Abbreviation	Full description
AARTO	Administrative Adjudication of Road Traffic Offences
ABET	Adult Basic Education and Training
ADA	Agri-business Development Agency
AEPRE	Adjustments Estimate of Provincial Revenue and Expenditure
AFCON	Africa Cup of Nations
AFS	Annual Financial Statements
AFMS	Application Filing Management System
A-G	Auditor-General
ANA	Annual National Assessments
ANC	African National Congress
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
B-BBEE	Broad-Based Black Economic Empowerment
BCP	Business Continuity Plan
BIS	Business Intelligence System
BPO	Business Process Outsourcing
BRICS	Brazil, Russia, India, China and South Africa
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
CCGs	Community Care Givers
CCMA	Commission for Conciliation, Mediation and Arbitration
CD	Compact Disk
CDC	Community Day Centre
CDW	Community Development Worker
CEO	Chief Executive Officer
CETA	Construction Education Training Authority
CFO	Chief Financial Officer
CHC	Community Health Centres
CIDB	Construction Industry Development Board
CiDP	Communities-in-Dialogue Programme
COGTA	Co-operative Governance and Traditional Affairs
COHOD	Committee of Heads of Departments
COIDA	Compensation of Injuries and Diseases' Act
COP	Conference of Parties
CNBC	Consumer News and Business Channel
CMP	Contract Management Project
CPA	Commonwealth Parliamentary Association
CPD	Corporate for Public Deposit
CPF	Community Policing Forum
CPI	Consumer Price Index
CRG	Capital Restructuring Grant
CRU	Community Residential Unit
CSC	Community Service Centre
CSIR	Council for Scientific Industrial Research
CTA	Common Task for Assessment
CYCC	Child and Youth Care Centres
CYCW	Child and Youth Care Workers
CWP	Community Work Programme
DAC	Department of Arts and Culture

List of Abbreviations

Abbreviation	Full description
DAEARD	Department of Agriculture, Environmental Affairs and Rural Development
DAFF	Department of Agriculture, Forestry and Fisheries
DBSA	Development Bank of South Africa
DBE	Department of Basic Education
DCSL	Department of Community Safety and Liaison
DDMC	District Disaster Management Centre
DEDT	Department of Economic Development and Tourism
DHET	Department of Higher Education and Training
HSDG	Human Settlements Development Grant
DH	District Houses
DIS	Development Information Services
DISSA	Disability Sport South Africa
DOE	Department of Education
DOH	Department of Health
DOHS	Department of Human Settlements
DOPW	Department of Public Works
DORA	Division of Revenue Act
DOSR	Department of Sport and Recreation
DOT	Department of Transport
DPSA	Department of Public Service and Administration
DPSS	Development Planning Shared Services
DRDLR	Department of Rural Development and Land Reform
DRP	Disaster Recovery Plan
DRM	Disaster Risk Management
DSD	Department of Social Development
DTI	Department of Trade and Industry
DTP	Dube TradePort
DWAF	Department of Water Affairs
EAP	Economically Active Population
EC	Eastern Cape
ECD	Early Childhood Development
ECM	Enterprise Content Management
EGD	Engineering, Graphics and Design
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
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
EXCO	Executive Committee
FBO	Faith Based Organisation
FBS	Free Basic Services
FET	Further Education and Training
FETC	Further Education and Training College
FFC	Financial and Fiscal Commission
FFW	Food For Waste
FLISP	Finance Linked Individual Subsidy Programme
FPC	Finance Portfolio Committee
FS	Free State
FTE	Full-time Equivalent
GDCSC	Gender, Disability, Children and Senior Citizens
GDP	Gross Domestic Product
GEMS	Government Employees Medical Scheme
GEPF	Government Employees Pension Fund
GET	General Education and Training

Abbreviation	Full description
GHS	General Household Survey
GIAMA	Government Immoveable Asset Management Act
GIS	Geographical Information System
GP	Gauteng Province
GRAP	Generally Recognised Accounting Practice
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
ICH	Integrated Craft Hubs
ICT	Information Communication Technology
ICU	Intensive Care Unit
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
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 Networks
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
JCPS	Justice Crime Prevention and Security
JE	Job Evaluation
KSIA	King Shaka International Airport
KWANALU	KwaZulu-Natal Agricultural Union
KZN	KwaZulu-Natal
KZNGBB	KwaZulu-Natal Gaming and Betting Board
KZNMERA	KwaZulu-Natal Monitoring, Evaluation and Research Association
KZNLA	KwaZulu-Natal Liquor Authority
KZNSB	KwaZulu-Natal Sharks Board
L:E	Learner: Educator
LA	Legislative Assembly
LAP	Local Area Planning
LED	Local Economic Development
LG	Local Government
LGTAS	Local Government Turn Around Strategy
LHs	Local Houses
LIM	Limpopo
LIV	<i>Lungisisa Indlela</i> Village
LTSM	Learner Teacher Support Material
LUMS	Land Use Management Strategy
MAP	Management Assistance Programme

List of Abbreviations

Abbreviation	Full description
MBAT	Municipal Bid Appeals Tribunal
MBRR	Municipal Budget and Reporting Relations
MCA	Municipal Capacity Assessment
MDB	Municipal Demarcation Board
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
MK	Umkhonto We Sizwe
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
MP	Mpumalanga Province
MPAC	Municipal Public Accounts Committee
MPCC	Multi-Purpose Community Centre
MPL	Member of Provincial Legislature
MPRA	Municipal Property Rates Act
MPSD	Mass Participation and Sport Development
MRO	Maintenance Repair and Overhaul
MSA	Municipal Structures Act
MSP	Municipal Support Programme
MST	Mathematics, Science and Technology
MTAS	Municipal Turn-Around Strategies
MTEC	Medium-Term Expenditure Committee
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MTV	Music Television
MYHDP	Multi-year Housing Development Plan
N3TC	N3Toll Concession
NATED	National Education
NC	Northern Cape
NC(V)	National Certificate (Vocational)
NCOP	National Council of Provinces
NCS	National Curriculum Statement
NDA	National Development Agency
NDOH	National Department of Health
NDHS	National Department of Human Settlements
NDMC	National Disaster Management Centre
NDOSR	National Department of Sport and Recreation
NDOT	National Department of Transport
NDP	National Development Plan
NEPA	National Education Policy Act
NGO	Non-government Organisation
NHBRC	National Home Builders Registration Council
NHFC	National Housing Finance Corporation
NHI	National Health Insurance
NHLS	National Health Laboratory Service
NHS	National Health System
NIP	National Integrated Plan
NPOs	Non-profit Organisations
NRS	Non-Repudiation System
NSC	National Senior Certificate
NSF	National Skills Fund
NSNP	National School Nutrition Programme
NSRP	National Sport and Recreation Plan

Abbreviation	Full description
NT	National Treasury
NTSS	National Tourism Sector Strategy
NUFFIC	Netherlands Organisation for International Co-operation in Higher Education
NW	North West
NYS	National Youth Service
OHS	Occupational Health and Safety
OPD	Out-Patients Department
OPMS	Organisational Performance Management System
OPRE	Overview of Provincial Revenue and Expenditure
OSD	Occupational Specific Dispensation
OSS	Operation <i>Sukuma Sakhe</i>
OTP	Office of the Premier
OVC	Orphans and Vulnerable Children
PAC	Planning Africa Conference
PAES	Protected Area Expansion Strategy
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PALC	Public Adult Learning Centre
PARMED	Parliamentary Medical Aid
PBS	Performance Budgeting System
PCR	Polymerase Chain Reaction
PDA	Planning and Development Act
PDE	Patient-day Equivalent
PDMC	Provincial Disaster Management Centre
PDMP	Provincial Disaster Management Plan
PEPFAR	President's Emergency Plan for AIDS Relief
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
PHP	Private Hospital Patients
PHC	Primary Health Care
PIA	Provincial Immovable Assets
PICC	Presidential Infrastructure Co-ordinating Committee
PICT	Provincial Information Communication Technology
PIJF	Provincial Integrated Justice Forum
PL	Provincial Legislature
PILIR	Policy on Incapacity Leave and Ill Health Retirement
PIP	Provincial Infrastructure Plan
Pmb	Pietermaritzburg
PMG	Pay Master-General
PMS	Performance Management System
PMU	Project Management Unit
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
PRF	Provincial Revenue Fund
PSEDS	Provincial Spatial Economic Development Strategy
PSETA	Public Sector Education and Training Authority
PSP	Professional Service Provider
PT	Provincial Treasury
PTB	Pulmonary Tuberculosis
PTOG	Public Transport Operations Grant
Pty (Ltd)	Propriety (Limited)
PVAs	Public Viewing Areas
PVC	Pneumococcal Vaccine
PWC	PriceWaterhouseCoopers
QPR	Quarterly Performance Report

List of Abbreviations

Abbreviation	Full description
RAF	Road Accident Fund
RAMS	Road Asset Management System
RBIDZ	Richards Bay Industrial Development Zone
RHH	Royal Household
RFID	Radio Frequency Identification
RNCS	Revised National Curriculum Statement
RRTF	Rural Road Transport Forum
RV	Rota Virus
RWOPS	Remuneration for Work Outside Public Service
SA	South Africa
SAAMBR	SA 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
SAFA	South African Football Association
SAICA	South African Institute of Chartered Accountants
SAMTRA	South African Maritime Training Academy
SAMSA	South African Maritime Safety Authority
SANDF	South African National Defence Force
SANRAL	South African National Roads Agency Limited
SAP	Systems, Applications and Products
SAPI	South African Planning Institute
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
SERO	Socio-economic Review Outlook
SEZ	Special Economic Zones
SHRA	Social Housing Regulatory Authority
SITA	State Information Technology Agency
SIPs	Strategic Infrastructure Projects
SIPS	Strategic Infrastructure Programmes
SIU	Special Investigation Unit
SLA	Service Level Agreement
SLIMS	SITA Library Information Management System
SMME	Small Medium and Micro Enterprise
SP	Strategic Plan
SPCA	Society for the Prevention of Cruelty Against Animals
STI	Sexually Transmitted Infection
STP	Service Transformation Plan
TA	Technical Assistant
TAC	Traditional Administrative Centre
TAFI	Travel Agencies Federation of India
TAs	Transaction Advisors
TB	Tuberculosis
TC	Traditional Council
THETA	Tourism, Hospitality, Sport, Education and Training Authority
TETA	Transport Education and Training Authority
TIK	Trade and Investment KwaZulu-Natal
TKZN	KwaZulu-Natal Tourism Authority
TLTP	Taking Legislature to the People

Abbreviation	Full description
TSCs	<i>Thusong</i> Service Centres
TV	Television
U-AMP	User-Asset Management Plan
UAP	Universal Access Plan
UCT	University of Cape Town
UISP	Upgrade of Informal Settlements Programme
UKZN	University of KwaZulu-Natal
UN	United Nations
UPFS	Uniform Patient Fee Structure
USA	United States of America
USDG	Urban Settlement Development Grant
USSA	University Sport South Africa
VEP	Victim Empowerment Programme
VSCPP	Volunteer Social Crime Prevention Project
WC	Western Cape
WESSA	Wildlife and Environmental Society of South Africa
WHO	World Health Organisation
WSA	Water Services Authority
XDR	Extreme Drug Resistance

List of Abbreviations

Zulu words	English translation
<i>amabutho (pl.)</i>	A group of traditional warriors (regiment)
<i>Amadelakufa</i>	Stalwarts
<i>Amaganu</i>	Amarula
<i>Amafa</i>	Heritage
<i>Amakhosi (pl.)</i>	Traditional leaders or chiefs
<i>Ezomnotho</i>	Economic affairs (DEDT Publication)
<i>Funza</i>	Feed
<i>Hlasela</i>	Invade
<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>i(zi)nduna (pl.)</i>	Traditional leaders
<i>Ifihlile</i>	Hidden
<i>imizi yeSizwe</i>	Houses for <i>Amakhosi</i>
<i>Induku</i>	Stick fighting
<i>Indaba</i>	Forum
<i>ingqathu</i>	Rope skipping
<i>iso elibanzi</i>	Wide eye
<i>izandla ziyagezana</i>	People helping one another
<i>Khuz'umhlola</i>	Condemning shameful behaviour
<i>Lekgotla</i>	Cabinet Forum
<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>Sakhisizwe</i>	Building a nation
<i>S'fundisimvelo</i>	We are teaching about nature
<i>S'hamba Sonke</i>	Moving together
<i>Simama</i>	Growth
<i>Siyadladla</i>	We are playing
<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>Umkhonto weSizwe</i>	The spear of the nation
<i>Umkhosi wezithungo</i>	Ritual information sharing session
<i>Umkhosi woselwa</i>	First fruit ceremony
<i>Umlabalaba</i>	Board games
<i>Unembeza</i>	Conscience
<i>Vulindlela</i>	Open the way
<i>Vukuzakhe</i>	Wake up and build
<i>Vuselela</i>	Restore
<i>Zibambeke</i>	Do it yourself
<i>Zimele</i>	Stand up for yourself

**OVERVIEW
OF
PROVINCIAL REVENUE
AND
EXPENDITURE**

1. SOCIO-ECONOMIC OUTLOOK

1.1. Introduction

The year 2012 had two distinct halves. The first half of the year was filled with optimism – there was a renewed sense that the tide had turned for the world economy, with most growth forecasts for South Africa (SA) exceeding the 2011 growth forecasts. According to the International Monetary Fund (IMF) (2012), the prospects for the global economy had gradually strengthened during the first quarter of 2012 and the threat of a sharp global slowdown eased with improved activity in the USA and the development of better policies in the Euro area.

Unfortunately, this optimism faded during the latter part of 2012, mostly because of domestic political and labour unrests. It was indeed a very challenging period, with negative headlines featuring in both international and local media. For example, the Wall Street Journal in October 2012 published an article titled: "The unrest is exposing a stark reality – SA is falling behind, even in Africa". The Daily News in October 2012 published a story that included the following statement: "A toxic mix of government stasis, creaking infrastructure and social unrest is prompting doubts about SA's stability in a continent with too many economic scare stories".

During the same period, Moody's, an international credit rating agency, downgraded SA's government bond rating by one notch to Baa1¹ from A3. Moody's downgrade placed SA more or less on the same level as Russia, Brazil and Thailand. Moody's further stated that SA's future was uncertain, hence further downgrades were possible.

It was no surprise, then, that the growth forecasts for SA were cut by various financial institutions. The South African Reserve Bank cut its forecasts for 2012 and 2013 to 2.6 per cent and 3.4 per cent, respectively. The IMF cut its forecasts for 2012 from 2.7 to 2.6 per cent and from 3.6 to 3.4 per cent in 2013. This was followed by the World Bank, which also cut its forecast to 2.5 per cent for 2012, down from 3.1 per cent in 2011. NT also conceded that the initial 2012 growth forecasts were unlikely to be realised.

The SA economy suffered a major setback during November and December 2012 as a result of widespread labour market instability. As it enters 2013, the prognosis is for another tough year of sub-optimal growth, with little support expected from a weak global economy. It is evident that the domestic economy will experience a major constraint for growth in 2013, because it ended 2012 in distress. This bleak growth outlook will most certainly also constrain the growth outlook for the provincial economy, probably resulting in an increase in unemployment and poverty.

Hopefully, 2013 will also be a year of two halves, where optimism will return during the second half. It will take a conscious and holistic approach by government, business and labour to address the fundamental challenges that exist in the SA economy.

1.2 Demographic profile

1.2.1 South African population

The population of SA increased from 44.8 million to 51.7 million between 2001 and 2011. The national population is spread across nine provinces, namely: Gauteng (GP), KZN, Limpopo (LIM), Free State (FS), Eastern Cape (EC), Western Cape (WC), North West (NW), Mpumalanga (MP) and Northern Cape (NC). The most populous provinces in 2011 were GP and KZN. These provinces constitute an estimated 43.5 per cent of the SA population, with KZN comprising about 19.8 per cent.

¹ Baa1 is rated as medium grade, with some speculative elements and moderate credit risk, but has high ability to repay short term debt. A3, on the other hand, is rated as upper-medium grade and low credit risk, indicating best ability or high ability to repay short term debt. (http://en.wikipedia.org/wiki/Moody's_Investors_Service).

Table 1.1: South Africa and KwaZulu-Natal population, 2011

	Population Number (2011)	% Share of national	% Average Annual Growth 2001-2011	Size of area in km ²	% Share of National Area	Population Density
Eastern Cape	6 562 053	12.7	0.2	169 063	13.8	38.8
Free State	2 745 590	5.3	0.1	130 007	10.6	21.1
Gauteng	12 272 263	23.7	3.3	18 213	1.5	673.8
KwaZulu-Natal	10 267 300	19.8	0.9	93 378	7.6	110.0
Limpopo	5 404 868	10.4	0.2	126 042	10.3	42.9
Mpumalanga	4 039 939	7.8	2.6	76 642	6.3	52.7
North West	3 509 953	6.8	15.6	373 351	30.6	9.4
Northern Cape	1 145 861	2.2	-11.0	105 076	8.6	10.9
Western Cape	5 822 734	11.2	2.6	129 475	10.6	45.0
Total National	51 770 561	100.0	1.5	1 221 246	100.0	42.4

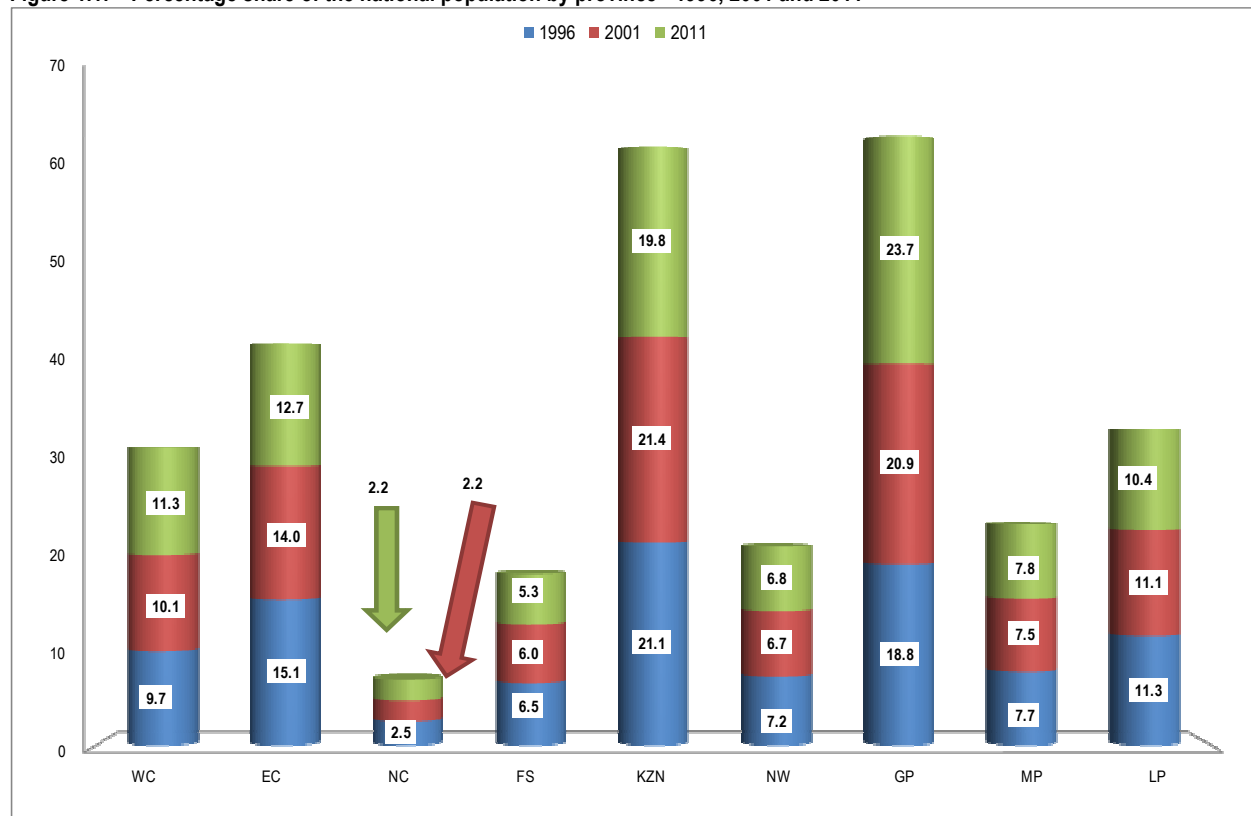
Source: Stats SA (Census 2011)

The Census undertaken in 1996, 2001 and 2011 indicate that the national population has been increasing at a steady pace. The national average growth rate, which was 2 per cent between 1996 and 2001, plunged to 1.3 per cent from 2001 to 2011. KZN's population growth rate followed the same trend over the period, where it plummeted from 2.4 per cent to 0.8 per cent, respectively.

1.2.2 Population size of the Province of KwaZulu-Natal

KZN experienced a decrease in the national population share from 21.1 per cent in 1996 to 19.8 per cent in 2011, as did EC from 15.1 per cent to 12.7 per cent. On the contrary, MP recorded a marginal increase from 7.7 per cent to 7.8 per cent over the same period. GP (18.8 per cent in 1996 to 23.7 per cent in 2011) and WC (9.7 per cent to 11.3 per cent) experienced significant increases in their share of the national population (Figure 1.1). The other provinces all experienced a decline.

Figure 1.1: Percentage share of the national population by province - 1996, 2001 and 2011



Source: Stats SA (Census 2011)

Migration is cited as one of the main factors contributing to the decline in KZN's share of the national population. Table 1.2 shows considerable outflow of KZN's population to different provinces, especially to GP and WC. An estimated 281 558 of KZN's population migrated to other provinces, and about 60 per cent of migrants went to GP (180 000 people) between 2001 and 2011.

One of the key factors contributing to the larger number of people migrating from KZN to GP is the attainment of better job opportunities. The search for a higher standard of living in other provinces within the country is also cited as a contributing factor.

Table 1.2: South Africa and KwaZulu-Natal population migration patterns, 2011

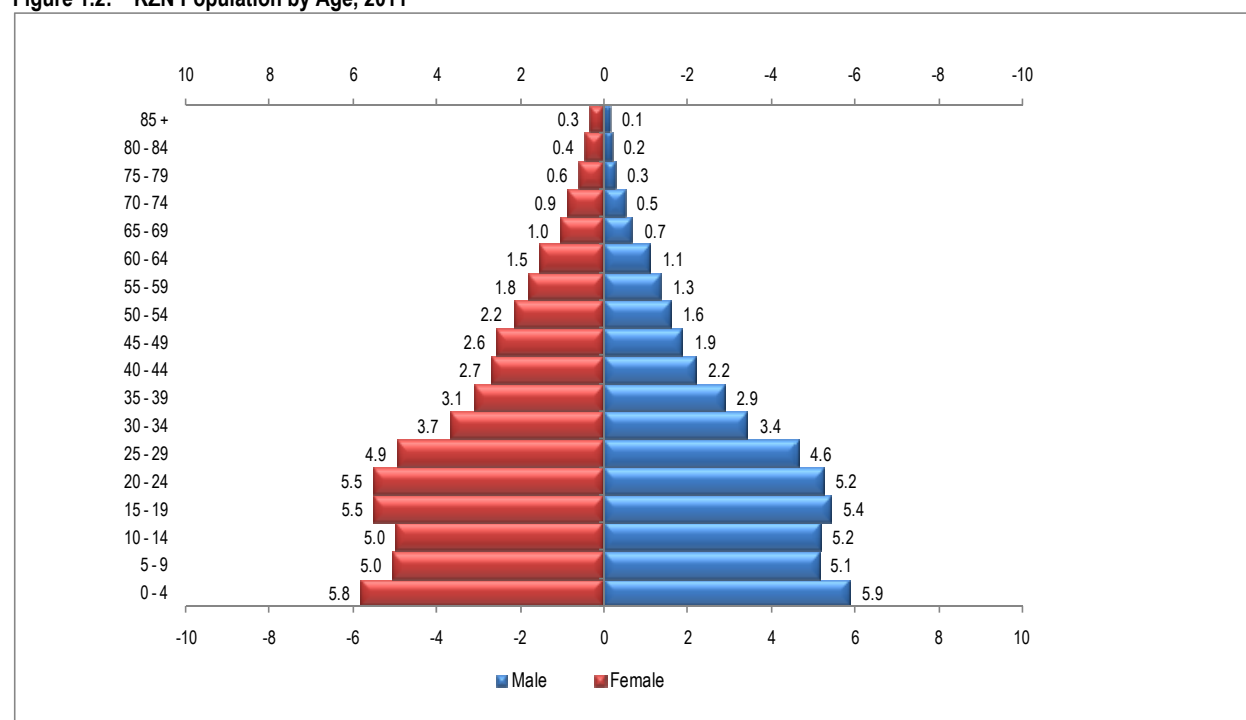
	2001-2011		
	Out-migration	In-migration	Net migration
Western Cape	128 967	432 790	303 823
Eastern Cape	436 466	158 205	-278 261
Northern Cape	69 527	62 792	-6 735
Free State	151 402	127 101	-24 301
KwaZulu-Natal	281 568	250 884	-30 684
North-West	166 008	273 177	107 169
Gauteng	402 271	1 440 142	1 037 871
Mpumalanga	191 089	243 934	52 845
Limpopo	372 283	219 426	-152 857

Source: Stats SA (Census 2011)

1.2.3 Population distribution by age and gender

Figure 1.2 shows the proportion of KZN's population size by age cohort in 2011. The largest size in terms of age cohort of approximately 6.6 million (62.9 per cent) of the provincial population falls within the 15-64 age cohorts, which constitutes the economically active population (EAP). This means that approximately 3.9 million (37.1 per cent) of KZN's population are those under the age of 15 and those who are 65 and above, which translates to a dependency ratio² of 59 per cent (an ideal dependency ratio is 25 per cent which ensures sustainability is achievable and reduces dependence on government support).

Figure 1.2: KZN Population by Age, 2011



Source: Stats SA (Census 2011)

² 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 the ages 15 and 64. Dependency ratio = (number of people under 15 years) + (number of people aged 65 and over) / (number of people between 15 and 64 years) X 100 = [(3 355 552 + 545 308) / 6 615 321] x 100 = 58.96 per cent.

1.2.4 Dependency ratio

A high dependency ratio means that the economically active population is heavily burdened as it has to support that portion of the population which is not part of the labour force. A high dependency ratio has a negative effect on the provision of public goods and services, as it implies that there are fewer people contributing toward tax revenue.

1.3 Provincial economic structure and performance

1.3.1 Provincial economic structure

PT developed a structural model in an attempt to model the provincial economy. This model will allow PT to model the quarterly and annual performance of the different economic sectors in KZN and to forecast the real GDP of KZN, based on national GDP estimates. The model is a structural one, and therefore its stability and relevance is dependent on the degree of the stability of the structural relationship between the national and provincial GDP since 1995.

Table 1.3 indicates the yearly structural relationship between the national and provincial GDP, per sector, from 2001 to 2011.

Table 1.3: Structural GDP relationship - Provincial sector GDP as a % of national sector GDP: 2001 - 2011

Industry	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Primary Industries	10.4	10.2	10.4	10.4	9.6	9.8	10.0	11.0	11.2	11.0	11.1
Agriculture, forestry and fishing	28.9	28.4	29.6	29.5	27.0	28.7	29.1	28.7	28.3	28.9	29.2
Mining and quarrying	4.1	3.7	3.7	3.8	3.5	3.4	3.5	3.5	3.4	3.5	3.5
Secondary Industries	20.8	20.4	20.1	20.1	20.1	20.0	19.9	19.9	19.6	19.8	19.9
Manufacturing	21.2	21.2	21.3	21.2	21.2	21.2	21.2	21.2	21.2	21.3	21.3
Electricity, gas and water	18.6	19.7	17.0	17.1	17.2	17.2	17.2	17.1	16.6	16.5	16.4
Construction	20.1	15.0	14.6	14.6	14.9	14.5	14.4	14.4	14.5	14.6	14.6
Tertiary industries	15.6	15.6	15.7	15.7	15.9	15.8	15.8	15.8	15.9	16.0	16.0
Wholesale and retail trade, hotels and restaurants	16.8	16.9	17.0	17.0	16.9	17.0	17.0	17.0	17.3	17.3	17.4
Transport, storage and communication	21.3	21.3	21.4	21.4	21.5	21.5	21.6	21.7	21.8	21.9	22.0
Finance, real estate and business services	13.5	13.3	13.4	13.4	14.1	13.8	13.8	13.8	13.9	13.9	13.9
Personal services	16.3	16.3	16.3	16.3	16.3	16.3	16.3	16.3	16.4	16.4	16.4
General government services	13.8	13.8	13.7	13.6	13.6	13.6	13.6	13.7	13.7	13.8	13.7
KZN - GDP at constant 2005 prices	16.4	16.2	16.2	16.2	16.2	16.2	16.3	16.3	16.3	16.4	16.4

Source: Stats SA (2011), Own calculations

Some provincial sectors, such as agriculture, wholesale, transport and finance, have experienced a steady increase in their contribution to the national sector GDP, whereas mining, electricity and construction have experienced a steady decrease. However, no dramatic and significant structural changes have occurred over the period, therefore the structural relationship seems to display a high degree of stability.

1.3.2 Economic performance

Table 1.4 shows that the provincial economy recorded, on a seasonally adjusted and annualised basis, an increase of 2.7 per cent during the third quarter of 2012 compared to an increase of 2.8 per cent during the second quarter of 2012.

The third quarter 2012 annual growth rates, both on a seasonal and non-seasonal adjusted basis, indicate that economic activity is at lower levels than experienced during the second quarter of 2012.

The annualised growth rates also indicate that the tertiary economic sectors continue to record positive growth rates, but at levels lower than during the second quarter of 2012. The manufacturing sector recorded a positive growth rate, and the construction sectors showed robust growth rates over the period.

Table 1.4: Provincial GDP-R and economic growth rate – year-on-year, 2011Q2 – 2012Q3

Industry	2011Q2	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3
Primary Industries	5.7	-0.9	-4.1	-2.9	2.3	5.3
Agriculture, forestry and fishing	3.7	-1.3	-4.3	-2.0	2.7	6.1
Mining and quarrying	12.8	0.3	-3.6	-6.2	0.9	2.3
Secondary Industries	2.9	3.3	3.1	1.9	2.6	3.2
Manufacturing	3.3	3.8	3.7	2.2	3.1	3.5
Electricity, gas and water	0.7	0.2	-1.0	-1.7	-2.9	-1.7
Construction	1.5	1.8	1.7	2.5	3.3	4.1
Tertiary industries	3.0	3.3	3.4	3.1	2.7	2.1
Wholesale and retail trade, hotels and restaurants	3.9	4.2	4.2	4.4	3.8	2.8
Transport, storage and communication	4.1	4.1	4.1	3.7	3.2	3.0
Finance, real estate and business services	0.9	1.7	1.7	1.3	1.0	0.1
Personal services	1.8	1.7	1.7	1.6	1.4	1.3
General government services	4.6	4.9	5.1	4.7	4.0	3.7
GDPR at constant 2005 prices	3.3	3.3	3.1	2.6	2.8	2.7
GDPR at constant 2000 prices (seasonal adjusted)	3.1	3.3	3.6	2.7	3.2	2.2

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

1.3.3 KwaZulu-Natal barometer

Table 1.5 suggests that the industrial action that hit the national economy since August 2012 has also had an effect on KZN's economy, although indirectly. The latest KZN barometer³ grew by only 0.6 per cent, the slowest year-on-year growth since May 2009. The barometer was also down on a quarter-on-quarter and month-on-month basis. KZN's economy grew by 2.2 per cent compared to a year ago, and contracted by 1.3 per cent on a quarter-on-quarter and month-on-month basis, respectively.

Table 1.5: Main and sub-indices of KwaZulu-Natal barometer - October 2012

Main and sub-indices of KZN's barometer	% Change on a year ago	% Change on a month ago	% Change on a quarter ago	% change on 3 years ago
Agriculture Index	-4.4	-0.1	-2.1	-8.0
Mining Index	-0.7	-2.8	-4.9	-5.2
Manufacturing Index	2.6	0.4	1.7	9.2
Electricity Index	-3.8	1.0	2.7	-5.8
Construction Index	6.4	13.0	0.1	-24.6
Transport Index	6.1	0.1	-1.7	34.7
Trade Index	3.0	-0.2	-0.7	20.7
Government	2.3	-2.3	-3.5	25.1
Finance, Real Estate and Business Services Index	-2.1	-1.2	1.2	4.5
KwaZulu-Natal Growth Index	2.2	-0.4	-0.7	15.3
KwaZulu-Natal Stress Index	1.6	0.9	0.7	-2.0
KwaZulu-Natal Barometer	0.6	-1.3	-1.3	17.6

Source: KZN barometer (2012)

The sudden increase in economic stress⁴ by 1.6 per cent year-on-year in KZN contributed to the slow growth of the KZN barometer. While growth in economic stress of below 2 per cent is no reason for concern yet, the increased economic stress in KZN is expected to continue to negatively affect the economy during 2013.

1.3.4 Provincial economic outlook

The economic indicators, particularly for 2011 and 2012, suggest that 2013 will also be a difficult and challenging year characterised by significant levels of uncertainty, particularly external fiscal pressure, domestic political instability and labour market uncertainty.

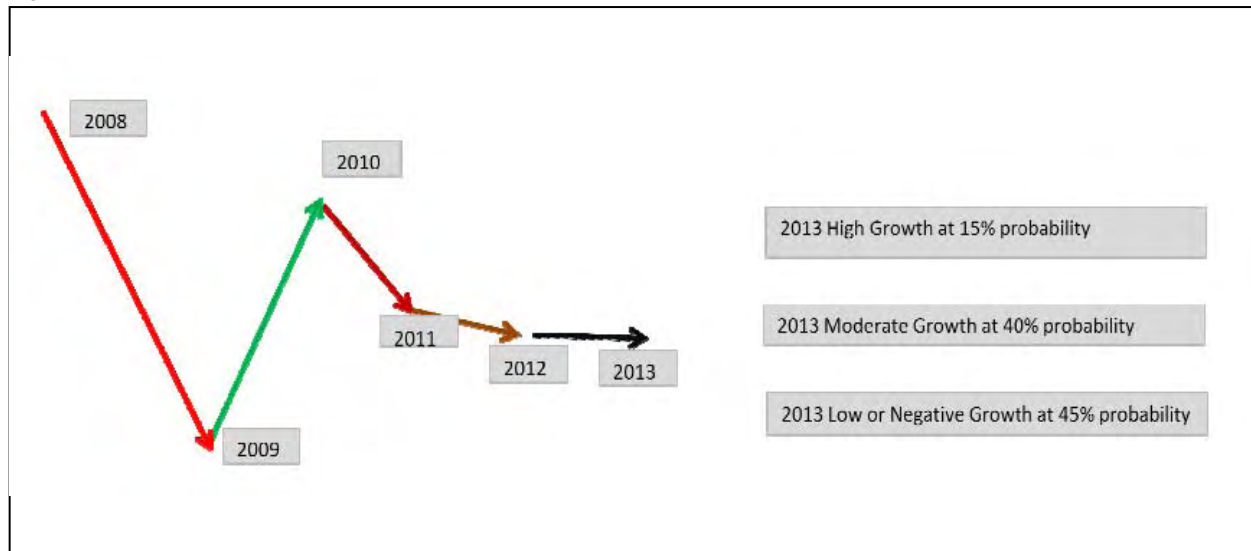
The national and provincial economy unsurprisingly experienced decreasing economic growth during 2012, with very little job creation and private capital formation. The 2012 economic growth trend will most probably continue during 2013, and the economic prospects for 2013 therefore seem very bleak.

³ The KwaZulu-Natal barometer is compiled by Mike Schüssler (Economists.co.za).

⁴ The economic stress index reflects factors like inflation, interest rates and unemployment.

Given the past and current economic performance of the province and the deteriorating economic risk and conditions, it is estimated that the economic performance for KZN for 2013 will be similar to that of 2012. Figure 1.3 indicates the growth behaviour of the provincial economy from 2008 to 2012. Three possible scenarios are also indicated, with the moderate growth scenario of 3 per cent being set at a likelihood of 40 per cent. The slow or negative growth scenario increases significantly from 10 per cent probability in 2012, to 45 per cent probability in 2013.

Figure 1.3: Economic past and present and three scenarios, 2008 – 2013

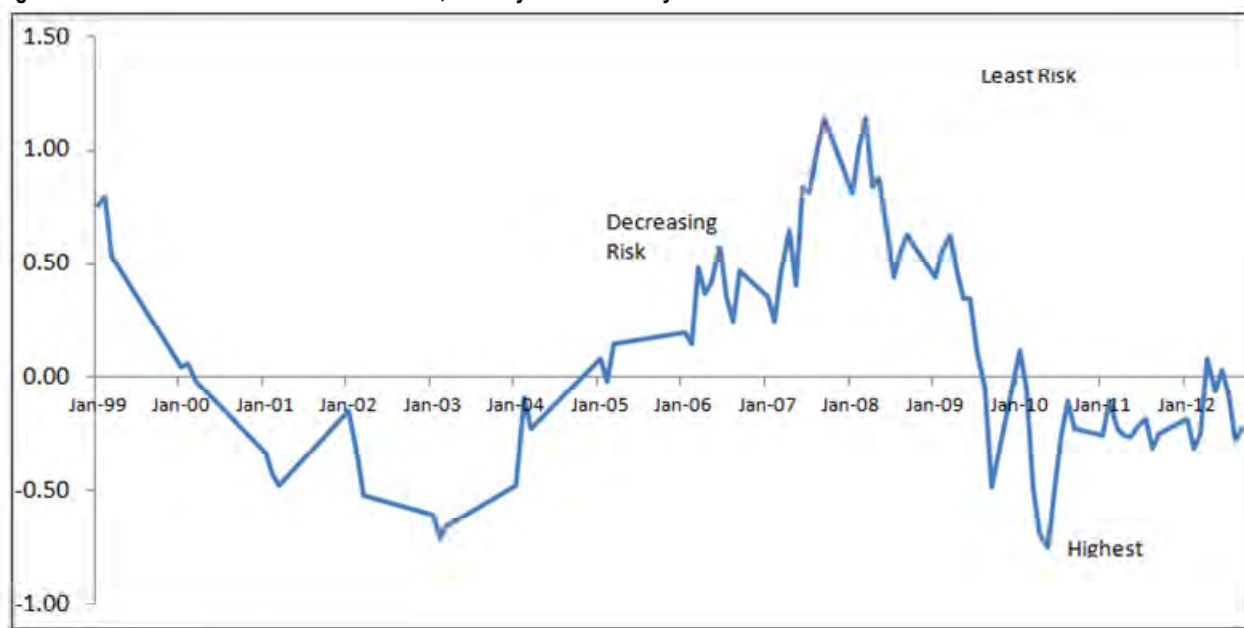


Source: Own calculations using various sources including Stats SA (2012)

1.3.5 Economic conditions monitor

The economic conditions monitor for KZN is displayed in Figure 1.4. The results have been smoothed using a 12 month moving average method because of the inclusion of monthly data in the calculations.⁵ The monitor should be interpreted as follows: positive values indicate low or decreasing risk, zero indicating neutral risk and negative depict high or increasing risk.

Figure 1.4: Economic risk/Conditions monitor, January 1999 – January 2012



Source: Own calculations using various sources including Stats SA (2012)

⁵ Economic modelling and methodology used in estimating economic conditions monitor is available on request.

The results suggest that the economic conditions in the province during 2011 and 2012 were consistently weak or not conducive for growth. However, the outlook seems to be improving slightly, given the behaviour of the majority of economic variables since the beginning of the third quarter of 2012. This should support the economic outlook of the province during 2013, but only marginally, given significant labour unrest and the uncertain global economic conditions, particularly in the Euro Zone.

1.4 Provincial labour market

1.4.1 Employment

Despite the volatility in the South African labour market, the number of people employed continued to increase between 2010 and 2012. The total number of people employed in both the formal and the informal sectors rose steadily from an estimated 13 million in the third quarter of 2010, to approximately 13.6 million in the third quarter of 2012. Furthermore, of the estimated 600 000 new jobs created, 198 000 (33 per cent) were generated between the second and third quarters of 2012. The upward trend in employment between these quarters arose mainly from finance and other business services (74 000), manufacturing (49 000) and transport (43 000) industries. Job losses were most significant in private households (29 000), mining (8 000) and trade (4 000) industries.⁶

1.4.2 Skills levels of people employed by sector

Table 1.6 below depicts KZN's formal employment by skills level. Although provincial employment generally increased, this is not the case with the unskilled labour, as it marginally declined between 2001 and 2010. This is in contrast to trends for highly skilled persons. In 2010, 72 per cent of those employed in the primary sector were unskilled. The secondary sector followed at 56.2 per cent, but this has been declining since 2001, particularly as a result of the employment of more skilled and highly skilled workers. With approximately 47.9 per cent of the labour force skilled and 15.1 per cent highly skilled, the tertiary sector had the largest portion of skilled workers to total employment in the sector. It is the only sector that had a larger portion of highly skilled and skilled workers than unskilled.

Table 1.6: Formal employment by skills level KZN, 2001-2010

	% Highly skilled			% Skilled			% Semi- and unskilled		
	2001	2005	2010	2001	2005	2010	2001	2005	2010
Primary sector	2.4	2.6	3.3	27.9	25.9	24.7	69.6	71.5	72.0
Agriculture, forestry and fishing	2.3	2.4	2.6	28.2	26.1	25.5	69.5	71.5	71.9
Mining and quarrying	8.0	7.9	8.0	19.7	19.5	19.3	72.3	72.6	72.7
Secondary sector	8.5	9.2	9.5	34.4	35.1	34.3	57.1	55.8	56.2
Manufacturing	9.3	9.9	10.5	39.8	39.8	39.8	50.9	50.4	49.7
Electricity, gas and water	12.6	13.4	14.7	28.8	31.1	32.9	58.6	55.5	52.4
Construction	5.3	5.8	6.0	14.7	16.1	16.8	80.0	78.1	77.1
Tertiary sector	15.1	14.2	14.5	44.7	46.0	47.9	40.2	39.8	37.7
Wholesale and retail trade, catering and accommodation	11.7	11.5	11.4	58.0	58.1	58.3	30.3	30.4	30.3
Transport, storage and communication	10.3	11.0	11.8	31.3	32.7	33.8	58.4	56.3	54.4
Finance, insurance, real estate and business services	22.1	21.7	21.4	59.8	59.6	59.4	18.1	18.7	19.2
Community, social and personal services	4.0	4.1	3.9	11.8	14.1	14.4	84.2	81.8	81.7
General government	25.4	22.2	21.0	55.4	58.9	60.7	19.1	18.9	18.4
Total	11.8	11.7	12.8	40.0	41.2	43.8	48.2	47.0	43.4

Source: Quantec, 2011

1.4.3 Analysis of employment by sector

As evident in Table 1.7, employment in agriculture has been declining considerably, both nationally and provincially between 2001 and 2011.

An estimated 190 176 and 21 996 jobs were lost nationally and provincially, respectively. Most of the jobs that were lost came from the Agriculture sector, including the hunting, forest and logging sub-sectors.

⁶ Stats SA, Quarterly Labour Force Survey (2012:Q3).

Table 1.7: Number of jobs gained OR lost nationally and in KZN between 2001 and 2011

	National	KZN	eThekweni	Ugu	uMgungundlovu	Uthukela	Umzinyathi	Amajuba	Zululand	Umkhanyakude	uThungulu	iLembe	Sisonke
Primary Sector	-79 096	-14 429	-2 662	-2 465	-4 579	-497	-1 541	180	-254	-753	2 991	-4 099	-750
Agriculture	-190 176	-21 996	-2 789	-2 731	-4 720	-548	-1 581	-425	-821	-995	-2 426	-4 220	-738
Mining	111 080	7 567	127	266	141	51	40	605	567	242	5 417	121	-11
Secondary Sector	329 276	52 146	32 173	1 938	3 210	1 560	45	2 991	562	395	2 988	5 914	368
Manufacturing	109 491	25 464	14 226	622	1 335	716	-108	2 437	176	229	958	4 767	104
Electricity	-5 446	119	-58	-6	5	55	4	21	39	5	34	1	18
Construction	225 231	26 563	18 006	1 322	1 870	789	149	533	347	161	1 995	1 146	246
Tertiary Sector	1 908 370	311 450	180 881	14 637	33 378	13 275	4 407	11 755	11 791	5 721	18 106	9 623	7 875
Trade	459 752	58 329	39 720	3 603	4 447	1 992	251	1 374	624	269	2 623	2 274	1 152
Transport	72 541	15 483	10 940	552	956	660	77	323	121	73	905	760	116
Finance	614 678	85 891	60 778	3 175	8 125	2 176	315	2 284	941	468	4 283	2 746	600
Community serv	646 686	120 550	55 786	5 301	15 752	6 537	3 190	6 070	8 113	4 270	8 263	2 888	4 379
Households	114 715	31 197	13 658	2 005	4 099	1 909	574	1 703	1 992	641	2 033	955	1 628
Total	2 158 550	349 167	210 393	14 110	32 009	14 339	2 911	14 926	12 098	5 364	24 085	11 438	7 494

Source: Global Insight, 2012

Between 2001 and 2011, the mining sector experienced considerable growth in employment and added about 7 567 jobs in KZN. This was mainly due to an increase in the mining ore sub-sector. Ironically, production in the sector had been declining, despite employment numbers being on the increase. Moreover, employment in the primary sector had been declining, due to the overwhelming number of jobs lost in the agricultural sector. Manufacturing employment grew modestly over the period, adding 25 464 jobs in the province. A substantial number of these jobs were added in eThekweni (14 226) and iLembe (4 767).

Government (Community services) was the largest employer in KZN in 2011. An estimated 34.5 per cent of new jobs in KZN came from government between 2001 and 2011. Ideally, government should not be a source of employment, but should create a conducive environment for the private sector to operate competitively, thus creating more jobs (Dawson, 2012).

1.4.4 Unemployment

Table 1.8 shows that the provincial unemployment rate was 21.9 per cent in 2011, compared to the national rate of 24.7 per cent.

Although the unemployment rate is a good indicator of the health status of the labour market, like any other measure it should not be viewed in isolation. It is from this perspective, that the following subsection undertakes a closer analysis of other labour market indicators. These additional employment indicators are aimed at fostering an understanding of the provincial labour market.

Table 1.8: Unemployment rate by race and gender, 2011

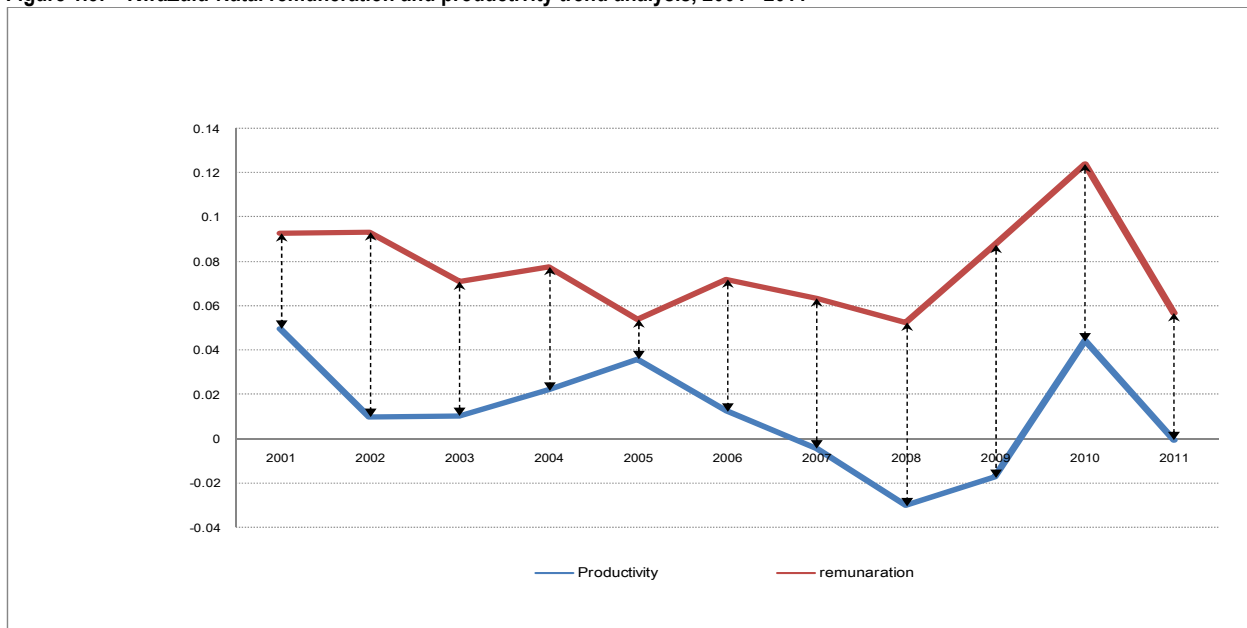
Percentage	Male					Female					Overall Unemployment
	African	White	Coloured	Asian	Total	African	White	Coloured	Asian	Total	
National Total	26.1	5.0	24.6	9.7	22.7	32.1	5.8	23.2	10.9	27.2	24.7
KwaZulu-Natal	26.0	3.8	23.8	10.6	22.0	25.1	4.5	14.3	11.7	21.7	21.9
eThekweni	26.5	3.8	25.1	10.6	20.6	25.0	4.0	14.2	11.5	20.2	20.4
Ugu	17.9	5.2	22.0	808.0	16.7	14.7	6.7	15.8	10.1	14.0	15.5
uMgungundlovu	29.9	3.6	20.5	12.1	25.3	32.2	4.4	14.3	13.7	27.9	26.6
Uthukela	29.9	3.5	19.8	10.0	27.5	24.0	5.3	9.5	15.9	22.7	25.3
Umzinyathi	34.8	5.2	30.8	17.3	32.5	27.1	6.0	25.1	19.6	26.1	29.5
Amajuba	27.4	5.0	31.0	10.9	25.3	28.7	7.5	25.0	12.0	27.2	26.2
Zululand	31.7	4.1	24.5	9.5	30.3	32.5	6.2	22.6	5.2	31.3	30.7
Umkhanyakude	20.0	2.9	18.4	8.6	19.6	8.4	5.0	4.4	28.4	8.4	15.2
uThungulu	21.8	3.3	13.9	6.6	19.9	22.7	5.0	11.4	8.5	20.9	20.3
iLembe	18.6	2.4	11.5	9.1	16.8	19.8	6.6	7.4	9.6	18.5	17.6
Sisonke	29.3	0.7	25.2	1.8	28.0	21.9	2.9	12.2	1.8	20.9	25.0

Source: Global Insight, 2012

1.4.5 Labour remuneration and productivity

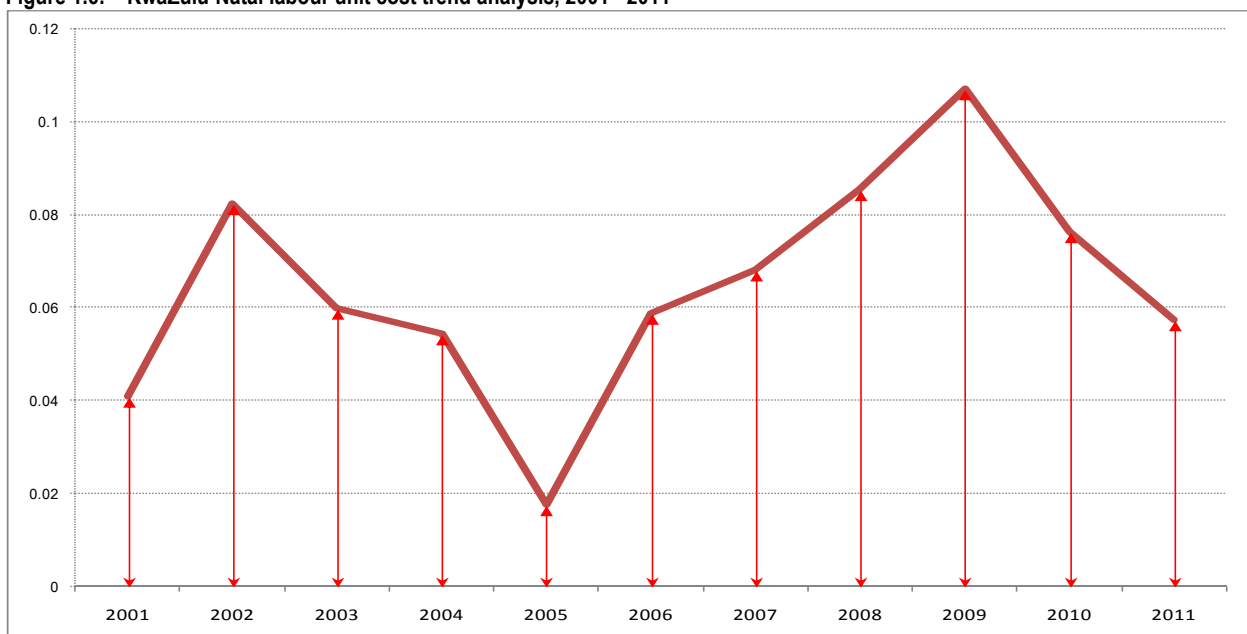
Labour productivity⁷ is a measure usually used when calculating unit labour cost, thereby reflecting changes in the price of labour. According to the International Labour Organisation (2010), an improvement in this variable can be attributed to accumulation of machinery, technological advancement, infrastructure improvement, skills development and optimised efficiency of organisations. The unit labour cost⁸, on the other hand, measures the average cost of output, therefore rapid growth in remuneration per worker is not harmful as long as it is coupled with a proportional increase in productivity. This measure serves as a key indicator of cost pressures, competitiveness and cost efficiency of labour.

Figure 1.5: KwaZulu-Natal remuneration and productivity trend analysis, 2001 - 2011



Source: Global Insight, 2012

Figure 1.6: KwaZulu-Natal labour unit cost trend analysis, 2001 - 2011



Source: Global Insight, 2012

⁷ Labour productivity is defined as output per unit of labour. Labour remuneration is measured as remuneration per worker at current prices.

⁸ The unit labour cost is calculated by dividing remuneration per worker by labour productivity.

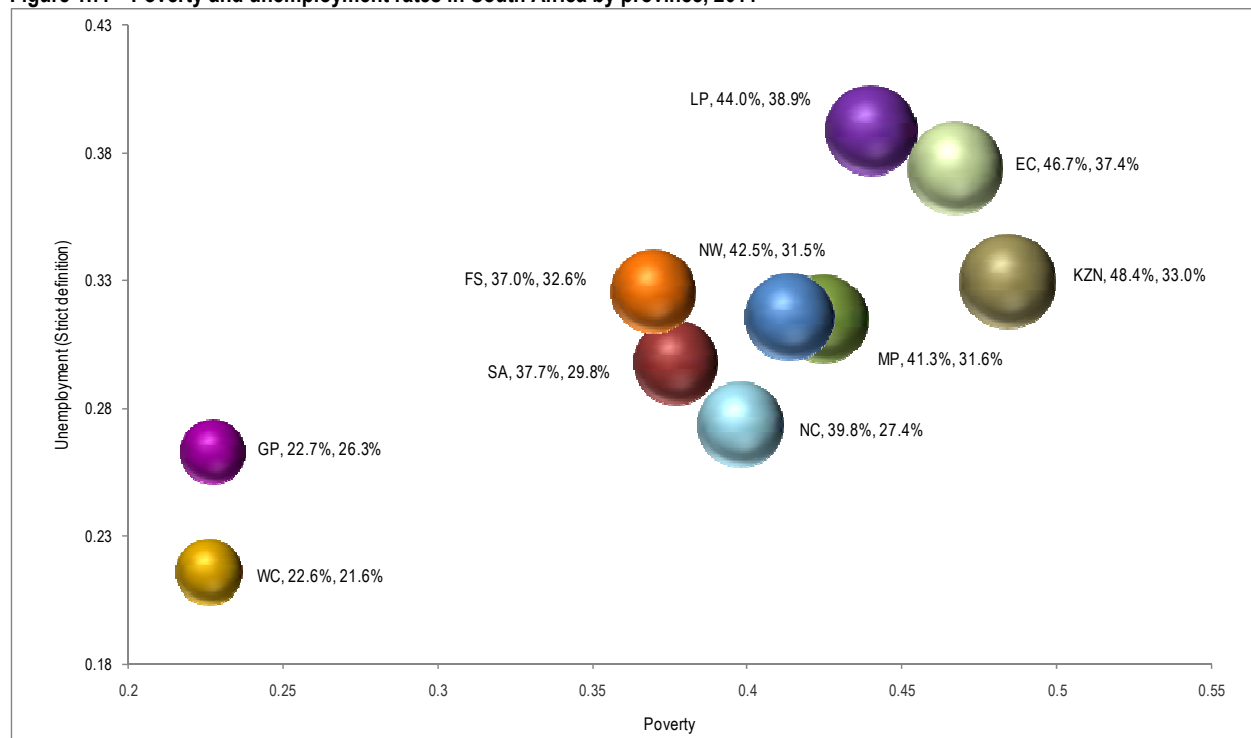
Similar to most provinces across the country, the growth rate in labour remuneration has out-stripped productivity growth in KZN between 2001 and 2011. As argued by Genesis Analytics (2012), higher labour remunerations, coupled with costly labour arbitration processes make it difficult to expel poor performing employees. This has led to businesses being wary to create more jobs thus affecting global competitiveness. This finding was also pertinent in the red tape study conducted by the province in 2012, which revealed that a number of businesses felt that they were faced with increased input costs. The inflexibility of the labour market is cited as one of the constraints that make it difficult to incentivise higher productivity. This argument is further confirmed by Figures 1.5 and 1.6.

1.5 Development Indicators

1.5.1 Poverty

Households that have adequate income to meet their needs are able to acquire education and health benefits for their members, thereby improving their general quality of life. KZN does not meet the above-mentioned statement of acquiring income that can improve general quality of life. This is depicted in Figure 1.7, which illustrates poverty and unemployment rates across provinces in South Africa in 2011.

Figure 1.7: Poverty and unemployment rates in South Africa by province, 2011



Source: Global Insight, Stats SA, 2012

It is evident that KZN was the most poverty stricken province in the country, with a poverty rate of 48.4 per cent, in 2011. As expected, provinces which were worst affected by poverty, also experienced high levels of unemployment.

Although KZN experienced the highest incidence of poverty, it had the third highest unemployment rate in the country, after LIM (38.9 per cent) and EC (37.4 per cent).

1.5.2 Income distribution

It is evident from Table 1.9 that the majority of KZN households were in the lower income category in 2001. This proportion was alarmingly high among African households (89 per cent), with Coloured households at 58.8 per cent, followed by Asian households at 50.4 per cent. A sizeable amount of White households (21.9 per cent) fell in this category.

The bleak situation observed in 2001 had improved considerably in 2011 across all race groups. However, much still needs to be done in addressing the reality that an estimated 53.6 per cent of households residing in KZN were still categorised as low income earners in 2011. This observation is further supported by KZN's Gini-coefficient (0.64), which is the highest across all provinces (Figure 1.8).

Table 1.9: Income distribution in KwaZulu-Natal by race, 2011

Income category (%)	Income level Rands p.a.	African		Asian		Coloured		White		Total	
		2001	2011	2001	2011	2001	2011	2001	2011	2001	2011
Affluent	1 200 000+	0.0	0.2	0.1	1.2	0.0	1.0	0.5	5.9	0.1	0.8
Upper middle class	600 000 - 1 200 000	0.1	0.6	1.0	6.9	0.6	4.5	2.7	17.8	0.5	2.7
Realised Middle class	360 000 - 600 000	0.4	1.3	2.5	16.6	2.2	10.4	8.5	24.5	1.5	4.8
Emerging middle class	96 000 - 360 000	4.5	14.3	26.7	59.5	24.4	45.2	50.7	45.8	11.5	21.5
Low Emerging middle Income	54 000 - 96 000	6.0	18.2	19.3	12.6	13.9	20.5	15.7	4.7	8.3	16.6
Lower income	0 - 54 000	89.0	65.4	50.4	3.2	58.8	18.4	21.9	1.3	78.2	53.6

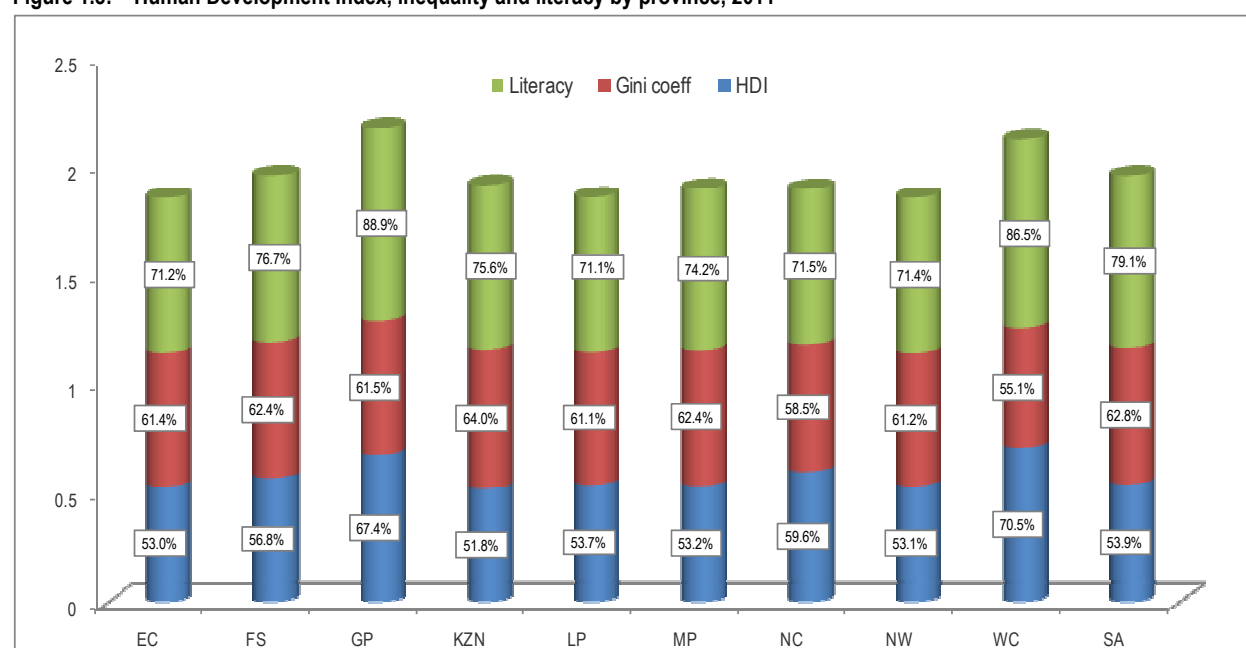
Source: Global Insight, 2012

1.5.3 Human Development Index (HDI)

The HDI measures the degree of development in a country by evaluating three components in a region, namely life expectancy (living a long healthy life), the standard of living (measured by purchasing power parity income) and the level of education (measured by adult literacy and gross enrolment in education). The index ranges between zero and one. A desirable indicator is an HDI value closer to one, while an undesirable HDI indicator is a value closer to zero.

Regions with an HDI value of 0.80 or more are classified as having high human development status, those with HDI values between 0.50 and 0.80 are classified as having medium human development status, and an HDI of less than 0.50 indicates low human development. Figure 1.8 depicts that, in 2011, KZN had an HDI of 0.52, lower than the national index of 0.54.

Figure 1.8: Human Development Index, inequality and literacy by province, 2011



Source: Global Insight and Stats SA, 2012

1.5.4 Literacy rates

By definition, literacy refers to the ability to read, write and understand written material. However, for the purposes of this document, functional literacy rate⁹ will be used. Literacy plays a significant role in

⁹ The functional literacy rate measures the percentage number of people aged 20 years and older, who have completed their primary schooling education (Grade 7).

improving human development. It would cost less to train an individual who is functionally literate than it would to train an illiterate person. Therefore, being functionally literate increases an individual's chances of attaining employment. This, in turn, can assist in improving an individual's or household's quality of life, thus reducing poverty. A region consisting of literate individuals tends to have a higher socio-economic status.

Figure 1.8 shows the literacy rates across provinces in 2011. KZN's literacy rate (75.6 per cent) was below the national average rate of 79.1 per cent. GP (88.9 per cent) had the highest literacy rate, followed by the WC (86.5 per cent) and FS (76.7 per cent).

1.6 Grant beneficiaries

Table 1.10 illustrates the total numbers of social beneficiaries according to grant type¹⁰ across the nine provinces in 2012.

An alarmingly high percentage of old age (20.7 per cent), disability (27.2 per cent), grant-in-aid (41 per cent), child dependency (30.1 per cent), foster (26.3 per cent) and care dependency (24.7 per cent) grant recipients were located in KZN.

Table 1.10: Total number of social grant beneficiaries by grant type and province as at 30 September 2012

	Old Age Grant		War Veterans' Grant		Disability Grant		Grant-in-aid		Child Dependency Grant		Foster Child Grant		Care Dependency Grant		Total
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Eastern Cape	501 011	17.8	80	12.5	186 632	15.7	8 798	12.6	18 418	15.5	126 894	21.7	1 865 645	16.5	2 707 478
Free State	16 829	0.6	11	1.7	89 838	7.6	1 085	1.6	5 641	4.8	47 329	8.1	631 653	5.6	943 826
Gauteng	381 116	13.6	156	24.3	118 458	10.0	1 411	2.0	14 703	12.4	60 414	10.3	1 450 718	12.8	2 026 976
KwaZulu-Natal	582 023	20.7	94	14.7	323 234	27.2	28 701	41.0	35 696	30.1	153 914	26.3	2 791 322	24.7	3 914 984
Limpopo	387 703	13.8	50	7.8	88 344	7.4	10 065	14.4	11 682	9.9	63 338	10.8	1 565 730	13.8	2 126 912
Mpumalanga	224 793	8.0	29	4.5	82 272	6.9	2 622	3.7	8 378	7.1	37 195	6.4	1 051 683	9.3	1 406 972
North West	239 585	8.5	22	3.4	93 763	7.9	3 799	5.4	9 091	7.7	50 449	8.6	833 745	7.4	1 230 454
Northern Cape	73 411	2.6	20	3.1	50 517	4.3	4 184	6.0	4 414	3.7	15 849	2.7	273 249	2.4	421 644
Western Cape	253 469	9.0	179	27.9	154 399	13.0	9 300	13.3	10 446	8.8	30 317	5.2	842 279	7.4	1 300 389
South Africa	2 811 380	100.0	641	100.0	1 187 457	100.0	69 965	100.0	118 469	100.0	585 699	100.0	11 306 024	100.0	16 079 635

Source: Global Insight, 2012

1.7 Education

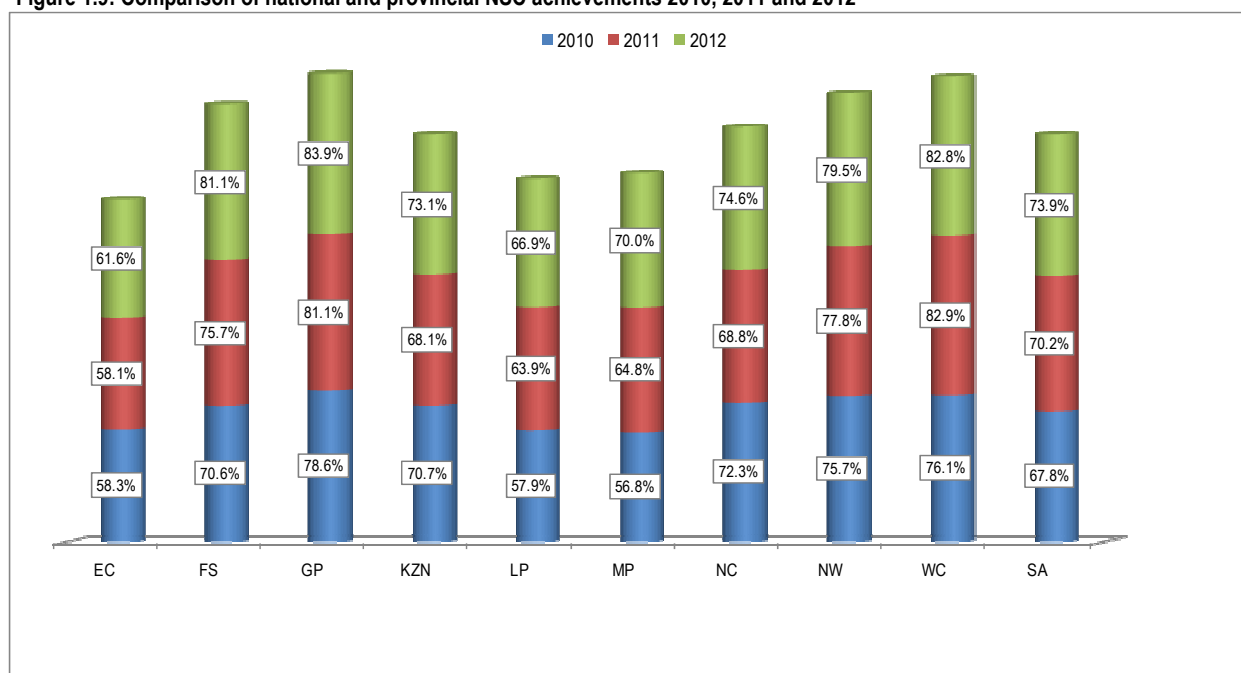
Education is commonly accepted as a means of empowerment, economic growth and general improvement in the social welfare of a country. As enshrined in the Bill of Rights of the Constitution, everyone has a right to basic education. It is in this respect that education has been targeted as one of the priorities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

1.7.1 Matric pass rate

A key measure of education's performance 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 1.9 shows a comparison of provincial National Senior Certificate (NSC) pass rates across the country in 2010, 2011 and 2012.

¹⁰ The existing grant types are old age grant, war veterans' grant, disability grant, grant-in-aid grant, child dependency grant, foster child grant and the care dependency grant (which constitutes the largest share).

Figure 1.9: Comparison of national and provincial NSC achievements 2010, 2011 and 2012

Source: Department of Basic Education, National Senior Certificate (NSC) Examination Results-2013

The Minister of Basic Education announced in January 2013 that there was an improvement in the matric pass rate by 3.7 per cent, from 70.2 per cent to 73.9 per cent nationally between 2011 and 2012. If this trend continues, the economically active population is expected to increase with time, and so should the skilled sector. The KZN matric pass rate improved by 5 per cent from 68.1 per cent in 2011 to 73.1 per cent in 2012. In 2010, the KZN pass rate (70.7 per cent) was above the national average of 67.8 per cent. However, this situation was reversed in 2011 and 2012. In terms of the other provinces, GP, WC, and FS performed better, at 83.9 per cent, 82.8 per cent, and 81.1 per cent, respectively, in 2012.

1.8 Health

The development and implementation of comprehensive primary health care is necessary to enhance healthy communities in KZN. This will assist to reverse the adverse effects of diseases, maternal, infant and child mortality rates. This subsection therefore provides an overview of health indicators in KZN.

1.8.1 Causes of death in KwaZulu-Natal

The level of mortality is one of the indicators of the level of human development, hence its inclusion in the construction of human development indices. Table 1.11 shows that tuberculosis (TB) was the leading cause of death in the province (16.9 per cent). Though HIV was ranked sixth, it is, still a major concern.

Table 1.11: Ten leading underlying natural causes of death in KwaZulu-Natal (%), 2008

	Rank	Percentage (%)
Tuberculosis	1	16.9
Intestinal infectious disease	2	7.3
Influenza and pneumonia	3	5.9
Cerebrovascular disease	4	4.6
Other forms of heart diseases	5	3.9
Human Immunodeficiency Virus	6	3.6
Diabetes mellitus	7	3.6
Other viral diseases	8	2.9
Hypertensive disease	9	1.9
Ischaemic heart disease	10	1.9
Other natural causes		39.1
Non-natural causes		8.6
All Causes		100

Source: Stats SA (Death Notification, 2008)

1.8.2 Infant and under-five mortality rates and crude death rate

Healthy and equitable societies are characterised by an environment where children are able to grow into healthy, secure and productive adults. Though provincial infant and child mortality rates have been decreasing over the years, it is unlikely that KZN will achieve millennium development goal (MDG) number 4 of reducing the under-five and infant mortality¹¹ rate to 20 and 18 per thousand live births or less, respectively, by 2015.

Table 1.12: Provincial infant and under 5-mortality and crude death rates, 2001-2011

Year	Infant mortality rate (IMR)	Under 5 mortality	Crude death rate
2001	53.3	78.8	11.9
2002	53	79.2	12.7
2003	52.4	79.1	13.4
2004	51.4	78.2	14
2005	50	76.2	14.4
2006	46.8	72.2	14.2
2007	45.1	67.8	13.8
2008	42.1	63.1	13.1
2009	40.6	59.3	12.4
2010	39.1	56.6	11.9
2011	37.9	54.3	11.7

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

Despite the setbacks, Table 1.12 indicates a step in the right direction, with both under-five and infant mortality rates dropping from 2001 to 2011. The table shows that the provincial infant mortality rate declined immensely from 53.3 per 1 000 live births (2001) to 37.9 deaths per 1 000 live births (2011). This observation is also pertinent to both under-5 mortality and crude death¹² rates. The crude death rate, however, has been increasing over time, from 11.9 deaths per 1 000 people in 2001, peaking at 14.4 deaths per 1 000 people in 2005, before moderately slowing to 11.7 deaths per 1 000 people in 2011. The decline is partly due to an improvement in medical research, public health and social services.

1.8.3 HIV and AIDS infection by province

The impact of HIV and AIDS is observable especially in the dramatic change in SA's general mortality rates. The pandemic does not only affect the infected person but family members and the wider community.

Table 1.13 shows national and provincial estimates of the number and percentage of people infected with HIV and AIDS in 2011. KZN had the highest percentage of people estimated to be infected with HIV. With the percentage of people living with HIV being this high, it is not surprising that the estimated percentage of people in KZN living with AIDS was also alarming at 30.8 per cent.

Table 1.13: Estimated HIV and AIDS infection by province, 2011

	% Share of national HIV infected population	% Share of national AIDS infected population
Western Cape	4.9	4.3
Eastern Cape	14.0	13.0
Northern Cape	1.4	1.3
Free State	6.6	6.8
KwaZulu-Natal	29.5	30.8
North West	7.6	7.4
Gauteng	19.3	20.5
Mpumalanga	9.3	9.1
Limpopo	7.4	6.8
South Africa	100.0	100.0

Source: Global Insight, 2011

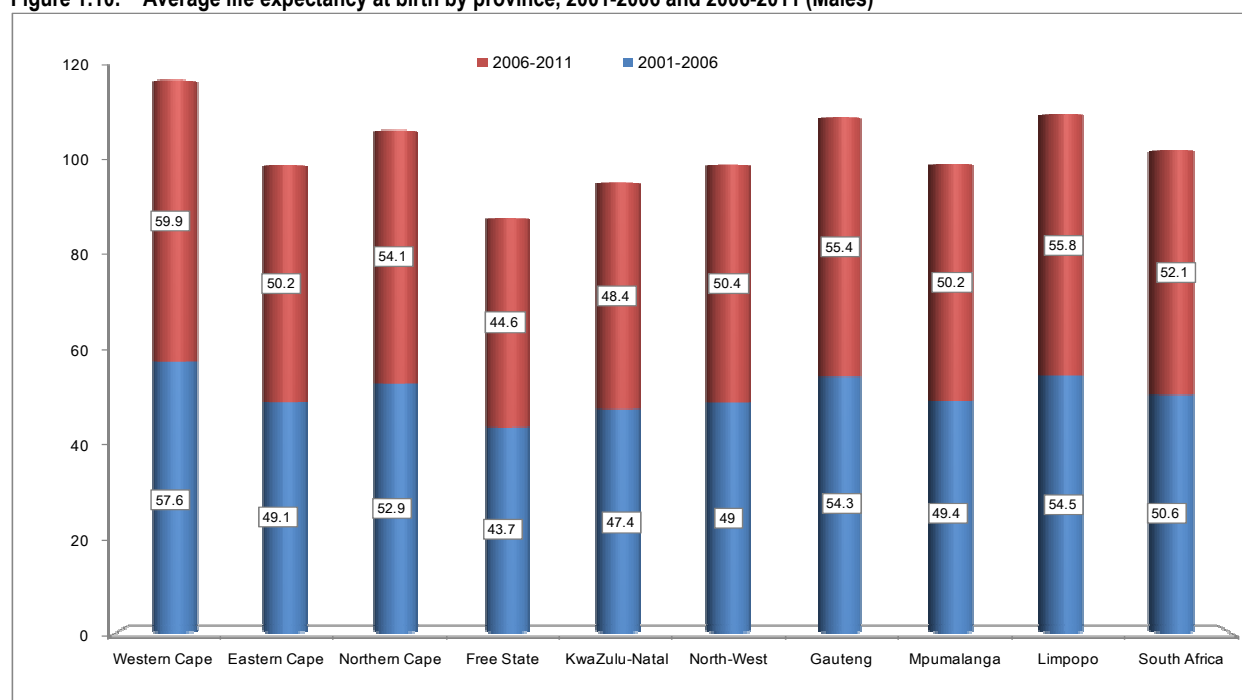
¹¹ Infant mortality gives the number of deaths of infants less than one year in a given year per 1 000 live births in the same year.

¹² Crude death rate indicates the number of deaths occurring during the year, per 1 000 population estimated at mid-year. Subtracting the crude death rate from the crude birth rate provides the rate of natural increase, which is equal to the rate of population change in the absence of migration.

1.9 Life expectancy

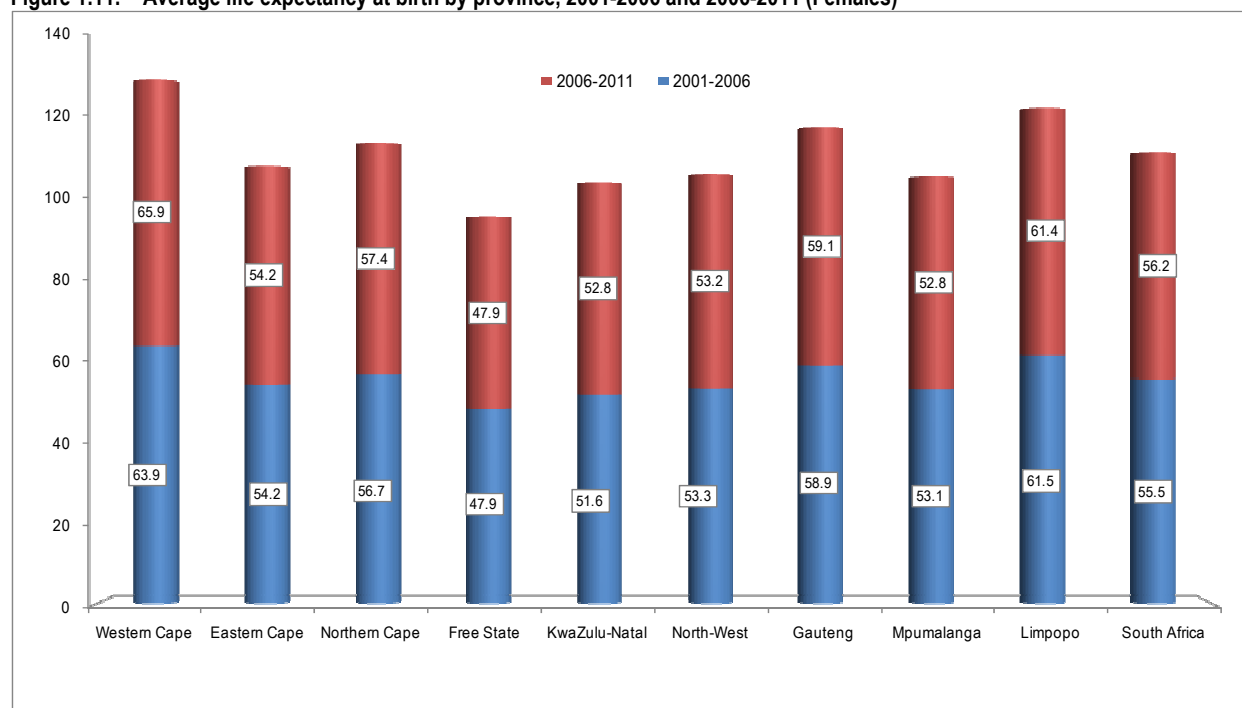
Life expectancy¹³ provides a summary of mortality at all ages. Figures 1.10 and 1.11 show the average provincial life expectancy at birth for males and females for 2001 - 2006 and 2006 - 2011, respectively.

Figure 1.10: Average life expectancy at birth by province, 2001-2006 and 2006-2011 (Males)



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

Figure 1.11: Average life expectancy at birth by province, 2001-2006 and 2006-2011 (Females)



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

¹³ Life expectancy at birth contains the average number of years to be lived by a group of people born in the same year, if mortality at each age remains constant in the future. The entry includes total population, as well as the male and female components.

KZN had a life expectancy for males of around 47.4 years between 2001 and 2006, and estimated to have increased slightly to 48.4 years between 2006 and 2011. Life expectancy at birth for females stood at around 51.6 years between 2001 to 2006, increasing slightly to 52.8 years between 2006 and 2011.

1.10 Crime

As argued by Garrett and Ott (2009), crime is a community attribute along with educational quality, infrastructure, and employment opportunity that, in part, determines the attractiveness of a city or region. Considering this statement, and given the need for aggressive economic growth within KZN, it is clear that all crime elements should be dealt with decisively in order to minimise the cost of doing business in KZN.

Table 1.14 depicts the crime levels and growth rates in KZN between 2009 and 2012.

It indicates that, between 2011 and 2012, there was a stark increase in the crime category Driving under the influence of alcohol or drugs (25.9 per cent) in KZN. The next fastest growing crime category was that of Drug-related crime. Both these are categorised under crimes that are heavily dependent on police action for detection. This signals a need for more to be done in the areas of policing, and that rigorous strategies should be put in place to curb these illegal activities. It is likely that effective strategies were implemented in previous years, as the number of driving under the influence of drugs and/or alcohol offences declined between 2009 and 2011.

Table 1.14: Crime levels and growth rates in KwaZulu-Natal, 2009 to 2012

Crime Category	March 2009	March 2010	March 2011	March 2012	March 2010	March 2011	March 2012
Total Number of Crimes in KwaZulu-Natal					Growth Rates (%)		
CONTACT CRIMES AGAINST A PERSON							
Murder	4 747	4 224	3 749	3 422	-11.0	-11.2	-8.7
Total Sexual Crimes	13 279	13 269	12 793	12 288	-0.1	-3.6	-3.9
Attempted Murder	4 922	4 614	3 915	3 666	-6.3	-15.1	-6.4
Assault with the intent to inflict grievous bodily harm	30 119	30 884	30 582	29 608	2.5	-1.0	-3.2
Common assault	29 906	32 980	32 271	31 983	10.3	-2.1	-0.9
Common robbery	8 575	7 985	7 320	7 637	-6.9	-8.3	4.3
Robbery with aggravating circumstances	25 856	23 239	19 573	18 469	-10.1	-15.8	-5.6
CONTACT-RELATED CRIMES							
Arson	1 200	1 202	1 141	1 074	0.2	-5.1	-5.9
Malicious damage to property	16 347	16 792	16 574	15 583	2.7	-1.3	-6.0
PROPERTY-RELATED CRIMES							
Burglary at non-residential premises	11 173	11 314	10 984	10 958	1.3	-2.9	-0.2
Burglary at residential premises	37 650	40 393	39 550	41 120	7.3	-2.1	4.0
Theft of motor vehicle and motorcycle	12 136	11 453	10 587	10 106	-5.6	-7.6	-4.5
Theft out of or from motor vehicle	12 971	14 221	15 945	15 960	9.6	12.1	0.1
Stock-theft	7 541	7 967	7 402	7 743	5.6	-7.1	4.6
CRIMES HEAVILY DEPENDENT ON POLICE ACTION FOR DETECTION							
Illegal possession of firearms and ammunition	4 236	4 968	5 072	4 696	17.3	2.1	-7.4
Drug-related crime	23 819	28 693	32 457	37 415	20.5	13.1	15.3
Driving under the influence of alcohol or drugs	12 837	11 935	10 220	12 867	-7.0	-14.4	25.9
OTHER SERIOUS CRIMES							
All theft not mentioned elsewhere	49 179	46 882	50 227	53 157	-4.7	7.1	5.8
Commercial crime	12 970	13 775	15 276	13 681	6.2	10.9	-10.4
Shoplifting	12 746	15 402	12 815	12 402	20.8	-16.8	-3.2
SUBCATEGORIES FORMING PART OF AGGRAVATED ROBBERY ABOVE							
Carjacking	4 062	3 715	2 619	2 229	-8.5	-29.5	-14.9
Truckjacking	133	127	94	64	-4.5	-26.0	-31.9
Robbery at residential premises	4 601	4 580	3 998	3 751	-0.5	-12.7	-6.2
Robbery at non-residential premises	2 499	2 066	1 943	1 911	-17.3	-6.0	-1.6
OTHER CRIMES CATEGORIES							
Culpable homicide	2 469	2 400	2 391	2 411	-2.8	-0.4	0.8
Public violence	96	144	138	117	50.0	-4.2	-15.2
Crimen injuria	5 132	5 542	5 904	6 206	8.0	6.5	5.1
Neglect and ill-treatment of children	490	455	372	302	-7.1	-18.2	-18.8
Kidnapping	686	769	839	839	12.1	9.1	0.0

Source: Stats SA and own calculation

1.11 Access to housing and basic services

Access to housing is one of the basic needs of local citizens. Homelessness and lack of quality housing reduce prospects for a sustainable livelihood, posing a threat to human security. Households living in formal housing are less susceptible to health risks and sanitation problems than their informally-housed counterparts, due to the benefits of water and electricity services being more accessible. Effective waste management services are also necessary in reducing pollution, thereby promoting a healthier and safer social environment for all citizens.

Table 1.15 indicates provincial housing and access to basic services in 2001 and 2011.

The majority of households across all provinces were formal household dwellers in 2011. KZN had 71.6 per cent formal houses, 19 per cent traditional houses, 8.3 per cent informal houses and 1 per cent other housing.

KZN had the seventh highest (third lowest) rate for access to water, both in 2001 (48.7 per cent) and in 2011 (63.6 per cent). GP led the country in respect of access to piped water at 89.4 per cent, followed by FS at 89.1 per cent in 2011. Electricity access in KZN, on the other hand, saw an upward trend during this period, indicated by a notable increase of 16.6 and 11.1 percentage points for lighting and heating, respectively.

Table 1.15: Access to housing and basic services, 2001 and 2011

Access to Basic Services (%)	Sub-Categories	Year	EC	FS	GP	KZN	LIM	MP	NW	NC	WC	SA
Electricity	Electricity for lighting	2001	50.0	74.4	80.1	60.9	62.9	68.9	72.3	72.4	88.0	69.7
		2011	74.8	89.8	87.2	77.5	87.1	86.2	83.8	85.1	93.2	84.5
	Electricity for heating	2001	23.9	40.5	69.4	46.4	27.4	37.4	44.9	5.0	73.2	49.0
		2011	31.2	55.7	74.7	57.5	45.0	57.6	61.8	62.2	63.5	58.8
	Electricity for cooking	2001	28.3	47.0	72.0	47.6	25.3	38.1	44.8	54.1	78.8	51.4
		2011	62.1	84.5	83.9	68.7	50.0	69.3	75.3	78.1	86.9	73.9
Water	Piped water in dwelling/yard	2001	37.8	70.6	82.7	48.7	38.9	56.5	52.8	72.0	85.2	61.3
		2011	49.4	89.1	89.4	63.6	52.3	71.7	69.3	78.0	88.4	73.4
Refuse	Refuse removal	2001	39.4	61.7	84.6	49.4	15.6	37.0	36.7	62.6	88.8	57.0
		2011	43.5	72.7	89.8	53.1	21.8	43.7	50.2	66.3	91.1	63.6
Housing	Formal	2001	51.5	66.5	74.4	60.2	72.5	72.2	72.0	81.0	81.3	68.5
		2011	63.2	81.1	79.9	71.6	89.8	83.8	76.2	82.4	80.4	77.7
	Informal	2001	11.2	26.1	23.9	12.6	7.1	14.5	22.9	11.3	16.2	16.4
		2011	7.7	15.7	18.9	8.3	5.2	10.9	21.2	13.1	18.2	13.6
	Traditional	2001	37.1	7.2	1.3	28.7	20.2	13.0	4.9	7.0	2.2	14.8
		2011	28.2	2.4	0.4	19.0	4.5	4.5	1.7	3.9	0.5	7.9
	Other	2001	0.2	0.3	0.3	0.4	0.3	0.3	0.2	0.7	0.3	0.3
		2011	0.9	0.8	0.9	1.0	0.5	0.8	0.9	1.3	1.0	0.9
Sanitation	Households with flushable/chemical toilet	2001	36.0	47.0	81.0	46.0	18.0	37.0	35.0	59.0	86.0	54.0
		2011	46.0	68.0	87.0	53.0	23.0	45.0	46.0	67.0	90.0	63.0
	% of Households with no toilet facility	2011	13.0	3.0	1.0	6.0	7.0	6.0	6.0	8.0	3.0	5.0

Source: Stats SA, 2012

2. SUMMARY OF BUDGET AGGREGATES AND FINANCING

2.1 Introduction: Budget strategy - An overview

Unlike the 2012/13 MTEF, the 2013/14 MTEF budget saw some significant cuts in the provincial equitable share allocation received from the national fiscus. In the first instance, the province is severely impacted on by the 2011 Census data used to update the equitable share formula. NT indicated that the provincial equitable share formula has been updated with population data from the 2011 Census with this update having implications on the total equitable share allocated per province. Some provinces (such as GP and WC) receive additional resources as a result of increased service delivery responsibilities resulting from increased population numbers. Others (such as KZN and EC) receive reduced allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. Consideration was given to the fact that sufficient time needs to be given to provinces with reduced populations to adjust to smaller budgets. As such, NT is giving some additional funding to cushion the impact of phasing in the new Census data. It should be noted, though, that this cushioning will only provide relief in the 2013/14 MTEF and that, from 2016/17, the equitable share will be allocated solely through the formula with no additions to support provinces with declining shares. This means that provinces must use the three years of support provided to adjust to their new baselines. Having said this, the reduction as a result of the Census data used to update the equitable share formula amounts to R1.124 billion in 2013/14, R2.387 billion in 2014/15 and R3.261 billion in 2015/16. As mentioned, some buffer funding is received from the national fiscus to assist the province to absorb this unprecedented fiscal shock, with the province receiving R289.915 million, R656.600 million and R1.224 billion over the 2013/14 MTEF. The net result, then, is a reduction of R933.993 million, R1.731 billion and R2.037 billion over the MTEF.

Besides this, NT is implementing across the board (across all three levels of government) cuts of 1, 2 and 3 per cent of the equitable share allocations. This cut is not effected against the entire equitable share allocation of provinces, but is calculated against 20 per cent of the equitable share allocation. The point was made that South Africa's debt service-costs are rising faster than any other expenditure in the national fiscal framework. The reason is that our public spending is rising faster than revenue collection. In short, there is a widening gap between income and expenditure. What is more worrying is that the borrowings (deficit) are not necessarily financing capital investments, but are financing current government consumption. These cuts result in a reduction of R170.703 million, R358.424 million and R554.928 million over the 2013/14 MTEF for KZN. As such, if the 2011 Census data, the buffer funding from the national fiscus and the 1, 2 and 3 per cent reductions are aggregated, the province loses an enormous R1.005 billion, R2.089 billion and R2.592 billion over the 2013/14 MTEF.

The province receives some additional equitable share funding to provide for the carry-through costs of the 2012 wage agreement (these were allocated to Education and Health only, though, due to the labour-intensive nature of their operations, with all other departments expected to absorb these higher costs from within their existing baselines). The amount received in this regard is R1.411 billion, R1.728 billion and R2.456 billion over the 2013/14 MTEF. Further to this, the province received additional funding which was ear-marked for specific national priorities in Education, Health and Social Development. The amount received in this regard was R54.312 million in 2013/14 rising to R607.819 million in 2015/16. The priorities funded with these amounts are the increase in Grade R teachers, increase in the number of teachers in Quintile 1 schools, improved diagnostic tests for TB (GeneXpert), the absorption of social work graduates and support to the Non-governmental Organisations (NGOs) sector (under the Department of Social Development (DSD)).

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 and to find areas to cut back on in order to achieve the baseline cuts. Similarly, departments were told to look at strengthening efficiency savings to provide for these significant cuts, and that cutting service delivery spending, and especially infrastructure budgets, should be seen as an absolute last resort. The provincial own revenue budgets were reviewed and

resulted in a marginal increase, in aggregate, of the revenue projections in 2013/14, and decreases in 2014/15 and 2015/16. Departments were reminded that the cost-cutting measures, which were first introduced in 2009/10, remain in place for the foreseeable future, and that the list of cost-cutting measures were being expanded in view of the massive baseline cuts which the province has to absorb.

KZN continues to budget for a surplus in the 2013/14 MTEF. The budget surplus is set at some R1 billion per annum over the 2013/14 MTEF. While the provincial overdraft has been repaid, there are spending pressures in the province, especially in Education, that could result in KZN going into overdraft again and this budgeted surplus acts as a buffer if this should occur. Further, the province is not yet sure how departments will adjust to these significant baseline cuts, and this budgeted surplus also protects the province in instances where departments find it difficult to immediately adjust to their lower baselines.

In recent years, KZN was able to finance numerous provincial priorities, largely as a result of increases in its equitable share allocations brought about by the data updates of the equitable share formula. As discussed above, this is not the case this year. In fact, the province was only able to fund a few provincial priorities through the utilisation of provincial cash resources which became available when the net financial position of the province was calculated during the 2012/13 Adjustments Estimate process. These resources became available largely due to the net surplus realised in 2011/12, as well as the surplus budgeted for in 2012/13. As such, departments were requested to indicate whether there were any projects which would require once-off funding, with some of these being funded in the 2012/13 Adjustments Estimate and some receiving funding over the 2013/14 MTEF only (i.e. with no carry-through budget provided beyond 2013/14 in most instances). This has allowed the province to finance a few provincial priorities over the 2013/14 MTEF. These include, but are not limited to, the following:

- Upgrading a regional laundry at Dundee by the Department of Health (DOH).
- The Rhino Security Intervention plan by Ezemvelo KZN Wildlife (EKZNW).
- Radio frequency identification for library books by the Department of Arts and Culture (DAC).
- Exit packages for Members of the Provincial Legislature (MPLs) by the Provincial Legislature (Legislature) to provide for a special allowance to Members whose tenure of office may be affected by the 2014 general elections.

As mentioned earlier, the cornerstone of the 2013/14 budget strategy continues to be the reprioritisation of the existing provincial budget, an enhanced focus on cost-cutting and maintaining a healthy budget surplus to provide a sufficient cushion in cases of fiscal shocks in the system. Given the resource constraints that exist due to the high demand for government services, and the reduction in the province's equitable share, 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 DOH is being 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 SAPS, Correctional Services, the Road Accident Fund (RAF), 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. A comprehensive position paper in this regard is in the process of being prepared, and it is anticipated that the findings of this will unblock some of the areas that have resulted in lower health patient fee collections. In summary, the 2013/14 budget strategy is underpinned by four elements, namely:

- Reprioritisation of the current budget.
- Expanded fiscal austerity measures to at least partially absorb the shock of the baseline cuts.
- 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 2013/14 MTEF budget, departments were requested to focus on the national outcomes, the PGDS and the PGDP. The 12 national outcomes are listed below:

National Outcome	Departments
1. Improved quality basic education	Vote 5, Vote 13
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 the *EPRE*, departments have indicated under the Strategic objectives sections, which national outcomes they are responsible for.

The Office of the Premier (OTP), the Provincial Planning Commission (PPC) and PT have embarked on a comprehensive exercise to ensure that departments align their APPs to the PGDP and PGDS, as well as ensure alignment between the APPs and budgets. It is imperative that synergies exist between these three sets of documents, to prevent departments from planning in silos and to ensure an integrated approach to development and service delivery in KZN.

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 2009/10 to 2011/12 is based on audited receipts and payments, while the 2012/13 figures provide a revised estimate position as at the end of December 2012. The 2013/14 to 2015/16 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Provincial receipts									
Transfer receipts from national	60 826 209	69 985 468	77 007 095	82 230 360	83 288 135	83 288 135	88 090 019	91 771 145	97 769 815
Equitable share	51 972 804	57 632 201	63 584 195	67 802 913	68 638 663	68 638 663	73 509 972	77 812 867	82 110 075
Conditional grants	8 853 405	12 353 267	13 422 900	14 427 447	14 649 472	14 649 472	14 580 047	13 958 278	15 659 740
Provincial own receipts	1 857 195	2 041 364	2 726 959	2 338 953	2 338 953	2 589 634	2 505 115	2 619 818	2 777 732
Total provincial receipts	62 683 404	72 026 832	79 734 054	84 569 313	85 627 088	85 877 769	90 595 134	94 390 963	100 547 547
Provincial payments*									
Current payments	48 496 893	52 348 834	61 968 245	66 043 869	67 585 006	68 219 969	72 290 458	76 663 525	81 839 288
Transfers and subsidies	8 729 987	9 228 387	9 529 717	10 118 836	10 331 511	10 336 869	10 105 857	8 931 913	9 053 624
Payments for capital assets	5 417 997	5 640 063	7 119 627	7 406 955	8 088 376	7 908 086	7 393 389	7 861 040	8 681 125
Payments for financial assets	1 164 407	445 440	26 265	1 800	2 109	2 145	2 500	2 500	4 694
Total provincial payments	63 809 284	67 662 724	78 643 854	83 571 460	86 007 002	86 467 069	89 792 204	93 458 978	99 578 731
Lending									
Surplus/(deficit) before financing	(1 125 880)	4 364 108	1 090 200	997 853	(379 914)	(589 300)	802 930	931 985	968 816
Financing	(24 928)	420 639	400 375	130 824	1 279 914	1 279 914	239 776	54 255	7 400
Provincial roll-overs	65 617	124 757	255 216	16 027	180 803	180 803	4 865	-	-
Provincial cash resources	(92 254)	299 391	142 603	114 797	1 098 158	1 098 158	234 911	54 255	7 400
Surplus Own Revenue surrendered	1 709	(3 509)	2 556	-	953	953	-	-	-
Surplus/(deficit) after financing	(1 150 808)	4 784 747	1 490 575	1 128 677	900 000	690 614	1 042 706	986 240	976 216

* Estimated actual expenditure for 2012/13 is as at 31 December 2012

In aggregate, KZN recorded a deficit before financing in 2009/10. This over-expenditure, along with substantial over-expenditure in 2007/08 and 2008/09 (not seen in table) resulted in KZN'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 that year, with the over-spending 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 R4.785 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 ending the year with a surplus of R1.491 billion. Despite over-spending by R311.795 million at the end of that year, the province over-collected against its own revenue budget by R783.994 million, while continuing to budget for a surplus of R948.008 million.

The Revised Estimate for 2012/13 in Table 2.1, which is based on the December IYM, indicates that the surplus will be R690.614 million, if the current spending patterns and projections of departments are taken into account. This is a reduction when compared to the 2012/13 Adjusted Appropriation, where the province was budgeting for a surplus of R900 million. The main reason for the difference between the two, results from the spending pressures experienced by DOH against the Comprehensive HIV and AIDS grant. Having said this, though, provincial departments continue to implement the cost-cutting measures (with an expanded version being implemented from December 2012 onward). It is expected that this will have a positive impact on the spending of departments, which should reduce the projected year-end over-expenditure to a degree. Also, the national DOH has indicated that they will assist the provincial DOH by providing medication for ARV patients, and it is expected that this will substantially reduce the projected over-expenditure.

KZN continues to budget for a surplus or Contingency Reserve over the 2013/14 MTEF. This Contingency Reserve is set at R1.043 billion in 2013/14, R986.240 million in 2014/15 and R976.216 million in 2015/16. This is done in line with NT practice. KZN is not yet certain how departments will adjust to the significant baseline cuts mentioned earlier, and this budgeted surplus therefore protects the province in instances where departments find it difficult to immediately adjust to their lower baselines. The Contingency Reserve also protects the province from unfunded mandates which may occur in-year, with NT having indicated that the current economic outlook may result in no additional funding being given to provinces in the 2013/14 Adjustments Budget. If this is the case, KZN will have to try and fund any unbudgeted portion of the 2013 wage agreement from within its baseline, which could cripple the province if no Contingency Reserve is provided for. It should be noted that any surplus or deficit that may arise in 2012/13 will be taken into account when the province prepares its Adjustments Estimate for 2013/14.

2.4 Financing

Budgeted surplus/Contingency Reserve

The total provincial receipts exceed the total provincial payments over the 2013/14 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 budgeted surplus also acts as a safety net, especially in view of the spending pressures that continue to exist in the Department of Education (DOE), as well as the fact that the province is unsure, at this stage, how departments will respond to their severely cut baselines. The budgeted surplus protects the province in so far as it should not go into overdraft

should any department over-spend its budget allocation, 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 PT 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 PT, 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.

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 budgets 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 2013/14 MTEF is Vote 10: Royal Household (RHH). Further first charges will be implemented once 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 finance 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. It is imperative that these cost-cutting measures continue to be implemented by departments and public entities in view of the significant equitable share baseline cuts mentioned in more detail earlier. These enhanced cost-cutting measures should be departments’ and public entities’ first area to delve into when cutting back their spending to remain within their reduced baselines. Once all efficiency savings have been realised, only then should departments and public entities look at cutting service delivery spending, including infrastructure spending. As mentioned, the cost-cutting measures have been expanded and re-issued with effect from January 2013, and now read as follows:

- A large proportion of KZN’s budget is tied up in *Compensation of employees* and this is not a spending item that can be reduced overnight. As such, all departments and public entities **MUST implement an immediate moratorium on the filling of non-critical posts** (posts such as HOD, CFO, clinical staff and essential administrative staff may continue to be filled) and look at staff becoming more focused and streamlined in their various work processes. Growth in staff numbers will crowd out service delivery spending unless these numbers are controlled very carefully.
- Another review of all departments’ and public entities’ organograms **MUST** be undertaken with the view of eliminating some non-essential posts from these structures permanently. This review must be completed by the end of February 2013, with departments submitting a report to PT indicating which

posts are being abolished from their structures and the funds that will be released from *Compensation of employees* as a result of this exercise.

- All departments and public entities **MUST** undertake a head count exercise with a view to eliminating ghost employees. This head count exercise must be completed by the end of July 2013, and the findings of this exercise must be shared with PT by the end of August 2013.
- 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 with the number of delegates being kept to a minimum.
- 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 the HOD, but there should be no catering for internal meetings).
- Kilometre controls be implemented on travelling (average of 2 500 kilometres per month per official unless there are exceptional circumstances – exceptions to be approved by the HOD).
- Officials to travel together unless absolutely unavoidable.
- Departments and public entities must plan meetings carefully and rationalise the number of meetings held (it seems that staff from regions/districts are sometimes called to head office meetings organised by different units on various different days, requiring them to travel to and from the regions/districts frequently. These meetings must be co-ordinated and planned between the various units to reduce the wastage of time and money).
- Only essential trips be undertaken.
- Internal meetings, strategic planning sessions and workshops to be held in departments' offices instead of private venues (exceptions to be approved by PT). Where PT approval is being requested, proof must be provided that all other avenues have been exhausted before a private venue will be approved.
- External meetings, workshops and events to be held in government facilities instead of private venues (exceptions to be approved by PT). Use of marquees to only be considered where such events could not be held in municipal halls, school halls, FET College facilities, etc. Where PT approval is being requested, proof must be provided that all other avenues have been exhausted before a private venue will be approved.
- A cap is placed on the number of events held, and a cap is placed on the cost per event (the number of community events is capped at a maximum of 2 events per month (i.e. 24 events in total per annum). To ensure sufficient time for all SCM processes to be undertaken, the CFO's office must be given 5 working days' notice to request quotes, etc. for these events. Where a quote has been accepted, it is recommended that departments and public entities negotiate with the service provider for a "better price" as this can also result in cost savings. It was approved by Cabinet that, for an event with 3 500 community members, this event should not cost more than R1 million to host. For events where 1 500 to 2 000 community members attend, these events may not cost more than R500 000 – R700 000 per event).
- 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.

- Where there are one-day meetings in other provinces, officials must travel there and back on the same day (where possible).
- When printing APPs, SPs, Annual Reports, etc., departments and public entities must minimise the use of colour pages in their documents, as well as use a lighter weight of pages and covers as these incur an unnecessary higher cost. Where possible, departments and public entities should look at the feasibility of using electronic distribution (e.g. compact discs) to reduce costs. Gold and silver embossed letterheads may not be used.
- No promotional items (e.g. shirts, caps, bags) to be purchased (exceptions to be approved by PT).
- 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.
- No bottled water may be procured for meetings, etc.

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 PT 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 2013/14 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 2013/14 MTEF budget process. This document explains the policy framework and format which departments must use to prepare the 2013/14 MTEF budget submissions. It should be noted that the *Treasury Guidelines* workshop took place prior to the province being aware of the substantial negative impact the 2011 Census data would have on its equitable share allocation.

The 2013/14 budget process focuses on the compilation of reprioritised budgets and service delivery that is aligned with the 12 national outcomes, the PGDP 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/public entity.
- Evidence of cost-cutting without affecting service delivery.
- Evidence that the department/public entity 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 five 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 five criteria translated to '2' points if complied with, and a '0' if not. A higher score was accorded to the first five criteria, simply because they were seen as being essential. An initiative therefore could score a maximum of 13 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 2012, as well as their related public entities. The MTEC for the 2013/14 MTEF cycle indicated that the meeting was taking place during difficult times as South Africa's debt service-costs are rising faster than any other expenditure in the national fiscal framework. The reason is that public spending is rising faster than revenue collection. In short, there is a widening gap between income and expenditure. What is more worrying is the fact that

borrowings (deficit) are not necessarily financing capital investments, but are financing current government consumption. As a result, NT indicated, at the time, that all levels of government would see a 1, 2 and 3 per cent reduction of their equitable share (this decision was later amended to be a 1, 2 and 3 per cent reduction of some 20 per cent of provinces' equitable share). Also, while KZN's cash position has improved remarkably and the provincial overdraft has long-since been fully repaid, the province felt that it 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-spending. 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, NT indicated that there would be very little additional funding allocated to provinces, and that any possible additional allocation would be earmarked for the 2012 wage agreement, as well as some national priorities in the Education, Health and Social Development sectors. As mentioned above, it was also indicated that NT was going to reduce all level of government's equitable share 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 ask departments to indicate any once-off funding requests they may have (i.e. which would not have any carry-through costs) with a view to the province funding these using provincial cash resources, which had become available as a result of a positive net financial position outcome at the end of 2011/12, as well as using the budgeted surplus of 2012/13. It was made very clear to departments and public entities that these funds would only be available to fund once-off projects and that they would be allocated in the 2012/13 Adjustments Estimate, and over the 2013/14 MTEF, but with no allocation being available beyond that. Education received some additional funding from the provincial fiscus to assist the department with the spending pressures they are experiencing. These funds were kept in the provincial fiscus as part of the 2012/13 MTEF's budgeted surplus, with the agreement that these funds would be allocated to Education if they implemented their internal cost containment plan to start controlling some of their spending pressures. There were some positive developments in this regard in 2012/13, and these funds are therefore now being allocated to Education as part of the 2013/14 MTEF process.

Table 3.1 indicates the departments' requests for additional funding as they were submitted as part of the 2013/14 MTEF process. This table excludes the once-off additional funding requests departments and entities were asked to submit, as mentioned above. All funding requests had to be very critically assessed in view of the uncertainty of additional funding the province would receive from the national fiscus, as well as the impending baseline cuts. It is worthwhile noting that, in spite of sizeable growth rates already in most departments' baseline budgets, averaging 6.2 per cent (see Table 3.3), departments and public entities requested, in total, R3.698 billion, R3.659 billion and R4.001 billion over the 2013/14 MTEF (a total of R11.358 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 provincial baseline cuts imposed by NT did not allow the province to fund these requests.

Table 3.1: Summary of additional funding requested by departments and public entities

R thousand	Amounts requested			
	2012/13	2013/14	2014/15	Total
1. Office of the Premier	76 756	92 457	106 663	275 876
2. Provincial Legislature	43 514	32 052	33 852	109 418
3. Agriculture, Environmental Affairs and Rural Development	528 690	511 585	430 988	1 471 263
4. Economic Development and Tourism	290 527	141 043	137 712	569 282
5. Education	95 849	88 150	87 150	271 149
6. Provincial Treasury	105 305	102 983	112 536	320 824
7. Health	1 180 876	1 320 248	1 317 480	3 818 604
8. Human Settlements	-	-	-	-
9. Community Safety and Liaison	9 265	20 063	39 215	68 543
10. The Royal Household	-	-	-	-
11. Co-operative Governance and Traditional Affairs	273 610	301 196	320 161	894 967
12. Transport	554 455	364 384	695 774	1 614 613
13. Social Development	139 976	229 051	275 402	644 429
14. Public Works	39 000	47 000	48 550	134 550
15. Arts and Culture	251 383	274 289	269 068	794 740
16. Sport and Recreation	108 298	134 790	126 765	369 853
Total	3 697 504	3 659 291	4 001 316	11 358 111

As indicated above, departments and public entities were requested to go back and to indicate which part of their requests would have once-off funding requirements, for MTEC to consider funding these from the positive net financial position realised at the end of 2011/12, and the budgeted surplus of 2012/13. As such, departments and public entities were requested to resubmit their initiatives focusing only on those aspects that would bear fruit even if they only received once-off funding. Once submitted, KZN was able to fund some of these funding requests, and this is discussed in a bit more detail later in this chapter.

With the exception of the Department of Human Settlements (DOHS) and RHH, all departments submitted requests for additional funds, with the largest coming from DOH, the Departments of Transport (DOT) and Agriculture, Environmental Affairs and Rural Development (DAEARD). These departments requested additional amounts of R3.819 billion, R1.615 billion and R1.471 billion, respectively, over the 2013/14 MTEF. DOH requested additional funds largely to address spending pressures, such as child health vaccines, the appointment of qualifying critical clinical staff, commissioning of new facilities (i.e. operational costs for these), the take-over of municipal clinics, among others. DOT requested the additional funds for maintenance of the provincial road network. DAEARD's request for additional funds is for a job creation initiative undertaken by the department, revitalisation of departmental buildings, asset maintenance and refurbishment by EKZNW and farming infrastructure for Mjindi.

As mentioned, DOHS and the RHH did not submit a request for additional funding. DOHS did not request additional funds over the MTEF due to its ongoing restructuring and its history of under-spending in recent years. The RHH indicated that they would like to request additional funding for the construction of His Majesty, the King's house at Enyokeni Palace and another one at KwaKhwashakhwasha. However, RHH did not provide any motivation for the proposed initiative, and it was therefore not evaluated.

MinComBud and Cabinet meetings were convened from August 2012 to January 2013 to consider the 2013/14 provincial fiscal framework, with these forums providing direction in terms of the provincial fiscus each step of the way. Cabinet was therefore kept updated when NT indicated the severity of the cuts affecting the province as a result of the 2011 Census data updates of the equitable share formula, as well as the 1, 2 and 3 per cent reductions on some 20 per cent of the province's equitable share. While ZKN was losing money due to these cuts, NT was also allocating funds toward the carry-through costs of the 2012 wage agreement (only allocated to Education and Health by the province, as discussed in the previous chapter), as well as some social sector priorities. These social sector priorities are the increase in Grade R teachers, increase in the number of teachers in Quintile 1 schools, improved diagnostic tests for TB (GeneXpert), the absorption of social work graduates and support to the NGO sector (under DSD).

MinComBud and Cabinet reviewed the MTEC recommendations with regard to the once-off funding requests, which were being funded through provincial cash resources, and agreed that the provincial budgeted surplus should remain at some R1 billion per year over the MTEF, despite the vast improvement in KZN's cash position. It was thought prudent to tread carefully, especially in view of the spending pressures experienced by DOE, and also in view of the significant baseline cuts implemented over the MTEF. The budgeted surplus therefore remains in place and acts as a safety net should any fiscal shocks arise in-year, or should departments find it difficult to immediately adjust to their lower baselines.

After taking into account the data updates that inform the equitable share formula, the funding requests to be funded using provincial cash resources, as well as additional funding received from NT for various national priorities, MinComBud and Cabinet agreed to the following:

- Capping the budgeted surplus at some R1 billion per year over the MTEF.
- Cutting all departments proportionately in terms of the 2011 Census data updates of the equitable share formula, the 1, 2 and 3 per cent baseline cuts and the buffer funding.
- Providing funding relating to the carry-through costs of the 2012 wage agreement to Education and Health only in view of the labour intensive nature of these two departments, with all other departments (and public entities) having to absorb these costs from within their baselines.
- Funding all national priorities affecting Education, Health and Social Development at the required levels, as specified in NT's allocation letter.
- Providing some additional funding to Education to assist with spending pressures.

- Funding some once-off funding requests from provincial cash resources.

Details of the additional allocations over the 2013/14 MTEF, per department, are provided in Table 3.4.

3.2. Provincial fiscal framework

Table 3.2 summarises the provincial fiscal framework for the 2013/14 MTEF budget. The difference (Section 1 of the table) between the baseline and the revised allocations yields the additional resource made available to KZN, or the reductions affecting the province where this movement is negative.

Table 3.2: Summary of provincial fiscal framework

R thousand	2013/14	2014/15	2015/16
1. Receipts			
Baseline Allocation	90 644 559	96 957 731	100 647 966
Transfer receipts from national	88 144 931	94 286 335	97 853 686
Equitable share	72 579 341	77 551 103	81 118 454
Conditional grants	15 565 590	16 735 232	16 735 232
Provincial own receipts	2 499 628	2 671 396	2 794 280
Increase / (Decrease) in allocation	(49 425)	(2 566 768)	(100 419)
Transfer receipts from national	(54 912)	(2 515 190)	(83 871)
Equitable share	930 631	261 764	991 621
Conditional grants	(985 543)	(2 776 954)	(1 075 492)
Provincial own receipts	5 487	(51 578)	(16 548)
Revised allocation	90 595 134	94 390 963	100 547 547
Transfer receipts from national	88 090 019	91 771 145	97 769 815
Equitable share (after update of formula data & new money)	73 509 972	77 812 867	82 110 075
Conditional grants	14 580 047	13 958 278	15 659 740
Provincial own receipts	2 505 115	2 619 818	2 777 732
2. Planned spending by departments	89 792 204	93 458 978	99 578 731
3. Budgeted surplus	802 930	931 985	968 816
4. Provincial cash resources	239 776	54 255	7 400
5. Budgeted surplus	1 042 706	986 240	976 216

The provincial equitable share allocation increases in 2013/14 by R930.631 million, R261.764 million in 2014/15 and R991.621 million in 2015/16. This is despite the baseline cuts, and largely results from the national priority funding received, the buffer funding (to help protect the province against the full impact of the Census data cuts), the carry-through funding for the 2012 wage agreement, as well as the phasing into the equitable share of the Devolution of Property Rate Funds grant. There are a number of changes to the conditional grant allocations over the 2013/14 MTEF, with these decreasing by R985.543 million in 2013/14, R2.777 billion in 2014/15 and R1.075 billion in 2015/16. NT advised that some savings would be realised against various grants to assist in controlling government spending levels. Besides this, various grants are reduced or amended, as follows:

All conditional grants in the health sector which focus on infrastructure delivery have been consolidated into one grant with separate grant components. The newly amalgamated grant is called the Health Facility Revitalisation grant and funds the construction and maintenance of health infrastructure. This grant has been created through the merger of the Health Infrastructure grant, Hospital Revitalisation grant and the Nursing Colleges and Schools grant, which are now three components within the merged grant. This gives greater flexibility to shift funds between the three grant components, with the approval of NT, so the department can avoid under- or over-spending in any one area of health infrastructure.

The National Health Insurance (NHI) grant is drastically reduced over the MTEF, as national Health has put in place a new indirect grant which will be spent by the national DOH on behalf of provinces. This grant amounts to R5.300 billion over the MTEF and has two components, one to support infrastructure projects and the second to support the national health insurance scheme pilots. The NHI component is allocated R1.100 billion over the MTEF.

With regard to the Human Settlements Development grant (HSDG), the 2011 Census data has shown large shifts in the need for housing toward larger urban areas. The current formula for HSDG does not sufficiently respond to these shifts, which therefore necessitates a review of the formula. The full amount of this grant will be allocated to the department in 2013/14, and only half the allocations will be allocated to provinces in 2014/15 and 2015/16 (the remainder of the allocations for the two outer years remains

unallocated in the interim). In addition, of the HSDG, R878.400 million in 2013/14, R468.800 million in 2014/15 and R514.557 million in 2015/16 is allocated to eThekweni. Also, R51.720 million in 2013/14 of the HSDG is earmarked for repairs relating to flood damage.

The Provincial Roads Maintenance grant was increased significantly as a new allocation formula was developed for this grant for implementation from 2013/14 onward. The new formula results in significant reductions to the allocations of four provinces (EC, GP, LIM and NW). Increased allocations through the new formula were allocated to FS, NC and KZN. Amounts of R45.573 million in 2013/14 and R45.464 million in 2014/15 of this grant are earmarked for repairs relating to flood damage.

The FET Colleges Sector grant is reduced by R613.038 million, R644.645 million and R622.424 million over the MTEF in line with a decision to convert a portion of the grant transferred to colleges into a subsidy, which will now flow from the national Department of Higher Education and Training (DHET).

As mentioned, the Devolution of Property Rate Funds grant is phased into the equitable share from 2013/14 onward, at a reduced amount in line with an indication by the Department of Public Works (DOPW) that there is an over-provision against this grant.

The provincial own receipts increase by R5.487 million in 2013/14, and decrease in 2014/15 and 2015/16 by R51.578 million and R16.548 million, respectively, partly due to the slow pace in promulgating the KZN Liquor Licensing Act and delays in the formulation of regulations. PT advised the department to rather be conservative in their projections until such time as all the processes have been concluded. As such, the revenue earned from liquor licences has been revised downward. This reduction is counteracted by the increase in revenue collection by various departments.

Section 2 of Table 3.2 gives the planned spending of departments, based on their MTEF allocations. After deducting this from the province's updated national and provincial receipts, KZN is left with a budgeted surplus of R802.930 million, R931.985 million and R968.816 million over the MTEF (see Section 3). The table also indicates that some of the additional funding provided to departments over the MTEF was funded using provincial cash resources which became available due to the positive net financial position realised at the end of 2011/12, as well as the budgeted surplus of 2012/13. Once these amounts are taken into account, the budgeted surplus for the province is R1.043 billion in 2013/14, R986.240 million in 2014/15 and R976.216 million in 2015/16. Table 3.4 in Section 3.3.2, then, indicates the amounts allocated to departments in addition to their baseline allocations, from provincial cash resources, as well as from NT for various national priorities.

3.3 Summary of additional allocation for the 2013/14 MTEF

3.3.1 Existing growth in the 2012/13 MTEF baseline allocation

Table 3.3 shows the baseline budgets for the 2012/13 MTEF period, before any additional allocations were made and before the baseline cuts were implemented.

Table 3.3: Existing growth rates in 2012/13 MTEF baseline budgets

R thousand	Main Appropriation 2012/13	Medium-term baseline budgets			Ann. % growth 12/13-15/16
		2013/14	2014/15	2015/16	
1. Office of the Premier	594 600	611 754	656 426	686 622	4.9
2. Provincial Legislature	402 377	422 871	448 227	468 845	5.2
3. Agriculture, Environmental Affairs and Rural Development	2 653 834	2 857 997	3 018 973	3 157 846	6.0
4. Economic Development and Tourism	1 641 018	1 862 345	2 003 296	2 095 448	8.5
5. Education	34 764 633	37 159 915	39 523 694	41 341 784	5.9
6. Provincial Treasury	604 274	595 349	625 123	653 879	2.7
7. Health	26 555 350	28 508 609	30 544 907	31 949 973	6.4
8. Human Settlements	3 300 935	3 465 289	3 641 059	3 808 548	4.9
9. Community Safety and Liaison	161 334	169 280	180 251	188 543	5.3
10. The Royal Household	59 566	64 203	55 334	57 879	(1.0)
11. Co-operative Governance and Traditional Affairs	1 208 003	1 262 467	1 337 973	1 399 520	5.0
12. Transport	7 418 873	7 764 144	8 723 942	9 125 243	7.1
13. Social Development	2 047 812	2 293 980	2 401 373	2 511 836	7.0
14. Public Works	1 311 171	1 387 173	1 460 500	1 527 683	5.2
15. Arts and Culture	470 392	612 434	659 163	689 484	13.6
16. Sport and Recreation	377 288	397 223	420 696	440 047	5.3
Total	83 571 460	89 435 033	95 700 937	100 103 180	6.2

This serves as a reminder that most departments' baselines for the MTEF showed positive rates of growth, although this may differ in terms of level. While KZN was able to allocate some additional funding over the MTEF, the baseline cuts, in most cases, will result in far lower growth over the MTEF.

3.3.2 Summary of changes to baselines

This section previously only focused on additions being made to baselines. However, due to the significance of the baseline cuts affecting KZN over the 2013/14 MTEF, it was thought appropriate to also capture the baseline cuts in this table. As such, the additional allocations to departments and their respective purposes, as well as the baseline cuts, are summarised in Table 3.4 below. Note that Table 3.4 reflects only the provincial additional allocations, and excludes changes in respect of conditional grants.

As can be seen in Table 3.4, only Education and Health receive an additional allocation for the carry-through costs of the higher than anticipated 2012 wage agreement. While NT did not specify that these funds are only intended for these two departments, the province took a decision to allocate these funds to Education and Health only. The reason for this is that these two departments were most affected by the proportional baseline cuts emanating from the Census data updates and the 1, 2 and 3 per cent baseline reductions. As these cuts were calculated on a proportional basis, these two departments were most severely affected as their budgets are the largest by far. As a result, and because they are both labour-intensive departments, it was agreed that these departments receive the full amount allocated to KZN for the 2012 wage agreement carry-through costs.

Some departments received once-off additional funding for various provincial priorities. As mentioned, these are funded from provincial cash resources and have no carry-through funding beyond the MTEF.

NT provided additional funding for nationally identified priorities, apart from the allocation provided for the higher than anticipated 2012 wage agreement. KZN receives additional funding for specific national priorities in Education, Health and Social Development, namely the increase in Grade R teachers, increase in the number of teachers in Quintile 1 schools, improved diagnostic tests for TB (GeneXpert), the absorption of social work graduates and support to the NGO sector.

All departments are affected by the 2011 Census data updates and the 1, 2 and 3 per cent baseline cuts, as seen in the table. Besides this, a short description of the purpose of the main additional allocations made to departments, over and above the national priorities and the 2012 wage agreement, is provided below.

The OTP sees an increase in its baseline for a number of projects. These include Zimele Developing Community Self-Reliance (this project aims to provide women with knowledge, skills and resources to be successful family and community leaders), a roll-over from 2011/12 relating to the 150-year commemoration of the arrival of Indian indentured labourers in KZN and for the African Renaissance which focuses on social cohesion, democracy, economic rebuilding and growth and the establishment of Africa as a significant player in geo-political affairs.

The Legislature receives some additional funding, but only in 2014/15, for observing and monitoring the 2014 general elections and to pay exit packages of Members who will leave after the elections.

DAEARD receives additional funding for the development of the Makhathini Flats area, as well as an allocation to EKZNW for its Rhino Security Intervention plan.

DOE receives funding which was held in reserve when the 2012/13 MTEF budget was prepared, to assist the department with its personnel spending pressures.

PT receives funding for various transversal projects aimed at improving the financial management of KZN. This includes Operation Clean Audit, the provincial SCM procurement tool, SCM contract management, forensic investigations and the Infrastructure Crack Team. Treasury also receives some funding for the feasibility study of developing a government office park. Funds are also allocated for two projects in the Greater Kokstad municipality, namely the Shayamoya eco-complex (a cultural complex and community park aimed at making East Griqualand a more attractive tourist destination) and the development of a light industrial park (aimed at developing infrastructure and institutional arrangements

to operationalise a light industrial park that will operate as a small business incubator to attract, train, mentor and assist in the development of skilled artisans). Funds are also allocated for the Thuthuka Bursary Fund (this Fund annually places 100 students at selected SAICA-accredited universities on special under-graduate Bachelor of Commerce programmes) and the Aero Grand Prix.

Table 3.4: Summary of changes to allocations, 2013/14 MTEF

	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16
	R thousand			Percentage share		
Vote 1: Office of the Premier	9 100	(17 368)	(21 544)	1.0	(31.3)	(2.5)
Census data and 1%, 2% and 3% baseline cuts	(8 320)	(17 368)	(21 544)	(1.0)	(31.3)	(2.5)
Zimele Developing Community Self Reliance	7 555	-	-	0.9	-	-
Roll-over: 150-yr commemoration of Indian indentured labourers	4 865	-	-	0.6	-	-
African Renaissance	5 000	-	-	0.6	-	-
Vote 2: Provincial Legislature	(5 751)	22 996	(14 711)	(0.7)	41.5	(1.7)
Census data and 1%, 2% and 3% baseline cuts	(5 751)	(11 859)	(14 711)	(0.7)	(21.4)	(1.7)
Observing and monitoring the 2014 elections	-	7 000	-	-	12.6	-
Exit packages for MPLs	-	27 855	-	-	50.2	-
Vote 3: Agriculture, Environmental Affairs and Rural Development	4 035	(72 134)	(89 483)	0.5	(130.1)	(10.5)
Census data and 1%, 2% and 3% baseline cuts	(34 968)	(72 134)	(89 483)	(4.0)	(130.1)	(10.5)
Makhathini Development	20 000	-	-	2.3	-	-
Ezemvelo KZN Wildlife-Rhino Security intervention	19 003	-	-	2.2	-	-
Vote 4: Economic Development and Tourism	(25 330)	(53 003)	(65 750)	(2.9)	(95.6)	(7.7)
Census data and 1%, 2% and 3% baseline cuts	(25 330)	(53 003)	(65 750)	(2.9)	(95.6)	(7.7)
Vote 5: Education	487 818	240 433	958 290	55.9	433.7	112.8
Census data and 1%, 2% and 3% baseline cuts	(456 681)	(946 054)	(1 173 578)	(52.3)	(1 706.4)	(138.1)
Allocation of funds held in reserve for personnel spending pressures	172 307	218 976	321 842	19.7	395.0	37.9
Carry-through of 2012 wage agreement	897 007	1 098 941	1 561 529	102.8	1 982.1	183.7
Learner Transport (portion moved to Transport)	(124 815)	(131 430)	(137 476)	(14.3)	(237.1)	(16.2)
National priorities:	-	-	385 973	-	-	45.4
Grade R teachers	-	-	170 455	-	-	20.1
Increased no. of teachers (Quintile 1 schools)	-	-	215 518	-	-	25.4
Vote 6: Provincial Treasury	89 580	(4 539)	(20 517)	10.3	(8.2)	(2.4)
Census data and 1%, 2% and 3% baseline cuts	(8 097)	(16 539)	(20 517)	(0.9)	(29.8)	(2.4)
Feasibility study of Government office park	9 000	-	-	1.0	-	-
Operation Clean Audit (Financial Management)	10 000	-	-	1.1	-	-
Provincial SCM procurement tool	8 000	-	-	0.9	-	-
SCM contract management	10 000	-	-	1.1	-	-
Infrastructure Crack Team	10 000	-	-	1.1	-	-
Operation Clean Audit (Internal Audit)	10 000	-	-	1.1	-	-
Forensic investigations	8 000	-	-	0.9	-	-
Shayamoya eco-complex, cultural village and community park	13 677	-	-	1.6	-	-
Thuthuka Bursary Fund	4 000	4 000	-	0.5	7.2	-
Development of light industrial park	7 000	8 000	-	0.8	14.4	-
Aero Grand Prix	8 000	-	-	0.9	-	-
Vote 7: Health	257 068	16 861	189 030	29.5	30.4	22.2
Census data and 1%, 2% and 3% baseline cuts	(313 796)	(646 991)	(802 590)	(36.0)	(1 167.0)	(94.4)
Carry-through of 2012 wage agreement	513 767	629 426	894 376	58.9	1 135.3	105.2
Regional laundry in Dundee	50 580	-	-	5.8	-	-
National priorities	6 517	17 213	48 622	0.7	31.0	5.7
TB-GenExpert	6 517	17 213	48 622	0.7	31.0	5.7
Vote 8: Human Settlements	(4 305)	(8 877)	(11 012)	(0.5)	(16.0)	(1.3)
Census data and 1%, 2% and 3% baseline cuts	(4 305)	(8 877)	(11 012)	(0.5)	(16.0)	(1.3)
Vote 9: Community Safety and Liaison	(2 302)	231	(916)	(0.3)	0.4	(0.1)
Census data and 1%, 2% and 3% baseline cuts	(2 302)	(4 769)	(5 916)	(0.3)	(8.6)	(0.7)
Implement structure to roll-out Civilian Secretariat Police Act	-	5 000	5 000	-	9.0	0.6
Vote 10: The Royal Household	(873)	(1 464)	(1 816)	(0.1)	(2.6)	(0.2)
Census data and 1%, 2% and 3% baseline cuts	(873)	(1 464)	(1 816)	(0.1)	(2.6)	(0.2)
Vote 11: Co-operative Governance and Traditional Affairs	(14 771)	(33 000)	(41 513)	(1.7)	(59.5)	(4.9)
Census data and 1%, 2% and 3% baseline cuts	(17 171)	(35 400)	(43 913)	(2.0)	(63.9)	(5.2)
uMsekeli Municipal Support Services pensioners' med. aid obligation	2 400	2 400	2 400	0.3	4.3	0.3
Vote 12: Transport	51 435	(33 605)	(67 249)	5.9	(60.6)	(7.9)
Census data and 1%, 2% and 3% baseline cuts	(73 380)	(165 035)	(204 725)	(8.4)	(297.7)	(24.1)
Learner Transport (portion moved from Education)	124 815	131 430	137 476	14.3	237.1	16.2
Vote 13: Social Development	16 595	45 142	94 409	1.9	81.4	11.1
Census data and 1%, 2% and 3% baseline cuts	(31 200)	(63 535)	(78 815)	(3.6)	(114.6)	(9.3)
National priorities:	47 795	108 677	173 224	5.5	196.0	20.4
Absorption of social work graduates	26 070	65 645	109 303	3.0	118.4	12.9
Support to the NGO sector	21 725	43 032	63 921	2.5	77.6	7.5
Vote 14: Public Works	(10 867)	(22 202)	(27 541)	(1.2)	(40.0)	(3.2)
Census data and 1%, 2% and 3% baseline cuts	(10 867)	(22 202)	(27 541)	(1.2)	(40.0)	(3.2)
Vote 15: Arts and Culture	25 132	(15 597)	(19 348)	2.9	(28.1)	(2.3)
Census data and 1%, 2% and 3% baseline cuts	(7 564)	(15 597)	(19 348)	(0.9)	(28.1)	(2.3)
Radio frequency ID for library books	31 696	-	-	3.6	-	-
Funds from uMgungundlovu for various arts and culture events	1 000	-	-	0.1	-	-
Vote 16: Sport and Recreation	(4 090)	(8 432)	(10 461)	(0.5)	(15.2)	(1.2)
Census data and 1%, 2% and 3% baseline cuts	(4 090)	(8 432)	(10 461)	(0.5)	(15.2)	(1.2)
Total	872 474	55 442	849 868	100.0	100.0	100.0

DOH receives funding to upgrade the regional laundry in Dundee.

The Department of Community Safety and Liaison (DCSL) receives additional funding to implement, in a phased-in approach, its new structure which is required to roll-out the Civilian Secretariat Police Act.

The DAC receives an allocation to implement a system in its libraries for radio frequency identification of library books which will assist in the control and stock-taking of library books.

Table 3.5 shows the revised budgets of departments for the 2013/14 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, 2013/14 MTEF

	Main Appropriation	Medium-term Estimates (R thousand)			Annual Percentage Growth		
	2012/13	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16
1. Office of the Premier	594 600	620 854	639 058	665 078	4.4	2.9	4.1
2. Provincial Legislature	402 377	417 120	471 223	454 134	3.7	13.0	(3.6)
3. Agriculture, Environmental Affairs & Rural Development	2 653 834	2 862 582	2 946 839	3 067 458	7.9	2.9	4.1
4. Economic Development and Tourism	1 641 018	1 837 015	1 950 293	2 029 698	11.9	6.2	4.1
5. Education	34 764 633	37 008 579	39 131 499	42 147 740	6.5	5.7	7.7
6. Provincial Treasury	604 274	684 929	620 584	633 362	13.3	(9.4)	2.1
7. Health	26 555 350	28 647 877	30 445 724	32 258 216	7.9	6.3	6.0
8. Human Settlements	3 300 935	3 550 676	2 012 405	2 015 177	7.6	(43.3)	0.1
9. Community Safety and Liaison	161 334	172 347	180 482	187 627	6.8	4.7	4.0
10. The Royal Household	59 566	63 330	53 870	56 063	6.3	(14.9)	4.1
11. Co-operative Governance and Traditional Affairs	1 208 003	1 247 696	1 304 973	1 358 007	3.3	4.6	4.1
12. Transport	7 418 873	8 066 335	8 851 007	9 561 829	8.7	9.7	8.0
13. Social Development	2 047 812	2 325 185	2 446 515	2 606 245	13.5	5.2	6.5
14. Public Works	1 311 171	1 261 366	1 313 705	1 369 817	(3.8)	4.1	4.3
15. Arts and Culture	470 392	644 964	696 646	757 299	37.1	8.0	8.7
16. Sport and Recreation	377 288	381 349	394 155	410 981	1.1	3.4	4.3
Total	83 571 460	89 792 204	93 458 978	99 578 731	7.4	4.1	6.5

The provincial budget grows by 7.4 per cent in 2013/14 from the 2012/13 Main Appropriation, despite the baseline cuts mentioned above.

The negative growth by the Legislature in 2015/16 results from the fact that 2014/15 includes once-off additional amounts of R7 million for observing and monitoring the 2014 general elections, and R27.855 million for the special allowance to Members whose tenure of office may be affected by these elections.

The negative growth in PT in 2014/15 relates to the substantial once-off allocations in 2013/14 for various transversal projects, such as the feasibility study of the government office park (R9 million), Operation Clean Audit (R10 million for Financial Management and R10 million for Internal Audit), the provincial E-Procurement Tool (R8 million), SCM contract management (R10 million), the Infrastructure Crack Team (R10 million) and forensic investigations (R8 million).

The substantial negative growth shown by DOHS in 2014/15 is as a result of the review of the current allocation formula of the HSDG. The 2011 Census data has shown significant shifts in the need for housing toward larger urban areas. The current formula for the grant does not sufficiently respond to these shifts, which therefore necessitates a review of the formula. Pending this review, the full amount of this grant has been allocated to the department in 2013/14, and only half the allocations will be allocated to provinces in 2014/15 and 2015/16. The balance of the allocations for the two outer years remain unallocated in the interim until the formula review is finalised.

The negative growth shown by RHH results from the infrastructure allocation for the renovations to palaces coming to an end in 2013/14, in line with project requirements.

The negative growth shown by DOPW in 2013/14 relates to the lower allocation for property rates, following an indication by the department that their baseline was over-provided in this regard.

The strong growth shown by DAC in 2013/14 relates to the significant additional funding given to the department over the 2011/12 MTEF (with carry-through) for the provincialisation of public libraries and museums. This allocation increases significantly in 2013/14.

4. RECEIPTS

4.1 National Fiscal Framework and Division of Revenue for the 2013/14 MTEF

4.1.1 Background

Section 214(1) of the Constitution requires that, annually, 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 S214, 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 NT. However, the horizontal division of revenue among provinces, as well as municipalities, is formula-based, and this is explained in Sections 4.1.3 and 4.1.5.

4.1.2 Division of revenue and fiscal framework

4.1.2.1 Fiscal policy and trends

The 2013/14 MTEF budget is prepared in a challenging environment, as the economic crisis and accompanying slow and uncertain economic recovery continues. Added to this are the deterioration in the domestic economic outlook, the unresolved European situation, a sluggish American economic recovery and dampening expectations that fast growing countries will provide economic relief. These conditions are likely to impact negatively on revenue collection.

Since the start of the crisis, government has grown expenditure levels in real terms, and this has enabled KZN to sustain the social wage and fund government priorities, which was made possible through increased government borrowing. The cost of servicing this debt has accelerated, which means that government debt and the wage bill have become the fastest growing components of spending and that there is now less money available for other purposes. In addition, it is not financially prudent to borrow money to fund consumption, which government has started doing. Given the pressures and the turbulent economic environment, it is critical that government at all levels adopts a different approach to preparing budgets. Discussions have also revealed that there are a wide range of inefficiencies in provinces, many of which can be addressed through better procurement practices, a change of attitude and smarter planning.

During the 2012/13 budget process, emphasis was placed on the need to shift the composition of spending in favour of investment that promotes economic growth. This shift needs to continue, and government also needs to focus on building its capacity to implement policies and improve its productivity and value for the tax payer's money. Spending over the 2013/14 MTEF must remain within the levels set in the 2012/13 budget. All new spending must be funded through reprioritisation and identification of savings.

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 must reprioritise and realign their budget baselines to make more effective use of resources.

Government continues to provide support to the economy, while ensuring sustainable public finances. Fiscal policy is anchored by the principles of counter-cyclical, debt sustainability and inter-generational fairness.

With the onset of the global financial crisis in 2008, and in line with its counter-cyclical stance, government sustained expenditure levels, even as revenue declined sharply. SA's economic cycle reached a low point during the 2009 recession. Since then, structural constraints and weak global demand have dampened the pace of economic growth. Revenue has not yet fully recovered and, although spending growth has been well contained, the budget deficit has remained elevated. Economic weakness over the past six months has resulted in a pronounced shortfall in revenue, leading to an unavoidable widening of the deficit in 2012/13. The budget deficit is now estimated at 5.2 per cent of GDP. The widening deficit supports the economy, but continued counter-cyclical in the short-term necessitates a stronger medium-term path of consolidation to ensure debt sustainability.

Within this framework, government has, as its medium-term objectives for the 2013/14 MTEF:

- Moderating expenditure growth to expand public services at a sustainable pace and maintaining the path of spending set out in the 2012/13 budget.
- Stabilising debt as a share of national income by narrowing the budget deficit. Resources available above the indicative baselines will be allocated according to unavoidable spending pressures (e.g. the wage bill) and for political priorities agreed to by Cabinet.
- Improving the impact of public spending by prioritising capital investment, and reducing waste and inefficiency.
- The fiscal framework supports a determined effort to shift the composition of spending towards investment in long-term productive assets that can build the economy.

4.1.2.3 Division of revenue

The 2013/14 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 fiscal framework makes R951.333 billion available for spending in 2013/14, growing substantially to R1.023 trillion and R1.098 trillion in 2014/15 and 2015/16, respectively. Table 4.1 sets out the division of nationally raised revenue between the three spheres of government.

Table 4.1: Division of revenue between spheres of government, 2009/10 – 2015/16

R million	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
National departments	345 366	355 188	381 324	413 098	452 530	489 456	521 706
Provinces	293 164	322 822	362 490	388 515	414 152	441 727	474 389
Equitable share	236 891	265 139	291 736	313 016	337 572	359 924	383 697
Conditional grants	56 273	57 682	70 753	75 500	76 580	81 803	90 692
Local government	51 537	60 904	68 251	77 027	84 651	91 579	101 470
Equitable share	23 845	30 541	33 173	37 373	40 582	44 490	50 208
General fuel levy sharing	6 800	7 542	8 573	9 040	9 613	10 190	10 659
Conditional grants	20 892	22 821	26 505	30 615	34 456	36 899	40 603
Total	690 067	738 915	812 066	878 641	951 333	1 022 763	1 097 565
Percentage shares							
National departments	50.0%	48.1%	47.0%	47.0%	47.6%	47.9%	47.5%
Provinces	42.5%	43.7%	44.6%	44.2%	43.5%	43.2%	43.2%
Local government	7.5%	8.2%	8.4%	8.8%	8.9%	9.0%	9.2%

At R452.530 billion in 2013/14, and increasing to R521.706 billion in 2015/16, national departments continue to receive the largest share of funding, to support sustained real growth in social grant provisions, public infrastructure and employment programmes. The allocation to provinces also shows real growth from R414.152 billion in 2013/14, increasing to R474.389 billion in 2015/16. The local government allocations are revised upward from R84.651 billion in 2013/14 to R101.470 billion in 2015/16.

The national share of revenue declines from 47.6 per cent in 2013/14 to 47.5 per cent in 2015/16. Similarly, the provincial share of revenue declines from 43.5 per cent in 2013/14 to 43.2 per cent in 2015/16, while there is an increase in the local government share from 8.9 per cent to 9.2 per cent in 2013/14 and 2015/16, respectively. National transfers account for a relatively small proportion of the local government fiscal framework, with the majority of local government revenues being raised by municipalities themselves through their substantial revenue-raising powers, including property rates and service charges.

Table 4.2 summarises the additional funding allocated to the three spheres of government when compared to the 2012/13 MTEF baseline allocations.

Table 4.2: Changes to baseline, 2013/14 – 2015/16

R million	2013/14	2014/15	2015/16	Total	% Share
National departments	6 310	10 628	24 752	41 690	55.6
Provinces	3 060	4 723	17 283	25 066	33.4
Local government	793	873	6 608	8 274	11.0
Allocated expenditure	10 163	16 224	48 643	75 030	-

The fiscal framework adds R10.163 billion to expenditure in 2013/14, R16.224 billion in 2014/15 and R48.643 billion in 2015/16.

Of the additions to the baseline over the MTEF, 55.6 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. Improvements are being made to economic infrastructure such as ports, roads and electricity to cater for the needs of business.

Provinces receive 33.4 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, Health and Social Development. In Education, additions are made toward the increase in number of teachers in Quintile 1 schools and increase in the number of Grade R teachers. In Social Development, the focus will be on the absorption of social work graduates and support to the NGO sector, while Health receives additional funding for improved diagnostic tests for TB.

Municipalities receive 11 per cent of the additions to the baseline, mainly for sustainable provision of basic services and bulk infrastructure.

4.1.3 Provincial equitable share (PES)

Provincial 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 nationally raised revenue is formula driven.

In terms of S214 of the Constitution, the equitable division of revenue raised nationally among the three 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

The PES formula has been updated with data from the 2011 Census for the total population and school-age population in each province. These variables account for a substantial weighting in the formula and resulted in changes to provincial allocations. The data updates impact as follows:

Education (48 per cent)

The education component uses the school age population from 5 to 17 years, now updated with data from Census 2011, and school enrolment drawn from the 2012 School Realities Survey. These elements are assigned equal weights. From the 2012/13 MTEF to the 2013/14 MTEF, the total number of learners in KZN increased by 18 991. Although still recording an increase in enrolment numbers, the growth in numbers is smaller than that of GP, WC and LIM. The impact of updating the education component with the 2011 Census data resulted in the weighted average for KZN being revised downward by 1 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 2011, and deducting it from the 2011 Census population data. The risk adjusted index is then applied to the uninsured population to estimate a weighted population. The KZN share of the risk adjusted component decreases from 22 per cent to 20.6 per cent.

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. Primary health care visits from 2010/11 to 2011/12 are used to estimate the province's share of the primary health care component, i.e. 22.4 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. KZN's share is 25.6 per cent.

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 KZN resulted in a decrease from 23 to 21.7 per cent.

Basic component (16 per cent)

This component is derived from the proportion of each province's share of SA's total population. The 2011 Census data was used and the decrease in the proportional size of KZN's population resulted in a 1.6 per cent decrease in the basic component share from 21.4 to 19.8 per cent.

Institutional component (5 per cent)

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

Poverty component (3 per cent)

This component uses the 2010/11 Income and Expenditure Survey (IES) and Census 2011 population data. 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 decreasing from 23 to 22.2 per cent.

Economic activity (1 per cent)

The economic activity component was updated with the 2010 GDP-R data, and resulted in a decrease in the KZN share from 16.1 per cent to 15.8 per cent.

Table 4.3(a) reflects the components and shares of the equitable share formula by province. KZN receives 21.3 per cent of the equitable share transfer made to the provinces, down from the 22.2 per cent calculated in the 2012/13 MTEF.

Table 4.3(a): Components and shares of equitable share formula by province, 2013/14

	Education 48%	Health 27%	Basic share 16%	Poverty 3%	Economic activity 1%	Institutional 5%	Weighted average 100%
Eastern Cape	15.3%	13.5%	12.7%	16.3%	7.7%	11.1%	14.2%
Free State	5.3%	5.4%	5.3%	5.4%	5.5%	11.1%	5.6%
Gauteng	17.3%	21.9%	23.7%	16.9%	33.7%	11.1%	19.4%
KwaZulu-Natal	22.7%	21.7%	19.8%	22.2%	15.8%	11.1%	21.3%
Limpopo	13.1%	10.3%	10.4%	13.6%	7.2%	11.1%	11.8%
Mpumalanga	8.5%	7.2%	7.8%	9.1%	7.0%	11.1%	8.2%
Northern Cape	2.3%	2.2%	2.2%	2.2%	2.3%	11.1%	2.7%
North West	6.5%	6.7%	6.8%	8.0%	6.7%	11.1%	6.9%
Western Cape	8.9%	11.1%	11.2%	6.1%	14.1%	11.1%	10.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The full impact of the changes in the data and the formula on the equitable share is reflected in Table 4.3(b). It is noted that, due to changes in the data used in the PES formula, the weighted average share of KZN declines by 0.89 per cent. The provinces gaining from the data updates are GP, MP, NC, NW and WC, whereas the weighted average shares for EC, FS, KZN and LIM decreased.

Table 4.3(b): Full impact of data update on provincial equitable share

R million	Weighted average		% Difference in weighted average
	2012/13 MTEF	2013/14 MTEF	
Eastern Cape	14.9%	14.2%	-0.79%
Free State	5.8%	5.6%	-0.20%
Gauteng	18.0%	19.4%	1.44%
KwaZulu-Natal	22.2%	21.3%	-0.89%
Limpopo	12.4%	11.8%	-0.56%
Mpumalanga	7.9%	8.2%	0.24%
Northern Cape	2.6%	2.7%	0.05%
North West	6.6%	6.9%	0.21%
Western Cape	9.4%	10.0%	0.51%
Total	199.8%	100.1%	-

As mentioned above, some provinces receive additional resources as a result of increased service delivery responsibilities (i.e. those with increased population numbers), while others receive reduced allocations as result of the reduction in their proportion of the population as reported in the 2011 Census. Consideration was given to the fact that sufficient time needs to be given to provinces with reduced populations to adjust to smaller budgets, and therefore these shifts will be phased in over the next three years, as reflected in Table 4.4 below.

Table 4.4: Implementation of the equitable share weights, 2013/14 – 2015/16

Percentage	Weighted shares	2013 MTEF weighted shares 3-year phasing		
	2012/13	2013/14	2014/15	2014/15
Eastern Cape	15.2%	14.9%	14.5%	14.2%
Free State	6.0%	5.9%	5.8%	5.6%
Gauteng	17.6%	18.6%	18.8%	19.4%
KwaZulu-Natal	21.9%	21.7%	21.5%	21.3%
Limpopo	12.6%	12.3%	12.0%	11.8%
Mpumalanga	8.1%	8.1%	8.1%	8.2%
Northern Cape	2.7%	2.7%	2.7%	2.7%
North West	6.7%	6.7%	6.8%	6.9%
Western Cape	9.3%	9.5%	9.7%	10.0%
Total	100.0%	100.0%	100.0%	100.0%

Table 4.5 depicts the revisions to the PES for the 2013/14 MTEF. The PES is revised upward by a total of R36.070 billion (R7.385 billion in 2013/14, R10.071 billion in 2014/15 and R18.613 billion in 2015/16).

Table 4.5: Revisions to the provincial equitable share - 2013/14 MTEF

R thousand	2013/14	2014/15	2015/16	Total
Provincial Equitable Share (PES)				
Technical revisions				
Original PES baseline 2013 MTEF	328 920 693	349 350 999	365 421 145	1 043 692 837
Reduction of 1%, 2% and 3%	(785 746)	(1 665 854)	(2 604 449)	(5 056 049)
Revised PES baseline	328 134 947	347 685 145	362 816 696	1 038 636 788
PES additions	7 385 472	10 071 311	18 613 004	36 069 787
Improvements in Conditions of Service	6 493 808	8 032 968	11 526 321	26 053 097
<i>Education</i>				
Increased number of teachers (Q1 schools)	–	–	1 811 492	1 811 492
Grade R teachers	–	–	1 011 492	1 011 492
<i>Health</i>				
TB – GeneXpert	30 000	80 000	228 200	338 200
<i>Social Development</i>				
Absorption of Social work graduates	30 000	80 000	228 200	338 200
NGO Sector	220 000	505 100	812 991	1 538 091
<i>Other adjustments</i>				
Provision for 2011 Census impact	120 000	305 100	512 991	938 091
Addition to PES baseline	100 000	200 000	300 000	600 000
	641 664	1 453 243	4 234 000	6 328 907
	641 664	1 453 243	2 117 000	4 211 907
	–	–	2 117 000	2 117 000
Revised baseline for 2013/14 MTEF (excl. Devolution of Property Rates Grant)	335 520 419	357 756 456	381 429 700	1 074 706 575
<i>Other adjustments</i>				
Property rate funds (to be phased into PES)	337 572 412	359 924 199	383 697 159	1 081 193 770
	2 051 993	2 167 743	2 267 459	6 487 195
Revised baseline for 2013 MTEF (incl. Devolution of Property Rates Grant)	337 572 412	359 924 199	383 697 159	1 081 193 770

Improvements in condition of service (R26.053 billion)

Although personnel adjustments were provided for the carry-through costs of the 2012 wage agreement in all sectors, KZN took a decision to allocate these funds to Education and Health, only. The reason is that these two social sector departments were most affected by the baseline cuts emanating from the Census 2011 data updates and the 1, 2 and 3 per cent baseline cuts.

Non-personnel policy priorities for the 2013/14 budget

Some R10 billion is set aside for non-personnel policy priorities over the 2013/14 MTEF, to provide for policy adjustments in respect of urgent government priorities identified mainly in Education, Health and Social Development. These are as follows:

- **Increased number of teachers in Quintile 1 schools: R1.011 billion in 2015/16**

While the average learner: teacher ratio at public ordinary schools is just over 30:1, this ratio does not reflect the actual class size in poorer schools. These schools cannot afford to fund governing body posts and these teachers are included in the ratio for all public ordinary schools. Furthermore, principals and deputy principals are included in the number of posts allocated to a school, but they do not teach a full load as a result of their administrative responsibilities. The result is that class size is often much higher than the average learner: teacher ratio and is usually high at the poorer schools where learners are more likely to need additional support. Additional funding of R1.011 billion is therefore allocated in 2015/16 to enable poorer schools to increase their number of teachers.

- **Increased number of Grade R teachers: R800 million in 2015/16**

The education sector has a target of universal provision of Grade R by 2014, and by 2011 the average enrolment in public ordinary schools across the country was around 70 per cent. The ECD programme is expected to grow significantly and, hence, the need for additional Grade R teachers to enable the universal enrolment.

- **Improved diagnostic tests for TB (GeneXpert): R338.200 million**

R30 million in 2013/14, R80 million in 2014/15 and R228.200 million in 2015/16 is made available for the roll-out of an improved diagnostic test for TB. This will include additional payments to National Health Laboratory Service (NHLS) for GeneXpert machines which provide quicker and more accurate diagnostic tests for TB, reducing the risk of more people getting infected.

- **Absorption of social work graduates: R938.091 million**

From 2012/13, provincial DSD have been under pressure to absorb an increased number of social work graduates funded through the social work scholarship programme run by the national DSD. The provincial DSDs compensation budgets have not grown sufficiently to accommodate the number of social work graduates that need to be employed. A policy decision was taken that social work

graduates from the scholarship programme could also be employed within the NGO sector, but still funded by provincial DSDs. In order to address this funding pressure in provincial budgets, R120 million, R305.100 million and R512.991 million is made available over the MTEF to enable the provincial DSDs to fund the employment of more graduates in provinces, in particular within the NGO sector.

- **Support to NGO sector: R600 million**

The NGO sector is currently experiencing financial challenges with some closing down, retrenching staff and scaling down services, with this having a negative impact on the delivery of social welfare services. Historically, certain provinces have reduced transfer payments to NGOs to fund compensation of employees and annual wage agreement pressures, and the absorption of social work graduates. It is important that provincial DSDs play a much bigger role in supporting NGOs in terms of reporting, governance, administration and financial management, which are often the reasons for non-transfer of funds. In order to enable provinces to protect the transfers to NGOs, an additional R600 million is provided over the MTEF (R100 million in 2013/14, R200 million in 2014/15 and R300 million in 2015/16). The national DSD is in the process of developing cost models for social welfare services. This will aid the sector in providing better cost estimates for social welfare services and a more coherent approach to funding NGOs.

- **Provision for 2011 Census impact: R6.329 billion**

As mentioned above, for the 2013/14 MTEF, the PES formula has been updated with population data from the 2011 Census with implications to the total equitable allocations for provinces over the MTEF. Some provinces receive additional resources, while others receive reduced allocations. As provinces need time to adjust to smaller budgets, an additional R6.329 billion is made available over the MTEF to cushion the impact of phasing in the new Census data. R4.212 billion is added as a 'top up' to losing provinces only over the MTEF, and a further R2.117 billion in support is extended to all nine provinces and allocated through the formula in 2015/16.

It should be noted that these amounts will only provide relief in the 2013/14 MTEF and that, from 2016/17, the PES will be allocated solely through the formula (with no additions to support provinces with declining shares). This means that provinces must use the three years of support provided to adjust to their new baselines.

- **Phasing of the Devolution of Property Rate Funds Grant into the provincial equitable share: R6.487 billion**

Total baseline allocations for the Devolution of Property Rate Funds grant amount to R2.052 billion in 2013/14, R2.168 billion in 2014/15 and R2.267 billion in 2015/16. As part of the devolution process, the national Department of Public Works (DOPW) assisted provinces in setting up systems for paying property rates, and budgets have been adjusted to provide for property rates bills. The funds from this grant are absorbed into the equitable share allocation from 2013/14.

Table 4.6 reflects total transfers to the nine provinces for 2013/14, after revisions. KZN receives the highest share of equitable share, whereas GP received the highest share of conditional grants. Overall, KZN is still the biggest recipient of transfer funding from national.

Table 4.6: Total transfers to provinces, 2013/14

R million	Equitable Share	Conditional grants	Total transfers
Eastern Cape	50 165	9 466	59 631
Free State	20 000	6 021	26 021
Gauteng	61 375	15 510	76 885
KwaZulu-Natal	73 510	14 580	88 090
Limpopo	41 362	7 179	48 541
Mpumalanga	27 211	5 788	32 999
Northern Cape	9 022	3 274	12 296
North West	22 754	4 990	27 744
Western Cape	32 175	9 589	41 764
Unallocated	-	183	183
Total	337 574	76 580	414 154

4.1.4 Conditional grants to provinces

Conditional grants to provinces are classified into two types, namely Schedule 4 and 5 grants. Schedule 4 grants are more general grants that supplement various programmes already funded by provinces, and include the Education Infrastructure grant, Health Facility Revitalisation grant and the Provincial Roads Maintenance grant, 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.

Over the 2013/14 MTEF, savings were made on several conditional grants to provinces as part of the exercise to identify funds that could be reprioritised toward government priorities.

Table 4.7 reflects the revised conditional grant baseline allocations for 2013/14 to 2015/16.

Table 4.7: Revised conditional grants allocations to provinces, 2012/13 – 2015/16

R million	Revised Est.	Medium-term Estimates			Total
	2012/13	2013/14	2014/15	2015/16	
Agriculture, Forestry and Fisheries	1 925	2 147	2 194	2 294	6 635
Comprehensive Agricultural Support Programme grant	1 393	1 600	1 665	1 742	5 007
Ilima/Letsema Projects grant	416	438	461	482	1 381
Land Care Programme grant	116	109	68	71	248
Arts and Culture	565	598	1 016	1 341	2 955
Community Library Services grant	565	598	1 016	1 341	2 955
Basic Education	10 990	12 343	13 188	16 350	41 882
Dinaledi Schools grant	100	105	111	116	333
Education Infrastructure grant	5 587	6 631	7 161	10 059	23 851
HIV and AIDS (Life-Skills Education) grant	203	214	221	226	661
National School Nutrition Programme grant	4 906	5 173	5 462	5 704	16 339
Technical Secondary Schools Recapitalisation grant	194	221	233	244	699
Co-operative Governance	180	188	197	204	590
Provincial Disaster Relief grant	180	188	197	204	590
Health	26 073	27 517	29 610	32 084	89 211
AFCON 2013 Medical Services grant	15	–	–	–	–
Comprehensive HIV and AIDS grant	8 763	10 534	12 311	13 957	36 802
Health Facility Revitalisation grant	6 191	5 124	4 739	4 988	14 850
Health Professions Training and Development grant	2 076	2 190	2 322	2 429	6 941
National Tertiary Services grant	8 878	9 620	10 168	10 636	30 425
National Health Insurance grant	150	49	70	74	192
Higher Education	4 845	2 443	2 600	2 759	7 802
Further Education and Training Colleges Sector grant	4 845	2 443	2 600	2 759	7 802
Human Settlements	15 726	16 984	17 918	19 667	54 569
Human Settlements Development grant	15 726	16 984	17 918	19 667	54 569
Public Works	2 429	614	644	668	1 926
Devolution of Property Rate Funds grant	1 919	–	–	–	–
EPWP Integrated Grant for Provinces	293	356	371	382	1 108
Social Sector EPWP Incentive Grant for Provinces	217	258	273	286	816
Sport and Recreation South Africa	470	498	526	550	1 574
Mass Participation and Sport Development grant	470	498	526	550	1 573
Transport	12 299	13 249	13 909	14 777	41 935
Provincial Roads Maintenance grant	7 982	8 696	9 126	9 774	27 596
Public Transport Operations grant	4 317	4 553	4 783	5 003	14 338
Total conditional grants	75 500	76 580	81 803	90 692	249 075
Indirect transfers	1 277	3 060	5 270	5 032	13 362
School Infrastructure Backlogs grant	1 277	1 956	3 170	2 912	8 038
2014 African Nations Championship Health and Medical Services grant	–	6	–	–	6
National Health grant	–	1 098	2 100	2 120	5 318
Total	76 777	79 640	87 073	95 724	262 437

Agriculture

The Comprehensive Agricultural Support Programme (CASP) receives no additional funding over the 2013/14 MTEF. The 2012/13 MTEF allocation included funds to repair flood damage to agricultural infrastructure in January and February 2011. This allocation remains earmarked for this purpose at R299 million and R298 million for 2013/14 and 2014/15, respectively.

Arts and culture

Additions are made to the Community Library Services grant to enhance capacity in the sector, to address issues arising from the function shift (i.e. the provincialisation of libraries), as well as to provide for dual-purpose libraries where needed.

Basic education

Additions are made to the Education Infrastructure grant to improve the delivery of school infrastructure in provinces. Of this grant, R159 million is allocated to repair school infrastructure damaged by floods.

The Schools Infrastructure Backlogs grant is an indirect grant to provinces introduced in 2011 as a short-term, high-impact grant to address backlogs in inappropriate structures and access to basic services. The grant's funds have been rescheduled to align the baseline with capacity to spend. The grant now amounts to R8.038 billion over the 2013/14 MTEF.

Co-operative Governance and Traditional Affairs

The provincial disaster grant is administered by the National Disaster Management Centre (NDMC) in the Department of Co-operative Governance as an unallocated grant to provincial government. The grant allows for an immediate (in-year) release of funds to be disbursed by the NDMC after a disaster is declared, without the need for the transfers to first be gazetted. Over the MTEF, R590 million is available for disbursement through this grant.

Health

The Health Facility Revitalisation grant funds the construction and maintenance of health infrastructure. This grant has been created through the merger of three previous grants, i.e. the Health Infrastructure grant, Hospital Revitalisation grant and Nursing Colleges and Schools grant, which are now three components of the merged grant. The combination gives greater flexibility to the DOH to shift funds between the three grant components, with the approval of the NT, so that they can avoid under- or over-spending in any one area of health infrastructure. This grant is supported by the National Health grant. Slight reductions are made to this grant by NT to identify savings to curb government spending, due to rising debt costs.

The Comprehensive HIV and AIDS grant enables the health sector to develop a response to HIV and AIDS. Significant growth in the outer year provides for the increased ARV take-up rate and the impact of the withdrawal of PEPFAR donor funding used for HIV and AIDS prevention, care and treatment.

The NHI grant funds national health insurance pilots introduced in 2012/13. These projects aim to strengthen primary health care for the implementation of national health insurance. Ten districts have been selected as pilot sites to test interventions that aim to strengthen health systems and improve performance. Over the 2013/14 MTEF, the grant has been allocated R192 million. A significant portion of this grant will be administered as an indirect grant (National Health grant) by national DOH from 2013/14 onward.

A new indirect conditional grant, the 2014 African Nations Championship: Health and Medical Services grant, for the provision of health and medical services during the 2014 African Nations Championship will be introduced as a once-off indirect grant in 2013/14 to support provinces hosting this championship. This grant will be spent by the national DOH in support of provinces providing medical services for the tournament. The grant is allocated R6 million in 2013/14.

The National Health grant is a new indirect grant introduced in 2013/14 that will be spent by the DOH on behalf of provinces. The grant has two components, one to support infrastructure projects and the second to support the national health insurance scheme pilot sites. The infrastructure component will be used to accelerate construction, maintenance, upgrading and rehabilitation of new and existing health infrastructure and to supplement expenditure on infrastructure delivered through public private partnerships. The second component will be used to contract general practitioners from the private sector for national health insurance sites. It will also support 10 central hospitals to strengthen their patient information systems and develop and pilot alternative hospital reimbursement tools. The grant is allocated R5.318 billion over the MTEF.

Higher Education and Training

The Further Education and Training Colleges grant was introduced in 2010/11 to protect provincial spending on these colleges while the legislative processes required to shift this function to national government are completed. From 2013/14, a portion of the grant will be transferred directly to colleges as a subsidy, which will flow from the Department of Higher Education and Training (DHET). The grant baselines over the MTEF have been revised to accommodate this decision. In addition, an amount of R138 million in 2013/14, R178 million in 2014/15 and R243 million in 2015/16 is added to the grant for the carry-through costs of the 2012 wage agreement.

Human Settlements

The Human Settlements Development grant (HSDG) seeks to establish habitable, stable and sustainable human settlements in which all citizens have access to social and economic amenities. The human settlements function will be assigned to six metropolitan municipalities, with the assignment target date being the start of the municipal financial year (1 July 2013). From the date of assignment, funds for the HSDG for these municipalities will be transferred directly to them. As the function has not yet been assigned, the funds for these cities are still reflected in the allocations to provinces. However, provisions in DORA will allow these funds to be transferred directly to cities once assignment takes place. The grant amounts to R54.569 billion over the MTEF. It is noted that the baseline also includes provision for repairs of flood-damaged infrastructure.

Transport

The Provincial Roads Maintenance grant consists of three components. The largest component enables provinces to expand their maintenance activities. The other components allow provinces to repair roads damaged by floods and cover the cost of rehabilitation work created by coal haulage activities in MP and GP. Allocations for this grant are determined through a new formula based on provincial road networks, road traffic and weather conditions. These factors reflect the different costs of maintaining road networks in each province. Allocations will also depend on satisfactory use of the road asset management systems from 2013/14. The grant requires provinces to follow best practices for planning and to use and regularly update road asset management systems.

The Public Transport Operations grant subsidises commuter bus services. It allows national government to ensure that contractual obligations are met and services are efficiently provided. The public transport contracting and regulatory functions may be assigned to certain metropolitan municipalities during 2013/14. If this takes place, funds for this grant will be transferred directly to the assigned municipality.

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

The local government fiscal framework responds to the constitutional assignment of powers and functions to this sphere of government. The framework refers to all resources available to municipalities to meet their expenditure responsibilities. National transfers account for a relatively small proportion of the local government fiscal framework, with the majority of local government revenues being raised by municipalities themselves through their substantial revenue-raising powers, including property rates and service charges. However, the proportion of revenue coming from transfers and own revenue varies dramatically across municipalities, with poor rural municipalities receiving most of their revenue from transfers, while urban municipalities raise the majority of their own revenues.

In the 2013/14 MTEF, a number of significant changes are being introduced to the way funds are allocated to municipalities. The two largest transfers to municipalities, the LES and the Municipal Infrastructure Grant (MIG), are allocated among municipalities based on Census data. The 2011 Census results were used to update these allocations. In addition, the formula used to allocate the LES has been reviewed and redesigned, and four new conditional grants are also being introduced to increase access to clean water, help cities develop more integrated and efficient patterns of urban development, subsidise the operating costs of cities running new public transport networks and support the host cities of the 2014 African Nations Championship (this is a once-off grant).

It is also likely that parts of the human settlements and public transport functions will be assigned to selected metropolitan municipalities during 2013/14. This will result in the funds for these functions, currently allocated to provinces, being transferred directly to municipalities.

Changes to local government allocations

Given the constrained and uncertain economic outlook, government utilised savings from existing baselines to fund government priorities. As a result, the baselines of most conditional grants have been revised downward, whereas no savings were made on the local government equitable share.

Table 4.8 reflects the national transfers to local government, which grow from a Revised Estimate of R81.984 billion in 2012/13 to R90.190 billion, R98.751 billion and R110.237 billion over the 2013/14 MTEF. The national allocations to local government are made up of direct and indirect transfers. The direct transfers are appropriated in 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, 2009/10 – 2015/16

R million	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Direct transfers to local government	51 537	60 904	68 251	77 028	84 651	91 579	101 469
Equitable share and related	23 845	30 541	33 173	37 373	40 582	44 490	50 208
Equitable share formula	20 281	26 761	29 289	32 981	35 886	39 409	44 900
Regional Service Council levy replacement	3 306	3 492	3 544	3 733	3 930	4 146	4 337
Support for councillor remuneration and ward committees	258	288	340	659	766	935	971
General fuel levy sharing with metros	6 800	7 542	8 573	9 040	9 613	10 190	10 659
Conditional grants	20 893	22 822	26 505	30 615	34 456	36 899	40 603
Infrastructure	18 699	20 871	24 643	28 029	31 092	33 548	36 971
Capacity building and other	2 194	1 951	1 862	2 586	3 364	3 351	3 632
Indirect transfers to local government	3 081	2 939	2 770	4 956	5 538	7 171	8 768
Infrastructure	2 763	2 682	2 553	4 823	5 399	7 029	8 617
Capacity building and other	318	257	217	133	139	142	151
Total transfers to local government	54 618	63 843	71 021	81 984	90 190	98 751	110 237

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 2013/14 MTEF, the LES grows from R35.886 billion in 2013/14 to R44.900 billion in 2015/16. 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.

During 2012, the LES formula was reviewed, excluding the RSC/JSB levies replacement grant or the special support for councillor remuneration and ward committees, both of which are transferred with the equitable share, but calculated separately.

Summary of updates

The revised formula uses demographics and other data to determine each municipality's share of the LES and is made up of five components: $LES = BS + (I + CS) \times RA \pm C$

Basic services component (BS)

Adjusting for the effects of inflation between 2001 and 2011, an income of R800 per month in 2001 would be worth about R1 500 in 2011. The new affordability threshold of R2 300 per month is substantially higher in real terms and, as a result, the number of households that fall below this threshold has increased from 47 to 59 per cent in the new formula.

Institutional component (I)

To provide basic services to households, municipalities need to be able to run a basic administration. Most poor households will not be able to contribute and the equitable share therefore includes an institutional support component to assist municipalities with limited own-revenue raising abilities.

Community services component (CS)

This new component funds services for communities rather than households and includes funding for municipal health services, fire services, municipal roads, cemeteries, planning, storm water, street lighting, parks, etc.

Revenue adjustment factor (RA)

The Constitution gives municipalities substantial own-revenue raising powers (largely through property rates and surcharges on services). Given different poverty levels, a revenue adjustment factor is applied to assist municipalities that are least likely to be able to fund these functions from their own revenue.

Correction and stabilisation factor (C)

Providing municipalities with predictable and stable equitable share allocations is one of the principles of the LES formula. To ensure predictability, indicative allocations are published for the second and third years of the MTEF. With the introduction of the new formula and the updated Census data used in the formula, some municipalities will experience large changes in their allocations. To smooth the impact of these changes and give municipalities time to adjust (both for municipalities with increasing and decreasing allocations), the new allocations will be phased-in over five years. The phase-in mechanism will measure the difference between the municipality's old and new allocations and will close this gap by 20 per cent each year, until the fifth year allocation is determined entirely through the new formula.

Other unconditional allocations

The RSC/JSB levies replacement grant has been replaced by the sharing of the general fuel levy. In 2013/14, the grant increases by 9 per cent a year for district municipalities authorised for water and sanitation, and 3 per cent for unauthorised district municipalities. The different rates recognise the various service-delivery responsibilities of these district municipalities. In addition, Councillors' salaries are subsidised in poor municipalities (calculated separately to the LES), based on the municipal councils' grading, as determined by the Minister of Co-operative Governance and Traditional Affairs.

Local government conditional grants

National government allocates funds to local government through a variety of conditional grants. These grants fall into two main groups: infrastructure and capacity building.

The emphasis on infrastructure investment is supported by significant increases in the Infrastructure conditional grants and includes the Urban Settlement Development grant (USDG), Integrated National Electrification Programme grant, Public Transport Infrastructure and Systems grant, among others.

The Capacity building and other grant allocation, 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, Energy Efficiency and Demand Side Management grant and Municipal Disaster grant.

Indirect transfers to local government

Amounts are also made available over the MTEF for indirect infrastructure transfers and capacity building, respectively, that will be spent by national departments on behalf of municipalities.

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, 2009/10 to 2015/16.

National transfers to the province, which comprise equitable share and conditional grants, make up 97.3 per cent of provincial revenue in 2012/13 and drop marginally to 97.2 per cent over the 2013/14 MTEF. Provincial own revenue makes up the balance of the total provincial funding, of 2.7 per cent in 2012/13 increasing to 2.8 per cent over the MTEF.

Table 4.9: Analysis of total receipts

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2009/10-2012/13	2012/13-2015/16
R thousand									
Transfers from national	60 826 209	69 985 468	77 007 095	83 288 135	88 090 019	91 771 145	97 769 815		
Equitable share	51 972 804	57 632 201	63 584 195	68 638 663	73 509 972	77 812 867	82 110 075		
Conditional grants	8 853 405	12 353 267	13 422 900	14 649 472	14 580 047	13 958 278	15 659 740		
Own revenue	1 857 195	2 041 364	2 726 959	2 338 953	2 505 115	2 619 818	2 777 732		
Total receipts	62 683 404	72 026 832	79 734 054	85 627 088	90 595 134	94 390 963	100 547 547		
% of total revenue									
Transfers from national	97.0	97.2	96.6	97.3	97.2	97.2	97.2		
Equitable share	82.9	80.0	79.7	80.2	81.1	82.4	81.7		
Conditional grants	14.1	17.2	16.8	17.1	16.1	14.8	15.6		
Own revenue	3.0	2.8	3.4	2.7	2.8	2.8	2.8		
Nominal growth (%)									
Transfers from national		15.1	10.0	8.2	5.8	4.2	6.5	11.0	5.5
Equitable share		10.9	10.3	7.9	7.1	5.9	5.5	9.7	6.2
Conditional grants		39.5	8.7	9.1	(0.5)	(4.3)	12.2	18.3	2.2
Own revenue		9.9	33.6	(14.2)	7.1	4.6	6.0	8.0	5.9
Total		14.9	10.7	7.4	5.8	4.2	6.5	11.0	5.5
Real growth (%)									
Transfers from national		10.8	4.1	2.1	0.4	(0.9)	1.6	5.6	0.5
Equitable share		6.8	4.4	1.9	1.7	0.7	0.6	4.4	1.2
Conditional grants		34.4	2.8	3.1	(5.5)	(8.9)	6.9	12.5	(2.6)
Own revenue		5.9	26.4	(19.0)	1.7	(0.5)	1.1	2.7	0.9
Total receipts		10.7	4.7	1.4	0.5	(0.9)	1.5	5.5	0.5

Over the 2013/14 MTEF, the total provincial receipts are R90.595 billion, R94.391 billion and R100.548 billion, respectively. The share of national transfers increased from 97 per cent in 2009/10 to 97.3 per cent in 2012/13 and remains constant over the MTEF period at 97.2 per cent. Equitable share is the largest portion of national transfers to KZN, at R73.510 billion, R77.813 billion and R82.110 billion, over the MTEF. Conditional grant funding provides a further R14.580 billion, R13.958 billion and R15.660 billion, over the MTEF. The balance of the revenue comes from provincial own revenue, which forms a small proportion of total provincial revenue. This grows from R2.505 billion in 2013/14 to R2.620 billion in 2014/15 and R2.778 billion in 2015/16.

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 2009/10 to 2012/13, and 2012/13 to 2015/16. In real terms, total provincial revenue is set to increase by an average of 0.5 per cent over the 2013/14 MTEF, which is far lower than between 2009/10 and 2012/13, which averaged 5.5 per cent. Provincial own revenue illustrates a similar trend, decreasing from an average of 2.7 per cent between 2009/10 and 2012/13, to 0.9 per cent between 2012/13 and 2015/16.

The annual nominal growth of provincial own revenue increased by an average of 8 per cent between 2009/10 and 2012/13, slowing down to 5.9 per cent over the 2013/14 MTEF. This can be attributed to DOT's effort to make vehicle licensing more affordable, as well as being aligned to the other provinces. In addition, DOT, through the implementation of the Administrative Adjudication of Road Traffic Offences Act (AARTO), will collect substantially less against *Fines, penalties and forfeits*. The gradual decline of provincial own revenue to total revenue from 3 to 2.8 per cent from 2009/10 to 2015/16, is due to national transfers increasing at a faster rate than own revenue.

4.2.2 Provincial equitable share (PES)

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, with significant changes this time around brought about by the data collected in the 2011 Census.

According to the 2011 Census, GP and WC had a net gain in population, while most of the provinces realised a net outflow of people. The most pronounced outflow was registered by EC. KZN also lost significantly and now ranks second to GP with regard to total population. Consequently, KZN will receive lower national transfers by way of the PES, which is largely population driven. The lower PES will have implications on service delivery, prompting KZN to continue implementing cost-cutting, together with innovative ways to generate own revenue. Other determinants of the PES include, among others, economic disparities within and among provinces, and developmental needs of provinces and local government. 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 PES allocation for the 2013/14 MTEF, which grows by an annual average of 1.2 per cent in real terms. This is a decrease from the annual average of 4.4 per cent between 2009/10 and 2012/13. The PES allocation to KZN decreases from 82.9 per cent of total provincial revenue in 2009/10, to 80.2 per cent in the 2012/13 Adjusted Appropriation, rising marginally to 81.7 per cent in 2015/16. In nominal terms, the PES declines from 7.1 per cent in 2013/14 to 5.5 per cent in 2015/16. The average annual nominal growth for the PES over the MTEF is 6.2 per cent, which is much lower than 9.7 per cent between 2009/10 and 2012/13. As mentioned above, this is largely attributable to the lower PES allocation as result of the 2011 Census and the 1, 2 and 3 per cent cuts.

4.2.3 National 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, including 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 shown in Table 4.9, KZN's conditional grant allocation has grown steadily since 2009/10 as a share of total revenue. The conditional grant allocation as a share of total revenue rises from 14.1 per cent in 2009/10 to 17.1 per cent in the 2012/13 Adjusted Appropriation, and falls to 15.6 per cent in 2015/16. Nominally, the conditional grants grew at an average annual rate of 18.3 per cent between 2009/10 and 2012/13. Over the MTEF, it is projected to grow at a far lower average annual rate of 2.2 per cent.

Table 4.10 summarises conditional grant transfers per vote.

Relative to other provincial departments, DOH is the largest recipient of grant allocation, receiving 36.5 per cent of total grants in 2013/14. It is important to note that in 2013/14, all conditional grants in the health sector, which focus on infrastructure delivery, have been consolidated into one grant with separate grant components i.e. the Health Facility Revitalisation grant. This grant will fund the construction and maintenance of health infrastructure. Specifically, this grant has been created through the merger of the Health Infrastructure grant, Hospital Revitalisation grant and the Nursing Colleges and Schools grant, which are now three components within the merged grant. The Comprehensive HIV and AIDS grant was increased substantially over the 2013/14 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 increase of the CD4 threshold to 350 for TB sufferers and pregnant women, and providing triple therapy to all children born with HIV and AIDS.

Table 4.10: Summary of national conditional grant transfers by vote

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Vote 3: Agriculture, Enviro. Affairs and Rural Dev.	138 489	174 525	242 251	276 738	276 738	276 738	287 586	292 579	305 133
Land Care Programme grant	8 227	8 721	9 244	20 304	20 304	20 304	18 746	10 854	11 179
Comprehensive Agricultural Support Programme	117 762	135 804	164 691	183 726	183 726	183 726	202 522	212 632	222 405
Agricultural Disaster Management grant	5 000	-	-	-	-	-	-	-	-
Ilima/Letsema Projects grant	7 500	30 000	60 000	63 000	63 000	63 000	65 768	69 093	71 549
EPWP Integrated Grant for Provinces	-	-	8 316	9 708	9 708	9 708	550	-	-
Vote 4: Economic Development and Tourism	-	-	536	1 000	1 000	1 000	-	-	-
EPWP Integrated Grant for Provinces	-	-	536	1 000	1 000	1 000	-	-	-
Vote 5: Education	1 341 818	2 598 423	3 180 057	3 344 801	3 363 826	3 363 826	2 943 633	3 133 961	3 787 518
Education Infrastructure grant (previously IGP)	746 136	1 035 501	1 175 956	1 247 477	1 247 477	1 247 477	1 298 847	1 432 140	2 011 863
HIV and AIDS (Life-Skills Education) grant	39 765	42 686	45 114	46 806	46 806	46 806	48 634	52 261	51 255
National School Nutrition Programme (NSNP) grant	555 917	855 285	1 144 368	1 151 644	1 151 644	1 151 644	1 206 190	1 237 534	1 287 034
FET College Sector Recapitalisation grant	-	-	-	-	-	-	-	-	-
FET College Sector grant	-	649 177	765 537	839 837	858 862	858 862	325 736	347 178	369 399
Education Disaster Management grant	-	-	-	-	-	-	-	-	-
Technical Secondary Schools Recapitalisation grant	-	15 274	36 762	40 490	40 490	40 490	42 717	45 280	47 499
EPWP Integrated Grant for Provinces	-	500	-	1 000	1 000	1 000	3 000	-	-
Dinaledi Schools grant	-	-	12 320	17 547	17 547	17 547	18 509	19 568	20 468
Vote 6: Provincial Treasury	-	1 634	-	-	-	-	-	-	-
Education and Health Infrastructure grants	-	1 634	-	-	-	-	-	-	-
Vote 7: Health	3 114 646	3 924 609	4 435 205	4 820 849	5 023 849	5 023 849	5 319 234	5 992 400	6 539 263
Health Professions Training and Development grant	222 425	235 771	249 917	261 860	261 860	261 860	276 262	292 837	306 308
Health Facility Revitalisation grant	648 579	901 053	906 169	976 452	1 176 452	1 176 452	962 469	1 090 431	1 139 972
<i>of which:</i>									
Health Infrastructure component	359 717	400 238	358 471	393 367	573 367	573 367	373 969	410 845	430 527
Hospital Revitalisation component	288 862	500 815	547 698	566 605	586 605	586 605	560 104	646 132	676 544
Nursing Colleges and Schools component	-	-	-	16 480	16 480	16 480	28 396	33 454	32 901
National Tertiary Services grant	983 948	1 102 585	1 201 831	1 323 114	1 323 114	1 323 114	1 415 731	1 496 427	1 565 263
Comprehensive HIV and AIDS grant	1 121 575	1 518 811	1 889 427	2 225 423	2 225 423	2 225 423	2 652 072	3 098 705	3 512 927
Forensic Pathology Services grant	134 538	152 406	161 550	-	-	-	-	-	-
2010 World Cup Health Preparation Strategy grant	3 581	-	-	-	-	-	-	-	-
Social Sector EPWP Incentive Grant for Provinces	-	2 676	25 775	-	-	-	-	-	-
EPWP Integrated Grant for Provinces	-	11 307	536	1 000	1 000	1 000	3 000	-	-
National Health Insurance grant	-	-	-	33 000	33 000	33 000	9 700	14 000	14 793
AFCON 2013: Medical Services grant	-	-	-	-	3 000	3 000	-	-	-
Vote 8 : Human Settlements	2 330 448	2 768 502	2 801 547	2 915 297	2 915 297	2 915 297	3 238 428	1 685 764	1 675 237
Human Settlements Development grant	2 180 448	2 634 109	2 769 871	2 915 297	2 915 297	2 915 297	3 235 428	1 685 764	1 675 237
Housing Disaster Relief grant	150 000	133 800	31 140	-	-	-	-	-	-
EPWP Integrated Grant for Provinces	-	593	536	-	-	-	3 000	-	-
Vote 9: Community Safety and Liaison	-	-	-	1 673	1 673	1 673	5 369	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	-	1 673	1 673	1 673	5 369	-	-
Vote 12 : Transport	1 570 723	2 040 505	2 157 272	2 373 740	2 373 740	2 373 740	2 619 732	2 646 943	3 104 476
Sani Pass Road grant	34 347	-	-	-	-	-	-	-	-
Transport Disaster Management grant	-	-	29 736	-	-	-	-	-	-
Public Transport Operations grant	587 396	714 587	773 473	808 279	808 279	808 279	852 325	895 350	936 536
EPWP Integrated Grant for Provinces	83 900	153 130	117 415	64 290	64 290	64 290	88 487	-	-
Provincial Roads Maintenance grant	865 080	958 390	1 236 648	1 501 171	1 501 171	1 501 171	1 678 920	1 751 593	2 167 940
Provincial Disaster Relief grant	-	214 398	-	-	-	-	-	-	-
Vote 13 : Social Development	-	2 700	3 821	-	-	-	14 610	-	-
Social Sector EPWP Incentive Grant for Provinces	-	2 700	3 821	-	-	-	14 610	-	-
Vote 14 : Public Works	236 544	713 331	465 546	552 608	552 608	552 608	3 000	-	-
Devolution of Property Rate Funds grant	236 264	709 891	463 585	551 100	551 100	551 100	-	-	-
EPWP Integrated Grant for Provinces	280	3 440	1 961	1 508	1 508	1 508	3 000	-	-
Vote 15 : Arts and Culture	35 589	38 282	48 971	48 619	48 619	48 619	63 695	122 754	160 042
Community Library Services grant	35 589	38 282	48 971	48 619	48 619	48 619	63 145	122 754	160 042
EPWP Integrated Grant for Provinces	-	-	-	-	-	-	550	-	-
Vote 16: Sport and Recreation	85 148	90 756	87 694	92 122	92 122	92 122	84 760	83 877	88 071
Mass Participation and Sport Development grant	85 148	90 256	87 694	91 122	91 122	91 122	79 883	83 877	88 071
EPWP Integrated Grant for Provinces	-	500	-	1 000	1 000	1 000	550	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	-	-	-	-	4 327	-	-
Total	8 853 405	12 353 267	13 422 900	14 427 447	14 649 472	14 649 472	14 580 047	13 958 278	15 659 740

DOHS is the second largest recipient of grant allocation receiving 22.2 per cent of the total grant allocation in 2013/14. The HSDG shows a decrease over the 2013/14 MTEF as a result of the review of the current allocation formula of this grant. Pending this review, the full amount of this grant has been allocated to the department in 2013/14, and only half the allocations will be allocated to provinces in 2014/15 and 2015/16. The department was allocated the Housing Disaster Relief grant from 2009/10 to 2011/12 only, aimed at repairing houses ravaged by storms. In 2013/14, the disaster allocation forms part of the HSDG.

DOE receives 20.2 per cent as the third largest share of grant allocation in 2013/14. The total grant increases from R2.944 billion in 2013/14 to R3.788 billion in 2015/16. The growth is mainly due to the increased Education Infrastructure grant from R1.299 billion in 2013/14 to R2.012 billion in 2015/16 to provide for general school infrastructure requirements, as well as for the repair of infrastructure damaged

due to natural disasters. The National School Nutrition Programme (NSNP) grant also grows substantially in the MTEF to allow for Quintile 3 secondary schools to benefit from the programme.

Over the seven-year period, DOT received various conditional grants, including the Sani Pass Road grant, the Public Transport Operations grant (PTOG), the EPWP Integrated Grant for Provinces, the Provincial Roads Maintenance grant and disaster grants relating to various disasters that have occurred in KZN, such as the flood disaster in the South Coast area. Over the MTEF period, the conditional grant funding increases from R2.620 billion in 2013/14 to R3.104 billion in 2015/16.

DOPW receives a total grant allocation of R3 million in 2013/14. In prior years, this grant allocation included the Devolution of Property Rate Funds grant and the EPWP Integrated Grant for Provinces. From 2013/14, the Devolution of Property Rate Funds grant has been phased into the equitable share.

The EPWP Integrated Grant for Provinces is allocated to departments in line with schedules to the DORA. Allocations are made based on the previous year's performance. In 2013/14, this grant is allocated to DOT at R88.487 million, DAEARD and DAC at R550 000 each, and DOE, DOH, and DOPW at R3 million each.

4.2.4 Total provincial own receipts (own revenue)

Table 4.11 summarises provincial own revenue by economic classification.

The bulk of provincial own revenue is collected against *Tax receipts* which comprises *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	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
Tax receipts	1 327 599	1 439 970	1 637 846	1 702 324	1 702 324	1 769 130	1 802 409	1 904 649	2 018 858
Casino taxes	283 970	305 583	337 435	336 827	336 827	383 835	385 479	406 680	427 014
Horse racing taxes	41 571	45 857	68 422	67 097	67 097	63 091	68 203	71 954	75 552
Liquor licences	4 831	5 023	465	48 400	48 400	5 600	5 727	6 015	6 292
Motor vehicle licences	997 227	1 083 507	1 231 524	1 250 000	1 250 000	1 316 604	1 343 000	1 420 000	1 510 000
Sale of goods and services other than capital assets	345 775	326 565	383 949	359 551	359 551	390 184	393 790	410 902	430 568
Transfers received	-	1 255	459	-	-	5	-	-	-
Fines, penalties and forfeits	43 259	50 989	45 352	40 298	40 298	46 194	45 121	20 121	20 121
Interest, dividends and rent on land	32 384	34 598	303 685	186 161	186 161	253 524	201 270	216 364	237 918
Sale of capital assets	32 462	18 296	18 109	8 208	8 208	35 968	20 840	19 401	19 576
Transactions in financial assets and liabilities	75 716	169 691	337 559	42 411	42 411	94 629	41 685	48 381	50 691
Total receipts	1 857 195	2 041 364	2 726 959	2 338 953	2 338 953	2 589 634	2 505 115	2 619 818	2 777 732

Table 4.11 shows total receipts, which demonstrate notable growth over the seven-year period. In nominal terms, *Tax receipts* increase from R1.328 billion in 2009/10 to R1.769 billion in the 2012/13 Revised Estimate, with the main revenue collection category being *Motor vehicle licences*. Over the MTEF, *Tax receipts* are projected to rise from R1.802 billion in 2013/14 to R2.019 billion in 2015/16.

Tax receipts, as a percentage of total provincial own revenue, fell from 71.5 per cent in 2009/10 to 68.3 per cent in the 2012/13 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 2013/14 MTEF, this share is projected to average 72.4 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 R345.775 million in 2009/10 to R390.184 million in the 2012/13 Revised Estimate. Over the 2013/14 MTEF, this category grows from 0.9 per cent in 2013/14, to 4.8 per cent in 2015/16. Generally, this growth is attributable to inflationary increments. As a percentage of total provincial own revenue, *Sale of goods and services other than*

capital assets fell from 18.6 per cent in 2009/10 to 15.1 per cent in the 2012/13 Revised Estimate, and is projected to stabilise at 15.6 per cent over the medium-term. The 2012/13 Revised Estimate shows a spike at R390.184 million which is due to the expected over-recovery, mainly from the RAF and the Compensation of Injuries and Disease Act (COIDA), and DOT over-collecting as a result of higher than anticipated increases in the applications for learners' licences and renewal of drivers' licences, as well as the conversion of drivers' licences. *Sale of goods and services other than capital assets* increases steadily over the MTEF.

Transactions in financial assets and liabilities increased from R75.716 million in 2009/10 to R337.559 million in 2011/12. The once-off peak in 2011/12 relates to funds paid into the Provincial Revenue Fund in relation to housing projects which did not proceed as planned in previous financial years. More detail in this regard is included in the *EPRE* in the Human Settlements chapter. The nature of collections against this category makes it difficult to budget for this category accurately.

Interest, dividends and rent on land increased substantially from R32.384 million in 2009/10 to R303.685 million in 2011/12. The share of *Interest, dividends and rent on land* to provincial own revenue increases from 1.7 per cent in 2009/10 to 11.1 per cent in 2011/12, and stabilises at 8.3 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 province has had a positive cash balance since May 2010. However, in the 2012/13 Revised Estimate, *Interest, dividends and rent on land* is lower as the level of positive cash balances reduces due to various spending pressures from departments, such as Education, which projects to over-spend by R46.369 million in 2012/13 as per the December IYM.

Over the seven-year period, the growth of *Fines, penalties and forfeits* fluctuates while showing a downward trend. This category peaks in 2010/11 due to improved recovery strategies, while a general decrease in growth is noted over the MTEF. This category consists mainly of traffic fines resulting from road traffic infringements. The substantial decrease from 2014/15 onward can be attributed to the expected implementation of the AARTO where, after 30 days, a percentage of fines received will be recorded as departmental revenue. If the transgressor pays within the 30-day period, only 50 per cent of the fine is payable to the department, substantially reducing the revenue collected. This is an incentive to encourage transgressors to make timely payments.

The lowest category by value is *Sale of capital assets*. Its share of provincial revenue is 1.7 per cent in 2009/10 falling to 0.7 per cent in 2011/12. Over the MTEF, *Sale of capital assets* as a percentage of provincial own revenue, averages 0.8 per cent. This contribution is driven largely by the sale of redundant vehicles and equipment projected by DOH. Generally, the fluctuating growth of this category is due to the number of redundant assets sold, and the price attained at the auctions.

The following section is a detailed analysis of revenue per vote and is summarised in Table 4.12.

Table 4.12: Summary of provincial own receipts by vote

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
1. Office of the Premier	326 483	352 612	406 662	404 110	404 110	447 878	453 754	478 710	502 646
2. Provincial Legislature	594	4 076	1 554	629	629	2 396	663	703	735
3. Agriculture, Environ. Affairs and Rural Development	29 220	18 534	22 687	18 136	18 136	22 650	19 484	20 835	21 771
4. Economic Development and Tourism	5 556	105 494	1 293	48 595	48 595	10 897	5 932	6 232	6 519
5. Education	88 128	63 864	89 105	57 819	57 819	85 261	60 999	73 199	76 566
6. Provincial Treasury	9 881	30 826	289 253	185 505	185 505	251 483	200 504	215 543	237 085
7. Health	232 877	191 221	207 998	213 992	213 992	238 489	243 481	246 161	257 958
8. Human Settlements	6 555	8 117	269 168	1 250	1 250	14 465	1 539	1 660	1 802
9. Community Safety and Liaison	60	105	70	52	52	52	57	63	69
10. The Royal Household	89	513	154	98	98	100	103	109	110
11. Co-operative Governance and Traditional Affairs	5 490	5 622	3 959	2 703	2 703	7 015	3 012	3 103	3 204
12. Transport	1 139 462	1 245 979	1 409 482	1 395 850	1 395 850	1 490 905	1 503 900	1 560 950	1 655 950
13. Social Development	6 995	7 017	16 417	4 227	4 227	7 592	5 148	5 432	5 532
14. Public Works	4 982	6 608	6 116	5 498	5 498	8 901	6 034	6 588	7 227
15. Arts and Culture	470	609	2 647	394	394	1 455	405	425	448
16. Sport and Recreation	353	167	394	95	95	95	100	105	110
Total provincial own receipts	1 857 195	2 041 364	2 726 959	2 338 953	2 338 953	2 589 634	2 505 115	2 619 818	2 777 732
Provincial Legislature receipts not to be surrendered to the Provincial Revenue Fund	594	4 076	1 554	629	629	2 396	663	703	735
Total adjusted provincial own receipts	1 856 601	2 037 288	2 725 405	2 338 324	2 338 324	2 587 238	2 504 452	2 619 115	2 776 997

The most significant revenue contributors in the province are DOT, OTP, DOH and PT. Over the 2013/14 MTEF, Education's significance grows ahead of DEDT, who continue to wait for the Department of Trade and Industry (DTI) to repeal the National Liquor Act so as to implement the provincial legislation. Once implemented, the provincial Liquor Act will enable the department to collect more revenue, as the liquor licence fees contained therein are substantially higher. Other departments remain small contributors even though, in nominal terms, their collections show growth.

Transport

Transport continues to be the main contributor to total provincial own revenue, accounting for an average of 59.7 per cent of total provincial own revenue over the 2013/14 MTEF. The department's revenue has shown strong growth, rising from R1.139 billion in 2009/10 to R1.491 billion in the 2012/13 Revised Estimate. This increase is set to continue to R1.561 billion in 2014/15 and R1.656 billion in 2015/16, growing at an annual average rate of 3.6 per cent over the MTEF period.

Revenue generated from *Motor vehicle licences* increased from R997.227 million in 2009/10 to R1.317 billion in the 2012/13 Revised Estimate, and is projected to maintain a steady increase over the MTEF period to R1.510 billion in 2015/16. 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 DOT to improve service delivery at the various registering authorities, for the registration and licensing of motor vehicles.

Presently, the variances of motor vehicle licence fees charged across all provinces in the various fee categories are quite large. In an attempt to align KZN with other provinces, the growth in the motor vehicle licence fees is subdued. A number of discussions have been held at national and provincial levels, with the view of aligning the fees across provinces. Currently, the provinces with higher motor vehicle licence fees, such as KZN and WC, face the dilemma of individuals and companies registering their motor vehicles in provinces where the motor vehicle licence fees are lower. The main rationale of the uniform motor vehicle licence fee structure to be determined at a national level, is to reduce migration of vehicles to provinces with cheaper fees to the detriment of revenue collection of other provinces.

Office of the Premier

OTP is another major own revenue contributor, yielding more than 18 per cent of total own revenue over the 2013/14 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 R283.970 million in 2009/10 to R383.835 million in the 2012/13 Revised Estimate. It is projected to further increase over the MTEF to R427.014 million in 2015/16. As a contribution to total revenue, *Casino taxes* constitutes about 15.4 per cent over the MTEF. The growth rate for this category in 2009/10 and 2010/11 was slow due to the effects of the global economic situation which left the public with less disposable income available for gaming activities. However, growth over the MTEF can be ascribed to the enactment of the amended tax schedule of the KZN Gaming and Betting Tax Act which was implemented in November 2012 which resulted in increased tax revenue.

Revenue generated from *Horse racing taxes*, which includes collections from the Bookmakers Control Committee, increased from R41.571 million in 2009/10 to R68.422 million in 2011/12. *Horse racing taxes* continues to show positive growth over the 2013/14 MTEF, growing to R75.552 million in 2015/16.

Health

The receipts of DOH fell from R232.877 million in 2009/10 to R207.998 million in 2011/12 due to a drive in 2009/10 to collect patient fees which were due from the RAF, Correctional Services, etc. This downward trend is expected to reverse over the MTEF as the department anticipates increasing its collections from R243.481 million in 2013/14 to R257.958 million in 2015/16. In the event that the budget is realised, it will show Health as one of the major revenue generators in the province. The department's contribution to total own revenue averages at 9.5 per cent over the MTEF. Health's largest proportion of revenue is derived from patient fees and boarding fees for staff accommodation at the

department's institutions. Historically, patient fee collections have under-performed, hence the above-mentioned decline in revenue due to a lack of a concise strategy to enhance collections from medical aid schemes, RAF and other statutory accounts such as SAPS and Correctional Services.

Currently, the department, with assistance from PT, is in the process of crafting a revenue enhancement strategy. It will, among others, focus on patient administration and billing systems and foster more co-ordination of business units responsible for revenue generation within the department. One of the major objectives of the strategy 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 to enhance revenue collection. 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 RAF invoices that are accumulating in the back offices of institutions. Revenue collection processes are grossly inhibited by the use of manual billing systems, with only six hospitals currently operating a computerised patient billing system. The National Health CFOs' 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.

Provincial Treasury

PT generates a significant portion of own revenue through interest earned on positive cash balances in the IGCC and the PMG accounts. Revenue generated by PT increased from R9.881 million in 2009/10 to R289.253 million in 2011/12. The decrease to R251.483 million in the 2012/13 Revised Estimate can be ascribed to lower *Interest, dividends and rent on land* due to lower cash balances resulting from various spending pressure in departments, such as Education, as mentioned above. The fluctuations over the seven-year period under review are directly linked to the amount of cash on hand and changes in interest rates. Specifically, over the MTEF, lower growth in this category is due to the decline in the equitable share to KZN as a result of the 2011 Census and the baseline cuts. The low revenue collected in 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 interest revenue collected. The slight improvement in 2010/11 and the substantial increase in 2011/12 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.

4.2.5 Donor funding and agency receipts

Table 4.13 shows information on donor funding and agency receipts, per department, over the MTEF.

Table 4.13: Donor funding and agency receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Donor Funding	95 516	112 101	19 798	17 394	43 873	43 873	28 144	26 829	-
Office of the Premier	-	19 841	9 066	16 079	24 079	24 079	26 829	26 829	-
Agriculture, Enviro Affairs and Rural Development	19 474	14 588	1 315	1 315	19 342	19 342	1 315	-	-
Economic Development and Tourism	31 291	42 626	-	-	-	-	-	-	-
Education	-	31 709	4 616	-	-	-	-	-	-
Health	36 072	1 294	4 231	-	-	-	-	-	-
Co-operative Governance and Traditional Affairs	8 679	2 043	570	-	452	452	-	-	-
Agency Receipts	44 835	17 454	8 517	7 858	7 858	7 858	8 290	8 500	8 800
Office of the Premier	38 639	10 034	-	-	-	-	-	-	-
Transport	6 196	7 420	8 517	7 858	7 858	7 858	8 290	8 500	8 800
Total	140 351	129 555	28 315	25 252	51 731	51 731	36 434	35 329	8 800

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 is crucial to monitor the quality and quantity of services being provided with regard to donor funding and agency receipts. To this extent, PT 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 2013/14 MTEF are OTP and DAEARD. Total donor funding amounts to R28.144 million in 2013/14, and R26.829 million in 2014/15.

OTP receives funding from the National Skills Fund. The department receives R26.829 million in 2013/14 and it remains constant in 2014/15.

OTP, 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 Service (NYS) skills programmes implemented by the DOPW.
- EPWP learnerships.

DAEARD will only receive R1.315 million in 2013/14. The agreement with World Health Organisation (WHO) provides funding over five years from 2009/10, aimed at human rabies prevention through dog rabies control and eventual elimination in KZN. 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, but is now on track, and is scheduled to come to an end in 2013/14.

4.2.5.2 Agency receipts

Agency receipts decrease from R44.835 million in 2009/10 to R8.800 million in 2015/16. Specifically, the DOT receives funding of R8.290 million from the South African National Roads Agency Limited (SANRAL), to cater for an extended overload control function on the national road network in KZN. The OTP received R38.639 million in 2009/10 and R10.034 million in 2010/11 from the Department of Labour for the roll-out of a literacy programme, targeting illiterate adults in the province.

5. PAYMENTS

5.1 Overall position

Total provincial payments increased from R63.809 billion in 2009/10 to an estimated R86.467 billion in 2012/13. This positive growth is set to continue over the 2013/14 MTEF, with the aggregated estimates of R89.787 billion in 2013/14 growing to R99.579 billion in 2015/16. The additional funding over and above the existing (2012/13 MTEF) growth within the departments' baselines caters for, among others:

- Carry-through of the 2012/13 Adjustments Estimate, such as a light industrial park in Bhongweni, uMsekeli Municipal Support Services pensioners' medical aid obligation, etc.
- The budget allocation is characterised by once-off funding for various provincial priorities such as exit packages for MPLs (only in 2014/15), Rhino Security Intervention plan, Makhathini development, Shayamoya eco-complex, feasibility study of government office park, upgrading of Dundee laundry, etc. These are funded from provincial cash resources and are discussed in detail under each departmental chapter in the *EPRE*.
- Funding for the carry-through costs of the 2012 wage agreement, allocated only to Education and Health, and additional funding for Education personnel pressures.
- Provision to cushion the impact of phasing in the new Census data (which resulted in reduced equitable share for KZN and various other provinces).

The 2013/14 MTEF is also characterised by baseline cuts of 1, 2 and 3 per cent over the 2012/13 MTEF, imposed by NT on all spheres of government in order to curb the national deficit as public spending is growing faster than revenue collection. Also, the provincial equitable share was cut following the release of the 2011 Census data, which indicated that KZN's share of the population has declined. Although NT allocated some funding to cushion the impact of the changes in the equitable share formula, this will not be adequate to ensure continued service delivery at current levels. The impact of this reduction will be seen through reduced outputs and targets over the 2013/14 MTEF and also expanded cost-cutting.

5.2 Payments by vote

Table 5.1 below illustrates the summary of provincial payments by vote.

Table 5.1: Summary of provincial payments and estimates by vote

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation 2012/13	Estimate	2013/14	2014/15	2015/16
1. Office of the Premier	429 103	423 807	485 600	594 600	687 539	687 539	620 854	639 058	665 078
2. Provincial Legislature	288 238	310 909	380 588	402 377	431 042	431 042	417 120	471 223	454 134
3. Agriculture, Enviro. Affairs and Rural Development	1 970 012	2 045 856	2 475 378	2 653 834	2 854 220	2 854 220	2 862 582	2 946 839	3 067 458
4. Economic Development and Tourism	2 425 317	1 624 311	1 534 168	1 641 018	1 789 685	1 789 685	1 837 015	1 950 293	2 029 698
5. Education	26 230 746	28 746 616	33 799 217	34 764 633	35 497 340	35 595 458	37 008 579	39 131 499	42 147 740
6. Provincial Treasury	613 902	388 936	390 325	604 274	613 235	613 235	684 929	620 584	633 362
Operational budget	434 989	364 300	352 604	515 865	542 090	542 090	551 788	563 832	584 738
Growth and Development	178 913	24 636	37 721	88 409	71 145	71 145	133 141	56 752	48 624
7. Health	20 349 276	20 734 986	24 791 118	26 555 350	27 290 930	27 596 404	28 647 877	30 445 724	32 258 216
8. Human Settlements	2 492 647	3 089 237	3 042 495	3 300 935	3 377 820	3 377 820	3 550 676	2 012 405	2 015 177
9. Community Safety and Liaison	125 272	129 186	145 239	161 334	161 334	153 068	172 347	180 482	187 627
10. The Royal Household	40 407	50 627	59 409	59 566	65 361	65 361	63 330	53 870	56 063
11. Co-operative Governance and Traditional Affairs	1 023 420	1 002 589	1 106 349	1 208 003	1 316 127	1 316 127	1 247 696	1 304 973	1 358 007
12. Transport	5 164 996	5 958 923	6 639 855	7 418 873	7 643 794	7 708 535	8 066 335	8 851 007	9 561 829
13. Social Development	1 361 280	1 416 423	1 934 257	2 047 812	2 062 167	2 062 167	2 325 185	2 446 515	2 606 245
14. Public Works	796 169	1 114 209	1 182 268	1 311 171	1 352 388	1 352 388	1 261 366	1 313 705	1 369 817
15. Arts and Culture	259 157	349 369	369 752	470 392	479 857	479 857	644 964	696 646	757 299
16. Sport and Recreation	239 342	276 740	307 836	377 288	384 163	384 163	381 349	394 155	410 981
Total	63 809 284	67 662 724	78 643 854	83 571 460	86 007 002	86 467 069	89 792 204	93 458 978	99 578 731

The trend analysis reveals that most departments' budgets are set to increase from the 2012/13 Main Appropriation to 2013/14. However, it must be noted that allocations for some departments reflect a decrease from the 2012/13 Adjusted Appropriation to 2013/14 due to once-off funding allocated during

the 2012/13 Adjustments Estimate, such as funding for the 2013 Africa Cup of Nations (AFCON), golf tournaments, Youth Ambassadors programme, Agri-business Development Agency (ADA) feasibility studies and business plans, etc. and also the baseline cuts. More detail of the payments and estimates is given under each vote's chapter in the *EPRE*.

The allocation over the 2013/14 MTEF reflects low growth due to the baseline cuts and also reductions in conditional grant funding, such as the HSDG which decreases in 2014/15 and 2015/16 pending the review of the allocation formula which is to take into account the 2011 Census data. The baseline cuts will have an impact on service delivery in various departments, although the impact should be minimised by the implementation of the expanded cost-cutting measures.

The substantial increase in the OTP over the 2013/14 MTEF, when compared to 2011/12, relates to additional funding allocated during the 2012/13 MTEF for various provincial priorities, such as the Youth Ambassadors programme, administrative costs of the merger of the horse racing regulator into the KwaZulu-Natal Gaming and Betting Board (KZNGBB), provision of piped water and roads at the Luwamba Clinic in the Ntambanana Municipality and the equipping of war-rooms, under Operation *Sukuma Sakhe* (OSS). However, it must be noted that the OTP reduced the number of ambassadors anticipated to be employed, from 3 024 in 2012/13 to 1 966 over the MTEF. Details are provided under the vote's chapter in the *EPRE*.

DEDT reflects substantial growth from 2011/12 to the 2012/13 Adjusted Appropriation due to various once-off additional funding for provincial strategic events such as the Manchester United Tour, Nelson Mandela Golf Tournament, North Sea Jazz Festival, Volvo European Golf Championship, Metro FM Awards, BRICS Summit, etc. The increase over the 2013/14 MTEF relates to additional funding for Dube TradePort (DTP) infrastructure development.

DOE reflects a significant increase from 2011/12 to the 2012/13 Adjusted Appropriation and over the 2013/14 MTEF due to additional funding allocated for the higher than budget 2012 wage agreement, with carry-through costs over the MTEF, and additional funding for personnel spending pressures relating to previous years' higher than budget wage agreements and shortfalls in funding for OSD for educators. The department received additional funding, from provincial cash resources, which was set aside for personnel spending pressures, provided that the department put in place a credible cost containment plan. The department reflects a significant increase in 2015/16 due to additional funding for the appointment of additional Grade R teachers and for increasing the number of teachers in Quintile 1 schools, allocated only in 2015/16. Also, the department received additional funding, only in 2014/15 and 2015/16, in respect of the Education Infrastructure grant. While the department receives additional funding, a large portion of the FET College Sector grant was removed from the province to the DHET, who will take over the function of transferring funds to the College Councils. The department was also affected by the baseline cuts.

The Social Sector, comprising Education, Health and Social Development, reflects positive growth over the 2013/14 MTEF, mainly due to allocations for various national and provincial priorities in previous MTEF periods and also in the 2013/14 MTEF. Also contributing to the growth, to a larger extent, are higher than anticipated wage agreements, including the 2012 wage agreement. However, the growth over the 2013/14 MTEF has slowed down, when compared to previous years, due to the baseline cuts.

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

As mentioned above, Social Sector spending reflects positive growth, both in nominal and real terms, despite the baseline cuts. The sector reflects steady growth from 2009/10 to 2012/13, as well as over the 2013/14 MTEF. However, the sector reflects minimal real growth which can be attributable to the baseline cuts, as mentioned above. The share of total spending fluctuates over the seven years, with 2011/12 being high at 77 per cent, reducing to 75.4 per cent in 2012/13 and staying at an average 76.7 per cent over the 2013/14 MTEF. The share of total expenditure for Other Functions also fluctuates over the seven years, with 2011/12 being lower at 23 per cent, before increasing to an average 23.3 per cent over the 2013/14 MTEF. The percentage share of the Social Sector and Other Functions remain constant over the 2013/14 MTEF, indicative of equivalent growth in both sectors' allocations.

Table 5.2: Analysis of payments and estimates by major vote

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16	2009/10-2012/13	2012/13-2015/16
R thousand									
Education	26 230 746	28 746 616	33 799 217	35 497 340	37 008 579	39 131 499	42 147 740		
Health	20 349 276	20 734 986	24 791 118	27 290 930	28 647 877	30 445 724	32 258 216		
Social Development	1 361 280	1 416 423	1 934 257	2 062 167	2 325 185	2 446 515	2 606 245		
Other Functions	15 867 982	16 764 699	18 119 262	21 156 565	21 810 563	21 435 240	22 566 530		
Total expenditure	63 809 284	67 662 724	78 643 854	86 007 002	89 792 204	93 458 978	99 578 731		
% of total expenditure									
Education	41.1	42.5	43.0	41.3	41.2	41.9	42.3		
Health	31.9	30.6	31.5	31.7	31.9	32.6	32.4		
Social Development	2.1	2.1	2.5	2.4	2.6	2.6	2.6		
Other Functions	24.9	24.8	23.0	24.6	24.3	22.9	22.7		
Nominal growth (%)									
Education		9.6	17.6	5.0	4.3	5.7	7.7	10.6	5.9
Health		1.9	19.6	10.1	5.0	6.3	6.0	10.3	5.7
Social Development		4.1	36.6	6.6	12.8	5.2	6.5	14.8	8.1
Other Functions		5.7	8.1	16.8	3.1	(1.7)	5.3	10.1	2.2
Total expenditure		6.0	16.2	9.4	4.4	4.1	6.5	10.5	5.0
Real growth (%)									
Education		5.6	11.2	(0.8)	(1.0)	0.6	2.7	5.2	0.9
Health		(1.8)	13.1	4.0	(0.3)	1.1	1.0	4.9	0.8
Social Development		0.2	29.2	0.7	7.1	0.1	1.6	9.2	3.0
Other Functions		1.8	2.3	10.3	(2.1)	(6.5)	0.4	4.7	(2.6)
Total expenditure		2.2	10.0	3.3	(0.9)	(1.0)	1.6	5.1	0.1

DOE remains the highest spending provincial department, at 41.3 per cent in 2012/13 and decreasing slightly to 41.2 per cent in 2013/14, before increasing marginally to 42.3 per cent in 2015/16. The reduction in the percentage share, when compared to previous years, is due to additional allocations for shortfalls in OSD for educators and higher than anticipated wage agreements, in previous years. The department received additional funding for the higher than anticipated 2012 wage agreement and personnel spending pressures in 2012/13 and carry-through over the 2013/14 MTEF. Other sectors also received substantial additional funding, such as Health, which will be discussed below. Education's budget increases by an average annual nominal (real) growth of 10.6 (5.2) per cent between 2009/10 and 2012/13, and 5.9 (0.9) per cent between 2012/13 and 2015/16. The relatively high positive growth over the first period is largely in respect of OSD for educators and various wage agreements, as well as funding for various national priorities such as expansion of examination administration. Although the baseline allocation for the department was cut by a substantial amount in 2015/16, relating to baseline cuts and also the reduction to the FET College Sector grant, 2015/16 still reflects a significant increase due to additional allocations for national priorities such as the increase in number of teachers in Quintile 1 schools and the increase in the number of Grade R teachers.

DOH remains the second highest spending provincial department, with a fluctuating share of 31.9 per cent in 2009/10, declining to 30.6 per cent in 2010/11 and increasing to 31.7 per cent in 2012/13 and 32.4 per cent 2015/16. The decrease in 2010/11 relates to substantial under-spending by the department in that year. The budget of the department reflects healthy average annual nominal (real) growth of 10.3 (4.9) per cent between 2009/10 and 2012/13, and 5.7 (0.8) per cent between 2012/13 and 2015/16. The latter period reflects reduced growth due to the baseline cuts. The higher growth of 10.1 per cent in 2012/13 can be attributable to additional funding allocated to the now Health Facility Revitalisation grant (Health Infrastructure and Hospital Revitalisation grants components) to assist with infrastructure spending pressures. Also contributing, is additional funding from provincial cash resources for the same purpose. The annual nominal (real) growth of 19.6 (13.1) per cent in 2011/12 relates to the 2011 wage increase.

Social Development reflects an increase in the share of total expenditure, from 2.1 per cent in 2009/10 to 2.4 per cent in 2012/13 (although 2011/12 was higher, at 2.5 per cent due to implementation of various national priorities, discussed briefly below), and remains steady at 2.6 per cent over the 2013/14 MTEF. The department enjoys the largest average nominal (real) growth of 14.8 (9.2) per cent between 2009/10 and 2012/13 due to additional funding for existing infrastructure assets. This growth remains high at 8.1 (3) per cent between 2012/13 and 2015/16. The department reflects substantial nominal (real) growth of 36.6 (29.2) per cent in 2011/12, which can be attributable to allocations for national priorities such as OSD for social workers, Early Childhood Development (ECD), Home/Community Based Care (HCBC)

and Children in Conflict with the Law, which commenced in 2008/09 and grew strongly in 2011/12. The growth stabilises in 2012/13, with an annual nominal (real) growth of 6.6 (0.7) per cent.

Other Functions reflect higher average annual nominal (real) growth of 10.1 (4.7) between 2009/10 and 2012/13 when compared to 2.2 (-2.6) per cent between 2012/13 and 2015/16. The higher annual growth of 16.8 (10.3) per cent in 2012/13 can be attributable to additional funding, during the 2012/13 Adjustments Estimate, allocated to various departments, especially DEDT for various strategic events, such as the Nelson Mandela Golf Tournament, North Sea Jazz Festival, Metro FM Awards, Volvo European Golf Championship, Women's Golf Championship, etc. Also contributing was additional funding to the DAEARD for various programmes, such as the Makhathini development, EPWP job creation, Rhino Security Intervention plan (for transfer to EKZNW), control of rabies outbreak, etc. The OTP also received additional funding for various initiatives such as the hosting of the 2013 AFCON tournament, Youth Ambassadors programme, etc. Over the 2013/14 MTEF, additional funding was allocated, mainly as once-off allocations in 2013/14, for various initiatives such as the upgrading of a regional laundry in Dundee, Makhathini development, Operation Clean Audit, Radio Frequency Identification (RFID) system for library books, etc. Also, growth in the Provincial Roads Maintenance grant contributes to the increase over the 2013/14 MTEF.

5.3 Payments by economic classification

5.3.1 Provincial summary of payments and estimates by economic classification

Table 5.3 below presents a summary of payments and estimates by economic classification for the period 2009/10 and 2015/16.

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
				2012/13	2012/13				
Current payments	48 430 458	52 286 153	61 902 644	65 973 570	67 514 707	68 149 670	72 214 408	76 555 057	81 754 967
Compensation of employees	35 608 907	39 312 068	46 035 829	48 035 685	49 474 031	50 011 026	52 761 916	56 036 392	59 559 844
Goods and services	12 716 049	12 957 936	15 865 252	17 887 885	18 036 376	18 134 097	19 443 584	20 510 897	22 184 891
Interest and rent on land	105 502	16 149	1 563	50 000	4 300	4 547	8 908	7 768	10 232
Transfers and subsidies to:	8 729 987	9 228 387	9 529 717	10 118 836	10 331 511	10 336 869	10 105 857	8 931 913	9 053 624
Provinces and municipalities	1 183 299	1 447 500	1 160 365	1 264 715	1 438 154	1 462 311	1 096 713	1 223 905	1 173 488
Departmental agencies and accounts	666 561	774 167	889 776	882 502	1 132 817	1 133 199	1 281 776	1 191 452	1 236 074
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	226	410	173	180	180	180	189	198	207
Public corporations and private enterprises	729 317	1 081 682	1 101 034	1 281 238	1 130 708	1 195 449	1 183 141	1 228 341	1 271 708
Non-profit institutions	4 003 614	3 253 010	3 410 877	4 013 480	3 717 876	3 620 535	3 526 086	3 744 140	3 774 161
Households	2 146 970	2 671 618	2 967 492	2 676 721	2 911 776	2 925 195	3 017 952	1 543 877	1 597 986
Payments for capital assets	5 417 997	5 640 063	7 119 627	7 406 955	8 088 376	7 908 086	7 393 389	7 861 040	8 681 125
Buildings and other fixed structures	4 604 839	4 973 729	5 893 494	5 853 391	6 744 267	6 724 267	6 271 741	6 890 960	7 657 522
Machinery and equipment	797 665	650 510	1 169 438	1 542 296	1 301 037	1 140 747	1 108 078	960 801	1 015 152
Heritage assets	-	323	1 819	-	8 000	8 000	4 865	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	360	222	7 354	523	9 951	9 951	553	586	609
Land and sub-soil assets	450	798	26 455	-	-	-	-	-	-
Software and other intangible assets	14 683	14 481	21 067	10 745	25 121	25 121	8 152	8 693	7 842
Payments for financial assets	1 164 407	445 440	26 265	1 800	2 109	2 145	2 500	2 500	4 694
Total	63 742 849	67 600 043	78 578 253	83 501 161	85 936 703	86 396 770	89 716 154	93 350 510	99 494 410
Statutory payments	66 435	62 681	65 601	70 299	70 299	70 299	76 050	108 468	84 321
Total economic classification (incl. stat. payment)	63 809 284	67 662 724	78 643 854	83 571 460	86 007 002	86 467 069	89 792 204	93 458 978	99 578 731

Current payments consume the bulk of the total provincial spending, at an average of 80.2 per cent and is set to increase from R68.150 billion in the 2012/13 Revised Estimate to R81.755 billion in 2015/16. The largest portion of this category relates to *Compensation of employees*, which is set to increase from R50.011 billion in the 2012/13 Revised Estimate to R59.560 billion in 2015/16. The increase from the 2012/13 Revised Estimate to 2013/14 is attributable to the anticipated filling of critical vacant posts by various departments while taking into consideration the moratorium on filling non-critical vacant posts. The bulk of the budget under *Compensation of employees* is allocated to Education and Health, due to the high number of employees in these departments.

Transfers and subsidies shows steady growth between 2009/10 and 2011/12. A substantial portion of *Transfers and subsidies* is allocated against *Transfers and subsidies to: Non-profit institutions*, of which a large portion thereof relates to transfers to public schools for norms and standards. Also included are transfers to public entities such as DTP under DEDT. The decrease from 2009/10 to 2010/11 relates to the completion of the airport portion of the DTP. The decrease from the 2012/13 Main to the Adjusted Appropriation relates to the excess funding allocated under Education, over and above the norms and standards funding, for the purposes such as upgrading of school quintile status. *Transfers and subsidies to: Provinces and municipalities*, which relates mainly to transfers to municipalities for housing projects, fluctuates over the seven-year period. The decrease in 2011/12 is due to delays in the approval process of projects under the Community Residential Units (CRU) programme within municipalities.

Payments for capital assets reflects good growth over the seven-year period, growing from R5.418 billion in 2009/10 to R7.120 billion in 2011/12 and R8.681 billion in 2015/16. *Buildings and other fixed structures*, which consumes a larger portion of the allocation, reflects good growth over the seven-year period, indicative of the province's contribution to public infrastructure development with the aim of boosting the economy and job creation. The spending grows from R4.605 billion in 2009/10 to R5.893 billion in 2011/12 and R7.658 billion in 2015/16. The bulk of the infrastructure spending is under Education, Health and Transport. These departments receive substantial funding, in addition to the provincial allocation, through various infrastructure grants from NT. These grants, especially the Education Infrastructure grant, have seen substantial increases in funding over the period under review, to deal with backlogs in infrastructure. A substantial portion of *Buildings and other fixed structures* relates to the DOE (inclusive of the Education Infrastructure grant) for the upgrading and major repairs to existing public schools infrastructure, as well as provision of much needed infrastructure such as ECD classrooms. The infrastructure budget of DOT increases substantially over the 2013/14 MTEF due to additional funding for the maintenance of the provincial road network allocated during the 2011/12 MTEF, as well as over the 2012/13 MTEF. Health reflects substantial spending in the 2012/13 Adjusted Appropriation and Revised Estimate due to the acceleration of various health facilities projects, such as the Dannhauser and Pomeroy Community Health Clinics.

The spending against the category *Payments for financial assets* in 2009/10 and 2010/11 reflects the first charge amounts (in line with Section 34(2) of the PFMA) in respect of unauthorised expenditure under DAEARD, DOE, DOH, DOHS, DOT and the RHH. Also included, although to a lesser extent, are the write-offs of irrecoverable debts by various departments. The amounts reflected over the 2013/14 MTEF relate to the first charge instalments under the RHH.

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

Current expenditure is the largest, as a percentage of total expenditure, growing from 76 per cent in 2009/10, to 82.2 per cent in 2015/16. This category reflects average annual nominal (real) growth of 11.7 (6.2) per cent between 2009/10 and 2012/13 and declines to 6.6 (1.6) per cent between 2012/13 and 2015/16, which can be attributed to the stability in *Compensation of employees* over the 2013/14 MTEF.

The share of total expenditure for *Transfers* reflects a declining trend, from 13.7 per cent in 2009/10 to 9.1 per cent in 2015/16. This decrease from 2009/10 to 2010/11 is mainly due to the reduction in funding for DTP, after the completion of the airport in 2009/10. This category reflects fluctuations in the annual nominal and real growth over the period under review, with high annual nominal (real) growth of 8.4 (2.4) per cent in 2012/13. The average nominal (real) growth decreases from 5.8 (0.6) per cent between 2009/10 and 2012/13 to negative 4.3 (-8.8) per cent between 2012/13 and 2015/16.

Although the expenditure trend for *Capital* reflects growth over the period under review, the share of total expenditure fluctuates, with an increase to 9.1 per cent in 2011/12 and 9.4 per cent in 2012/13, before declining to 8.2 per cent in 2013/14. This category reflects fluctuations in the annual nominal and real growth over the period under review, with high annual nominal (real) growth of 26.2 (19.4) per cent in 2011/12 and 13.6 (7.3) per cent in 2012/13 relating to the increase in infrastructure grants, especially the Provincial Roads Maintenance grant and also equitable share funding allocated mainly in respect of

acceleration of Health infrastructure projects, respectively. The average annual nominal (real) growth decreases substantially from 14.3 (8.7) per cent between 2009/10 and 2012/13 to 2.4 (-2.4) per cent between 2012/13 and 2015/16.

Table 5.4: Analysis of payments and estimates by economic classification

	Audited Outcome			Adjusted Appropriation 2012/13	Medium-term Estimates			Average Annual Growth	
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16	2009/10-2012/13	2012/13-2015/16
R thousand									
Current	48 496 893	52 348 834	61 968 245	67 585 006	72 290 458	76 663 525	81 839 288		
Transfers	8 729 987	9 228 387	9 529 717	10 331 511	10 105 857	8 931 913	9 053 624		
Capital	5 417 997	5 640 063	7 119 627	8 088 376	7 393 389	7 861 040	8 681 125		
Financial assets	1 164 407	445 440	26 265	2 109	2 500	2 500	4 694		
Compensation	35 675 342	39 374 749	46 101 430	49 544 330	52 837 966	56 144 860	59 644 165		
Non-compensation	28 133 942	28 287 975	32 542 424	36 462 672	36 954 238	37 314 118	39 934 566		
Non-compensation (excl. transfers)	19 403 955	19 059 588	23 012 707	26 131 161	26 848 381	28 382 205	30 880 942		
Non-compensation non-capital (NCNC)	22 715 945	22 647 912	25 422 797	28 374 296	29 560 849	29 453 078	31 253 441		
NCNC (excl. transfers)	13 985 958	13 419 525	15 893 080	18 042 785	19 454 992	20 521 165	22 199 817		
Total expenditure	63 809 284	67 662 724	78 643 854	86 007 002	89 792 204	93 458 978	99 578 731		
% of total expenditure									
Current	76.0	77.4	78.8	78.6	80.5	82.0	82.2		
Transfers	13.7	13.6	12.1	12.0	11.3	9.6	9.1		
Capital	8.5	8.3	9.1	9.4	8.2	8.4	8.7		
Financial assets	1.8	0.7	0.0	0.0	0.0	0.0	0.0		
Compensation	55.9	58.2	58.6	57.6	58.8	60.1	59.9		
Non-compensation	44.1	41.8	41.4	42.4	41.2	39.9	40.1		
Non-compensation (excl. transfers)	30.4	28.2	29.3	30.4	29.9	30.4	31.0		
Non-compensation non-capital (NCNC)	35.6	33.5	32.3	33.0	32.9	31.5	31.4		
NCNC (excl. transfers)	21.9	19.8	20.2	21.0	21.7	22.0	22.3		
Nominal growth (%)									
Current		7.9	18.4	9.1	7.0	6.0	6.8	11.7	6.6
Transfers		5.7	3.3	8.4	(2.2)	(11.6)	1.4	5.8	(4.3)
Capital		4.1	26.2	13.6	(8.6)	6.3	10.4	14.3	2.4
Financial assets		(61.7)	(94.1)	(92.0)	18.5	-	87.8	(87.8)	30.6
Compensation		10.4	17.1	7.5	6.6	6.3	6.2	11.6	6.4
Non-compensation		0.5	15.0	12.0	1.3	1.0	7.0	9.0	3.1
Non-compensation (excl. transfers)		(1.8)	20.7	13.6	2.7	5.7	8.8	10.4	5.7
Non-compensation non-capital (NCNC)		(0.3)	12.3	11.6	4.2	(0.4)	6.1	7.7	3.3
NCNC (excl. transfers)		(4.1)	18.4	13.5	7.8	5.5	8.2	8.9	7.2
Real growth (%)									
Current		4.0	12.0	3.0	1.6	0.9	1.8	6.2	1.6
Transfers		1.8	(2.3)	2.4	(7.1)	(15.9)	(3.4)	0.6	(8.8)
Capital		0.3	19.4	7.3	(13.2)	1.2	5.3	8.7	(2.4)
Financial assets		(63.1)	(94.4)	(92.4)	12.6	(4.9)	79.0	(88.4)	24.4
Compensation		6.3	10.8	1.5	1.3	1.1	1.3	6.1	1.4
Non-compensation		(3.1)	8.8	5.8	(3.8)	(3.9)	2.0	3.7	(1.8)
Non-compensation (excl. transfers)		(5.4)	14.2	7.2	(2.4)	0.6	3.7	5.0	0.8
Non-compensation non-capital (NCNC)		(3.9)	6.2	5.4	(1.1)	(5.2)	1.2	2.4	(1.6)
NCNC (excl. transfers)		(7.6)	12.0	7.2	2.4	0.4	3.1	3.5	2.1

The declining share of total expenditure for *Transfers* and *Capital* is indicative of the fact that the major increases have been in respect of *Compensation of employees* due to the various wage agreements and the various OSDs affecting mainly Education and Health.

The high negative average annual nominal (real) growth of 87.8 (-88.4) per cent between 2009/10 and 2012/13 against *Financial assets* is due to the fact that the larger portion of first charge amounts were paid in 2010/11.

Compensation's share of total expenditure shows an increase from 55.9 per cent in 2009/10 to 59.9 per cent in 2015/16. This category shows an average annual nominal (real) growth of 11.6 (6.1) per cent between 2009/10 and 2012/13 declining to 6.4 (1.4) per cent between 2012/13 and 2015/16 (reflecting improved funding for personnel expenditure, especially under Education). *Non-compensation* shows a decline in the share of total expenditure from 44.1 per cent in 2009/10 to 40.1 per cent in 2015/16. This declining trend is indicative of the fact that *Compensation* has slightly crowded out the allocation of resources toward service delivery spending. In the past, up to 2010/11, there were difficulties in allocating resources toward service delivery, as the province was often under-funded with regard to annual wage agreements and various OSDs (mainly OSD for educators) requiring reprioritisation of funds to cover the shortfalls. However, it must be noted that the province was fully funded for this in 2010/11 and, in 2012/13, funding was made available by NT and topped up by PT using provincial cash resources to ensure that the wage agreement was largely funded. Only Education and Health receive the carry-through costs for the 2012 wage agreement, though, as mentioned earlier.

The share of total expenditure for *Non-compensation (excl. transfers)* reflects fluctuations from 2009/10 to 2011/12, with a decline from 30.4 per cent in 2009/10 to 28.2 per cent in 2010/11, before increasing slightly to 29.3 per cent in 2011/12. This category reflects no significant increase in its share of total expenditure over the 2013/14 MTEF.

The percentage share of *Non-compensation non-capital (NCNC)* decreases over the period, from 35.6 per cent in 2009/10 to 31.4 per cent in 2015/16, with fluctuations such as the lower percentage share of 32.3 per cent in 2011/12. The category *NCNC (excluding transfers)* reflects a fluctuating trend over the seven-year period. The high percentage share of total expenditure of 21 per cent in 2012/13 can be attributed to additional funding allocated to departments such as DEDT and OTP for various strategic events and initiatives, as mentioned.

5.3.2 Analysis of payments and estimates by economic classification – Education

Table 5.5 shows DOE'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	
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16	2009/10-2012/13	2012/13-2015/16
R thousand									
Current	23 109 269	24 880 844	29 784 902	30 706 092	32 526 604	34 267 846	36 471 432		
Transfers	1 602 910	1 724 719	1 892 934	2 269 445	1 812 234	1 978 564	1 967 657		
Capital	1 407 097	1 920 880	2 121 381	2 521 803	2 669 741	2 885 089	3 708 651		
Financial assets	111 470	220 173	-	-	-	-	-		
Compensation	20 864 307	22 609 337	26 639 394	27 447 076	28 746 193	30 372 790	32 313 187		
Non-compensation	5 366 439	6 137 279	7 159 823	8 050 264	8 262 386	8 758 709	9 834 553		
Non-compensation (excl. transfers)	3 763 529	4 412 560	5 266 889	5 780 819	6 450 152	6 780 145	7 866 896		
Non-compensation non-capital (NCNC)	3 959 342	4 216 399	5 038 442	5 528 461	5 592 645	5 873 620	6 125 902		
NCNC (excl. transfers)	2 356 432	2 491 680	3 145 508	3 259 016	3 780 411	3 895 056	4 158 245		
Total expenditure	26 230 746	28 746 616	33 799 217	35 497 340	37 008 579	39 131 499	42 147 740		
% of total expenditure									
Current	88.1	86.6	88.1	86.5	87.9	87.6	86.5		
Transfers	6.1	6.0	5.6	6.4	4.9	5.1	4.7		
Capital	5.4	6.7	6.3	7.1	7.2	7.4	8.8		
Financial assets	0.4	0.8	-	-	-	-	-		
Compensation	79.5	78.7	78.8	77.3	77.7	77.6	76.7		
Non-compensation	20.5	21.3	21.2	22.7	22.3	22.4	23.3		
Non-compensation (excl. transfers)	14.3	15.3	15.6	16.3	17.4	17.3	18.7		
Non-compensation non-capital (NCNC)	15.1	14.7	14.9	15.6	15.1	15.0	14.5		
NCNC (excl. transfers)	9.0	8.7	9.3	9.2	10.2	10.0	9.9		
Nominal growth (%)									
Current		7.7	19.7	3.1	5.9	5.4	6.4	9.9	5.9
Transfers		7.6	9.8	19.9	(20.1)	9.2	(0.6)	12.3	(4.6)
Capital		36.5	10.4	18.9	5.9	8.1	28.5	21.5	13.7
Financial assets		97.5	(100.0)	-	-	-	-	(100.0)	-
Compensation		8.4	17.8	3.0	4.7	5.7	6.4	9.6	5.6
Non-compensation		14.4	16.7	12.4	2.6	6.0	12.3	14.5	6.9
Non-compensation (excl. transfers)		17.2	19.4	9.8	11.6	5.1	16.0	15.4	10.8
Non-compensation non-capital (NCNC)		6.5	19.5	9.7	1.2	5.0	4.3	11.8	3.5
NCNC (excl. transfers)		5.7	26.2	3.6	16.0	3.0	6.8	11.4	8.5
Real growth (%)									
Current		3.7	13.3	(2.7)	0.6	0.2	1.5	4.6	0.9
Transfers		3.7	3.8	13.2	(24.2)	3.9	(5.2)	6.8	(9.1)
Capital		31.5	4.5	12.3	0.5	2.8	22.5	15.5	8.4
Financial assets		90.3	(100.0)	(5.6)	(5.0)	(4.9)	(4.7)	(100.0)	-
Compensation		4.4	11.5	(2.7)	(0.5)	0.5	1.4	4.2	0.6
Non-compensation		10.2	10.4	6.2	(2.5)	0.9	7.0	8.9	1.9
Non-compensation (excl. transfers)		13.0	12.9	3.6	6.0	0.0	10.6	9.8	5.6
Non-compensation non-capital (NCNC)		2.6	13.1	3.6	(3.9)	(0.1)	(0.6)	6.3	(1.4)
NCNC (excl. transfers)		1.9	19.4	(2.2)	10.2	(2.0)	1.8	6.0	3.4

Current expenditure comprises the highest proportion of the department's budget. However, as a share of total expenditure, *Current* expenditure fluctuates between 2009/10 and 2012/13, mainly as a result of the improved spending in *Capital* relating to school infrastructure. *Current* expenditure reflects low and fluctuating real growth over the 2013/14 MTEF due to the marginal growth in the budget for *Compensation of employees* as a result of the baseline cuts attributed to the Census data update, as well as the 1, 2 and 3 per cent baseline cuts. These cuts were mainly effected against *Compensation of employees*.

Transfers, expressed as a share of total expenditure, declines from 6.1 per cent to 5.6 per cent between 2009/10 and 2011/12, mainly due to the increased spending in *Current* and *Capital* expenditure. Furthermore, the past trends have shown significant under-expenditure relating to *Transfers and subsidies to: Non-profit institutions* due to non-compliance by some schools resulting in the department procuring (Learner Teacher Support Material (LTSM) and other materials) on their behalf, thus increasing *Current* expenditure. The percentage share of the budget declines from 2012/13 to the MTEF period mainly due to the DHET taking over the function of disbursing funds to the FET colleges, thus resulting in a reduced budget for *Transfers and subsidies to: Non-profit institutions*. This is evident by the significant decline of 24.2 per cent year-on-year in real terms from 2012/13 to 2013/14. There is also a decline in real growth in the outer year, attributed mainly to a slight reduction in the allocation for S21 schools as the department anticipates revoking S21 functions from schools that continue to not comply with the requirements for the department to transfer the funds.

Capital, expressed as a share of total expenditure/budget, fluctuates between 2009/10 to 2012/13 and increases over the 2013/14 MTEF, in line with the Education Infrastructure grant in order to accelerate school infrastructure (including both ECD and Special School infrastructure). In real terms, *Capital* shows significant growth of 31.5 per cent in 2010/11 and 22.5 per cent in 2015/16 in line with the additional allocation for the Education Infrastructure grant to improve delivery of school infrastructure. This category shows low real growth in 2011/12 attributed mainly to cost-cutting against *Machinery and equipment*, as the category was used as a buffer to offset spending pressures against *Compensation of employees*. There is healthy real growth in 2012/13, however, the department continues to implement cost-cutting against *Machinery and equipment*.

Financial assets reflects an increased share of total expenditure between 2009/10 and 2010/11, mainly as a result of the latter financial year including the second installment of the first charge in terms of S34 (2) of the PFMA, as well as the irrecoverable staff debts written off. The amount in 2009/10 reflects only the first instalment of the first charge while 2010/11 reflects the second instalment, as well as 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 reflects a declining trend over the seven-year period. The decline over the 2013/14 MTEF is mainly due to the strong growth in *Capital*, as well as the fact that this category was mainly affected by the budget reductions. The decrease in the share of total expenditure from 2010/11 onward is an indication that other spending categories are increasing at a faster rate, indicative of increased focus on other service delivery areas, especially infrastructure spending and transfers to schools. While the percentage share is decreasing, the expenditure is still increasing in real terms, with an annual average real growth of 4.2 per cent between 2009/10 and 2012/13, mainly due to expenditure relating to various wage agreements, OSD for educators, conversion of teacher assistants to teacher aides, increased stipends of ECD practitioners and hourly rate of Adult Basic Education and Training (ABET) practitioners. There is a significant decline in real growth from 2010/11 to the 2012/13 Adjusted Appropriation, indicating the spending pressures that the department is experiencing relating to the carry-through effects of the various wage agreements and OSD, as well as the conversion of teacher assistants to teacher aides, increased stipends of ECD practitioners and hourly rate of ABET practitioners, in 2011/12 with funding. Real growth over the MTEF is marginal, at 0.6 per cent annual average. However, there is a decline year-on-year from 2012/13 to 2013/14, indicating the spending pressures that will continue to exist in the department's budget.

Non-compensation's share of total expenditure grows consistently from 2009/10 to 2011/12 in line with additional funding that was received for priorities, such as the extension of no fee schools, increases with regard to LTSM, NSNP, infrastructure spending, as well as support for inclusive education. The growth continues over the 2013/14 MTEF. In real terms, the year-on-year growth between 2009/10 and 2015/16 reflects a fluctuating trend, with negative growth of 2.5 per cent in 2013/14, attributed mainly to the reduction in *Transfers* relating to FET colleges, as the function now lies with DHET, as previously explained. However there is strong real growth in the outer year, mainly due to additional funding allocated with regard to the Education Infrastructure grant and the expansion of no fee schools, among others.

Non-compensation (excluding transfers) which caters for *Goods and services* and *Payments for capital assets* reflects significant real growth of 9.8 per cent annual average between 2009/10 and 2012/13, and continues over the 2013/14 MTEF at 5.6 per cent. The high real growth between 2009/10 and 2012/13 is attributed to the increased spending with regard to NSNP due to the expansion of the programme, school infrastructure (particularly public ordinary schools), and LTSM, among others. The healthy growth over the MTEF caters for these priorities.

NCNC which includes *Goods and services* and *Transfers and subsidies* reflects a healthy annual average real growth between 2009/10 and 2012/13, while the real growth over the MTEF shows negative average annual percentage growth of 1.4 per cent. The decline over the 2013/14 MTEF is largely attributed to the reduction of the transfers to FET colleges, as previously explained. In nominal terms, *NCNC* shows below inflation growth over the MTEF. However, the minimal growth is due to the fact that the comparative figures from 2009/10 to 2012/13 are inclusive of the transfers to FET colleges. As such, if these comparative figures are removed, both the nominal and real growth is fair.

5.3.3 Analysis of payments and estimates by economic classification – Health

Table 5.6 below shows DOH's expenditure by economic classification.

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

	Audited Outcome			Adjusted Appropriation 2012/13	Medium-term Estimates			Average Annual Growth	
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16	2009/10-2012/13	2012/13-2015/16
R thousand									
Current	17 547 270	18 985 210	22 364 652	24 537 676	26 585 714	28 488 374	30 378 686		
Transfers	498 292	562 374	515 846	542 709	655 168	650 155	673 063		
Capital	1 545 699	1 181 773	1 910 011	2 210 545	1 406 995	1 307 195	1 206 467		
Financial assets	758 015	5 629	609	-	-	-	-		
Compensation	11 367 849	12 935 381	15 118 307	16 896 484	18 355 557	19 601 916	20 830 264		
Non-compensation	8 981 427	7 799 605	9 672 811	10 394 446	10 292 320	10 843 808	11 427 952		
Non-compensation (excl. transfers)	8 483 135	7 237 231	9 156 965	9 851 737	9 637 152	10 193 653	10 754 889		
Non-compensation non-capital (NCNC)	7 435 728	6 617 832	7 762 800	8 183 901	8 885 325	9 536 613	10 221 485		
NCNC (excl. transfers)	6 937 436	6 055 458	7 246 954	7 641 192	8 230 157	8 886 458	9 548 422		
Total expenditure	20 349 276	20 734 986	24 791 118	27 290 930	28 647 877	30 445 724	32 258 216		
% of total expenditure									
Current	86.2	91.6	90.2	89.9	92.8	93.6	94.2		
Transfers	2.4	2.7	2.1	2.0	2.3	2.1	2.1		
Capital	7.6	5.7	7.7	8.1	4.9	4.3	3.7		
Financial assets	3.7	0.0	0.0	-	-	-	-		
Compensation	55.9	62.4	61.0	61.9	64.1	64.4	64.6		
Non-compensation	44.1	37.6	39.0	38.1	35.9	35.6	35.4		
Non-compensation (excl. transfers)	41.7	34.9	36.9	36.1	33.6	33.5	33.3		
Non-compensation non-capital (NCNC)	36.5	31.9	31.3	30.0	31.0	31.3	31.7		
NCNC (excl. transfers)	34.1	29.2	29.2	28.0	28.7	29.2	29.6		
Nominal growth (%)									
Current		8.2	17.8	9.7	8.3	7.2	6.6	11.8	7.4
Transfers		12.9	(8.3)	5.2	20.7	(0.8)	3.5	2.9	7.4
Capital		(23.5)	61.6	15.7	(36.4)	(7.1)	(7.7)	12.7	(18.3)
Financial assets		(99.3)	(89.2)	(100.0)	-	-	-	(100.0)	-
Compensation		13.8	16.9	11.8	8.6	6.8	6.3	14.1	7.2
Non-compensation		(13.2)	24.0	7.5	(1.0)	5.4	5.4	5.0	3.2
Non-compensation (excl. transfers)		(14.7)	26.5	7.6	(2.2)	5.8	5.5	5.1	3.0
Non-compensation non-capital (NCNC)		(11.0)	17.3	5.4	8.6	7.3	7.2	3.2	7.7
NCNC (excl. transfers)		(12.7)	19.7	5.4	7.7	8.0	7.4	3.3	7.7
Real growth (%)									
Current		4.2	11.4	3.6	2.9	2.0	1.7	6.4	2.3
Transfers		8.7	(13.2)	(0.7)	14.6	(5.6)	(1.3)	(2.1)	2.4
Capital		(26.3)	52.9	9.3	(39.6)	(11.6)	(12.0)	7.2	(22.1)
Financial assets		(99.3)	(89.8)	(100.0)	(5.0)	(4.9)	(4.7)	(100.0)	-
Compensation		9.6	10.6	5.5	3.2	1.6	1.3	8.6	2.2
Non-compensation		(16.3)	17.3	1.5	(6.0)	0.2	0.5	(0.1)	(1.6)
Non-compensation (excl. transfers)		(17.8)	19.7	1.6	(7.1)	0.6	0.6	(0.0)	(1.9)
Non-compensation non-capital (NCNC)		(14.3)	11.0	(0.4)	3.1	2.1	2.2	(1.8)	2.6
NCNC (excl. transfers)		(15.9)	13.2	(0.4)	2.3	2.7	2.4	(1.8)	2.6

As was the case in previous years, the largest share of total expenditure is in respect of *Current* payments, where the percentage increases from 86.2 per cent in 2009/10 to 91.6 per cent in 2010/11, declining to 90.2 per cent in 2011/12 and 89.9 per cent in 2012/13. The share climbs to 92.8 per cent in 2013/14, rising to 94.2 per cent in 2015/16. 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 against *Capital* in that year, particularly in respect of the Hospital Revitalisation component and the Health Infrastructure component of the Health Facility Revitalisation 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 components of the Health Facility Revitalisation grant. This trend continued in 2012/13, with further additional funding for these two infrastructure components, with R180 million allocated to the Health Infrastructure component and R20 million allocated to the Hospital Revitalisation component in the 2012/13 Adjusted Appropriation. In addition, the department received a further R185.963 million in equitable share funding for infrastructure pressures. From 2013/14 onward, the department has reduced funding for *Capital* due to the budget cuts, as well as reprioritising funding away from *Capital* payments to *Maintenance and repairs*, thus boosting the share of *Current* payments to over 92 per cent. In addition, the carry-through costs of the various higher than anticipated 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 64 per cent.

Compensation also shows a positive trend from 2012/13 to 2015/16, with an average annual real growth of 2.2 per cent. This will allow the department to continue the implementation of the various OSDs begun in 2007/08. This area has been under-funded, particularly with regard to the OSD for nurses and doctors, although additional funding was received in each year from 2008/09 to 2011/12. There is also pressure in the new MTEF to provide additional staff for the re-engineering of primary health care services through ward-based teams, in line with NHI requirements.

The share of *Transfers* fluctuates from 2009/10 to 2012/13, largely due to delays with regard to transfers to municipal clinics. These were caused by problems in finalising 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 2.2 per cent over the 2013/14 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* decreases from 7.6 per cent in 2009/10, to 5.7 per cent in 2010/11, before increasing to 7.7 per cent in 2011/12 and 8.1 per cent in 2012/13. The reasons for the erratic trend were discussed under *Current* payments above. The declining share thereafter is due to the previously mentioned baseline cuts and 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 2012/13 to 2015/16 in all categories except *Capital*. The growth rate for *Current* is lower than it was from 2009/10 to 2012/13, due to various spending pressures experienced by the department in 2009/10, as well as the effects of the baseline cuts in the 2013/14 MTEF.

The lower growth rates for *Transfers* from 2009/10 to 2012/13 relate to the previously mentioned provincialisation of municipal clinics, which will be finalised in 2012/13.

The negative real average annual growth in *Capital* from 2012/13 to 2015/16 is attributable to the previously mentioned baseline cuts and 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	Medium-term Estimates			Average Annual Growth	
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16	2009/10-2012/13	2012/13-2015/16
R thousand									
Current	859 264	846 623	1 033 142	1 261 171	1 416 062	1 512 687	1 648 908		
Transfers	404 750	476 927	732 326	550 412	680 148	701 950	714 739		
Capital	83 602	83 905	167 912	250 584	228 975	231 878	242 598		
Financial assets	13 664	8 968	877	-	-	-	-		
Compensation	510 860	576 981	692 531	875 010	998 554	1 079 651	1 181 803		
Non-compensation	850 420	839 442	1 241 726	1 187 157	1 326 631	1 366 864	1 424 442		
Non-compensation (excl. transfers)	445 670	362 515	509 400	636 745	646 483	664 914	709 703		
Non-compensation non-capital (NCNC)	836 756	830 474	1 240 849	1 187 157	1 326 631	1 366 864	1 424 442		
NCNC (excl. transfers)	432 006	353 547	508 523	636 745	646 483	664 914	709 703		
Total expenditure	1 361 280	1 416 423	1 934 257	2 062 167	2 325 185	2 446 515	2 606 245		
% of total expenditure									
Current	63.1	59.8	53.4	61.2	60.9	61.8	63.3		
Transfers	29.7	33.7	37.9	26.7	29.3	28.7	27.4		
Capital	6.1	5.9	8.7	12.2	9.8	9.5	9.3		
Financial assets	1.0	0.6	0.0	-	-	-	-		
Compensation	37.5	40.7	35.8	42.4	42.9	44.1	45.3		
Non-compensation	62.5	59.3	64.2	57.6	57.1	55.9	54.7		
Non-compensation (excl. transfers)	32.7	25.6	26.3	30.9	27.8	27.2	27.2		
Non-compensation non-capital (NCNC)	61.5	58.6	64.2	57.6	57.1	55.9	54.7		
NCNC (excl. transfers)	31.7	25.0	26.3	30.9	27.8	27.2	27.2		
Nominal growth (%)									
Current		(1.5)	22.0	22.1	12.3	6.8	9.0	13.6	9.3
Transfers		17.8	53.6	(24.8)	23.6	3.2	1.8	10.8	9.1
Capital		0.4	100.1	49.2	(8.6)	1.3	4.6	44.2	(1.1)
Financial assets		(34.4)	(90.2)	(100.0)	-	-	-	(100.0)	-
Compensation		12.9	20.0	26.3	14.1	8.1	9.5	19.6	10.5
Non-compensation		(1.3)	47.9	(4.4)	11.7	3.0	4.2	11.8	6.3
Non-compensation (excl. transfers)		(18.7)	40.5	25.0	1.5	2.9	6.7	12.6	3.7
Non-compensation non-capital (NCNC)		(0.8)	49.4	(4.3)	11.7	3.0	4.2	12.4	6.3
NCNC (excl. transfers)		(18.2)	43.8	25.2	1.5	2.9	6.7	13.8	3.7
Real growth (%)									
Current		(5.1)	15.5	15.3	6.6	1.6	3.9	8.1	4.2
Transfers		13.5	45.3	(29.0)	17.4	(1.8)	(2.9)	5.4	4.0
Capital		(3.3)	89.3	40.9	(13.2)	(3.6)	(0.3)	37.1	(5.7)
Financial assets		(36.8)	(90.7)	(100.0)	(5.0)	(4.9)	(4.7)	(100.0)	-
Compensation		8.8	13.6	19.3	8.4	2.9	4.3	13.8	5.3
Non-compensation		(4.9)	39.9	(9.7)	6.1	(2.0)	(0.7)	6.3	1.3
Non-compensation (excl. transfers)		(21.6)	32.9	18.0	(3.6)	(2.1)	1.8	7.1	(1.2)
Non-compensation non-capital (NCNC)		(4.4)	41.4	(9.7)	6.1	(2.0)	(0.7)	6.9	1.3
NCNC (excl. transfers)		(21.2)	36.1	18.2	(3.6)	(2.1)	1.8	8.3	(1.2)

As a share of the department's total expenditure, *Current* decreases from 63.1 per cent in 2009/10 to 59.8 per cent in 2010/11, declining further to 53.4 per cent in 2011/12, increasing to an average of 62 per cent over the 2013/14 MTEF. Despite this sharp decline in the share of total expenditure, this category shows an average annual real growth of 8.1 per cent between 2009/10 and 2012/13. The increase in the share of *Current* payments to total budget over the 2013/14 MTEF is mainly due to national priority funding received for the absorption of social work graduates. In addition, *Transfers* average nominal growth decreases from 10.8 per cent from 2009/10 to 2012/13 to 9.1 per cent from 2012/13 to 2015/16, mainly due to the effect of the baseline cuts. However the real effect of the baseline cuts is cushioned by additional national priority funding for the improvement of the quality of services provided by NGOs, as well as their financial sustainability.

The rising trend against *Transfers* in the first three years of the period under review is largely due to a declining trend in *Current* and *Capital*, mainly attributable to a decrease in *Goods and services* as a result of the PT SCM intervention and low spending on *Machinery and equipment* due to cost-cutting, respectively. Also to be noted was that spending pressures in *Current* payments in 2009/10 required some reprioritisation from other categories, and this is reflected in the low share of *Transfers* of 29.7 per cent in 2009/10. The significant growth in national priority funding in 2010/11 and 2011/12 (in respect of ECD, HCBC and children in conflict with the law) sees the share of *Transfers* reaching 33.7 per cent in 2010/11 and 37.9 per cent in 2011/12. *Transfers* experience real average growth of 5.4 per cent from 2009/10 to 2012/13, declining to 4 per cent from 2012/13 to 2015/16. The decline is due to the non-implementation of transfer payments relating to the Youth Development and Sustainable Livelihood sub-programmes due to an audit of previously funded projects and the review of standard operating procedures for the funding and monitoring of Non-profit Organisations (NPOs).

Capital spending as a percentage of total expenditure decreased from 6.1 per cent in 2009/10 to 5.9 per cent in 2010/11, due to cost-cutting. The category shows a marked growth in share, from 2011/12 to 2012/13, due to funding reprioritised to cater for the high demand for ECD centres within KZN, as well as pressures from 2011/12 invoices for infrastructure projects, such as the construction of the Nkunzana service office, Mhlabunzima one-stop development centre, Dambuza youth development centre, etc., resulting in an average nominal growth of 44.2 per cent from 2009/10 to 2012/13. The decrease in the share of *Capital* payments to total budget over the 2013/14 MTEF relates to increases in *Current* and *Transfers* due to additional national priority funding for the absorption of social work graduates and the improvement of the quality of services provided by NGOs, as well as their financial sustainability over the 2013/14 MTEF, respectively.

In 2009/10, *Compensation* accounted for 37.5 per cent of the total budget. 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 35.8 per cent due to the non-filling of vacant posts. From 2011/12 and over the 2013/14 MTEF, the share increases to an average of 43.7 per cent, largely due to the various wage agreements, as well as additional funding received for national priorities, such as the absorption of social work graduates. The increase in 2012/13 is due to the higher than anticipated 2012 wage agreement, as well as the appointment of community care givers who were previously employed by NPOs and therefore paid against *Transfers and subsidies to: Non-profit institutions*. These factors are the reason that the average annual real growth from 2012/13 to 2015/16 is at 5.3 per cent.

The positive real average annual growth of 7.1 per cent in *Non-compensation (excluding transfers)* from 2009/10 to 2012/13 indicates a turnaround from the pressures in *Goods and services* in 2009/10, 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 2012/13 in order to cater for the appointment of community care givers who were previously employed by NPOs. The reduction over the 2013/14 MTEF relates to the removal of funding for existing infrastructure and maintenance from 2013/14.

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).

The share of *Current* payments to total budget is set to increase from 44 per cent in 2009/10, to 59.1 per cent in 2015/16. The slight growth from 2009/10 to 2010/11 can be attributed to the continuation of cost-cutting which reduced *Goods and services* significantly. The minimal growth over the outer years of 2013/14 MTEF can be ascribed to the baseline cuts imposed by NT and the effect that the 2011 Census data had on KZN's equitable share. The effect of this cut on the departments was a substantial reduction in the budget over the MTEF. This is evident from the low average real growth of 1.4 per cent from 2012/13 to 2015/16 against this category, with part of the cut also implemented against other categories.

Compensation reflects an average annual real growth rate of 2.1 per cent for the period 2012/13 to 2015/16. This can be ascribed to the newly imposed moratorium on the filling of non-critical posts, and baseline cuts, as some of departments, such as Co-operative Governance and Traditional Affairs (COGTA) and Department of Sport and Recreation (DOSR), effected the cuts against *Compensation of employees*. Also, the phased-in transfer of staff to the Royal Trust by the RHH also had an impact on this category.

Table 5.8: Analysis of expenditure summary by classification - Other

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16	2009/10-2012/13	2012/13-2015/16
R thousand									
Current	6 981 090	7 636 157	8 785 549	11 080 067	11 762 078	12 394 618	13 340 262		
Transfers	6 224 035	6 464 367	6 388 611	6 968 945	6 958 307	5 601 244	5 698 165		
Capital	2 381 599	2 453 505	2 920 323	3 105 444	3 087 678	3 436 878	3 523 409		
Financial assets	281 258	210 670	24 779	2 109	2 500	2 500	4 694		
Compensation	2 932 326	3 253 050	3 651 198	4 325 760	4 737 662	5 090 503	5 318 911		
Non-compensation	12 935 656	13 511 649	14 468 064	16 830 805	17 072 901	16 344 737	17 247 619		
Non-compensation (excl. transfers)	6 711 621	7 047 282	8 079 453	9 861 860	10 114 594	10 743 493	11 549 454		
Non-compensation non-capital (NCNC)	12 654 398	13 300 979	14 443 285	16 828 696	17 070 401	16 342 237	17 242 925		
NCNC (excl. transfers)	6 430 363	6 836 612	8 054 674	9 859 751	10 112 094	10 740 993	11 544 760		
Total expenditure	15 867 982	16 764 699	18 119 262	21 156 565	21 810 563	21 435 240	22 566 530		
% of total expenditure									
Current	44.0	45.5	48.5	52.4	53.9	57.8	59.1		
Transfers	39.2	38.6	35.3	32.9	31.9	26.1	25.3		
Capital	15.0	14.6	16.1	14.7	14.2	16.0	15.6		
Financial assets	1.8	1.3	0.1	0.0	0.0	0.0	0.0		
Compensation	18.5	19.4	20.2	20.4	21.7	23.7	23.6		
Non-compensation	81.5	80.6	79.8	79.6	78.3	76.3	76.4		
Non-compensation (excl. transfers)	42.3	42.0	44.6	46.6	46.4	50.1	51.2		
Non-compensation non-capital (NCNC)	79.7	79.3	79.7	79.5	78.3	76.2	76.4		
NCNC (excl. transfers)	40.5	40.8	44.5	46.6	46.4	50.1	51.2		
Nominal growth (%)									
Current		9.4	15.1	26.1	6.2	5.4	7.6	16.6	6.4
Transfers		3.9	(1.2)	9.1	(0.2)	(19.5)	1.7	3.8	(6.5)
Capital		3.0	19.0	6.3	(0.6)	11.3	2.5	9.2	4.3
Financial assets		(25.1)	(88.2)	(91.5)	18.5	-	87.8	(80.4)	30.6
Compensation		10.9	12.2	18.5	9.5	7.4	4.5	13.8	7.1
Non-compensation		4.5	7.1	16.3	1.4	(4.3)	5.5	9.2	0.8
Non-compensation (excl. transfers)		5.0	14.6	22.1	2.6	6.2	7.5	13.7	5.4
Non-compensation non-capital (NCNC)		5.1	8.6	16.5	1.4	(4.3)	5.5	10.0	0.8
NCNC (excl. transfers)		6.3	17.8	22.4	2.6	6.2	7.5	15.3	5.4
Real growth (%)									
Current		5.4	8.8	19.1	0.8	0.3	2.6	11.0	1.4
Transfers		0.1	(6.5)	3.0	(5.2)	(23.4)	(3.0)	(1.2)	(10.9)
Capital		(0.8)	12.6	0.4	(5.6)	5.9	(2.3)	3.9	(0.6)
Financial assets		(27.8)	(88.9)	(92.0)	12.6	(4.9)	79.0	(81.4)	24.4
Compensation		6.9	6.2	11.9	4.0	2.2	(0.4)	8.3	2.1
Non-compensation		0.6	1.3	9.8	(3.7)	(8.9)	0.6	3.8	(3.9)
Non-compensation (excl. transfers)		1.2	8.5	15.3	(2.6)	1.1	2.5	8.1	0.5
Non-compensation non-capital (NCNC)		1.3	2.7	10.0	(3.7)	(8.9)	0.6	4.6	(3.9)
NCNC (excl. transfers)		2.4	11.5	15.6	(2.6)	1.1	2.5	9.7	0.4

The share of total expenditure in *Non-compensation* is expected to decrease from 79.6 per cent in 2012/13 to 76.4 per cent in 2015/16, largely due to the reduction in *Transfers*. This category shows negative real growth of 10.9 per cent from 2012/13 to 2015/16, with the share of total expenditure decreasing from 32.9 per cent in 2012/13 to 25.3 per cent in 2015/16 mainly due to the following:

- *Transfers and subsidies to: Public corporations and private enterprises* against DEDT decreases in the 2012/13 Adjusted Appropriation, mainly due to the reprioritisation of parts of the transfer to the Growth Fund being reprioritised to *Goods and services* to cater for various projects such as the KZN Convention Bureau Bid Fund and Travel Agencies Federation of India (TAFI), as well as the KZN Liquor Authority (KZNLA) funding moved to cater for establishment costs incurred by the department on behalf of the entity. The transfers to the Enterprise Development and Growth Funds remain fixed (with no growth) over the 2013/14 MTEF due to the baseline cuts.
- DOHS showed significant decrease on its HSDG (which is mainly allocated against *Transfers and subsidies to: Households and Provinces and municipalities*) in 2011/12 and 2012/13, as a result of delays in the approval of projects within municipalities in the CRU programme. The decreasing trend over the 2013/14 MTEF against *Transfers and subsidies to: Households* relates to the review of the allocation formula of the HSDG, which is in progress. As a result, only half of the allocations will be allocated in the two outer years, and the full amount of this grant has been allocated to the department in 2013/14.
- DOPW indicated to the national DOPW in 2012/13, that there was an over-provision against the Devolution of Property Rate Funds grant, which is being phased into the equitable share from 2013/14 onward. As a result, the funding is reduced and adjusted downward. This resulted in a

significant decrease in 2013/14 and over the MTEF against *Transfers and subsidies to: Provinces and municipalities*.

- COGTA shows a substantial increase in *Transfers and subsidies to: Provinces and municipalities* in 2012/13 due to programmes such as the Massification, Corridor Development, LED, Disaster Management and Small Town Rehabilitation which were initially budgeted under *Goods and services*. The municipalities with capacity to deliver on particular projects were identified by the department and funds were shifted for transfer to those municipalities, accounting for the significant increase in the 2012/13 Adjusted Appropriation. The decrease over the 2013/14 MTEF is ascribed to the funding for the above-mentioned projects being allocated against *Goods and services* as the shift to this category is only made in year.

Capital payments show a negative annual average real growth of 0.6 per cent between 2012/13 and 2015/16, with the share of total expenditure increasing from 14.7 per cent in 2012/13 to 15.6 per cent in 2015/16, mainly due to the following:

- DOPW shows negative growth against *Buildings and other fixed structures* over the 2013/14 MTEF due to the previously explained baseline cuts effected against infrastructure, specifically the head office project.
- COGTA shows a decreasing trend in 2014/15 and 2015/16 against *Machinery and equipment*, which can be attributed to the department not anticipating any major purchases such as vehicles and computer servers, at this stage. This will be reviewed in future MTEFs, since *Machinery and equipment* is purchased on a cyclical basis.
- DOHS shows a substantial increase against *Machinery and equipment* in the 2012/13 Revised Estimate due to purchasing new motor vehicles for districts as the department has decentralised its offices, accounting for significant decrease in 2013/14. Further reduction over the 2013/14 MTEF can be ascribed to cost-cutting.
- RHH's significant decrease against *Buildings and other fixed structures* can be ascribed to no allocation for renovations, upgrading and refurbishment of palaces beyond 2014/15, in line with project requirements.
- DAEARD shows a substantial decrease against *Machinery and equipment* from the 2012/13 Adjusted Appropriation onward, due to the decision that was taken by the department to take stock of the current mechanisation fleet, to ensure its optimal utilisation, and therefore no additional tractors and implements were acquired. Also, once-off funding for vehicles was included in 2012/13 to provide transport for assistant extension officers, hence the reduction in 2013/14.

The 2009/10 and 2010/11 *Financial assets* show a significant increase due to the implementation of the first charge against some departments' votes, in line with Section 34(2) of the PFMA. The bulk of the first charge payment was effected against DOT in line with the unauthorised expenditure incurred by the department. Other departments affected by the first charge include DAEARD, DOHS and RHH. Also, DOPW wrote-off various losses in 2011/12. This category shows a significant average real growth of 24.4 per cent between 2012/13 and 2015/16, with the significant growth in 2015/16 due to increased first charge to be implemented against RHH.

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 2011/12 to 2015/16. The detail of departmental spending within each district municipal area is provided in the departmental chapters in the *EPRE*.

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	2011/12	2012/13	2013/14	2014/15	2015/16	2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16
eThekweni	19 229 108	20 932 919	23 599 670	25 489 243	27 068 190	26.3	26.2	28.4	29.4	29.3	8.9
Ugu	4 450 180	4 823 146	4 784 572	4 915 934	5 182 241	6.1	6.0	5.8	5.7	5.6	2.4
uMgungundlovu	17 810 976	19 317 277	19 847 858	20 369 217	21 571 953	24.4	24.2	23.9	23.5	23.3	3.7
Uthukela	3 842 465	4 431 645	4 329 540	4 439 114	4 707 656	5.3	5.6	5.2	5.1	5.1	2.0
Umkhanyathi	2 876 850	3 218 468	3 570 957	3 705 736	3 957 753	3.9	4.0	4.3	4.3	4.3	7.1
Amajuba	2 718 208	3 108 502	3 310 103	3 459 835	3 680 583	3.7	3.9	4.0	4.0	4.0	5.8
Zululand	5 464 875	5 765 831	5 311 109	5 443 796	5 804 147	7.5	7.2	6.4	6.3	6.3	0.2
Umkhanyakude	4 195 812	4 439 181	4 426 856	4 684 828	5 004 844	5.7	5.6	5.3	5.4	5.4	4.1
uThungulu	6 167 021	6 867 309	6 857 628	7 017 133	7 608 138	8.4	8.6	8.2	8.1	8.2	3.5
Ilembe	3 368 513	3 789 744	3 723 838	3 718 710	4 004 603	4.6	4.7	4.5	4.3	4.3	1.9
Sisonke	2 955 406	3 109 788	3 379 018	3 520 302	3 852 815	4.0	3.9	4.1	4.1	4.2	7.4
Unallocated	-	-	32 960	33 949	35 511	-	-	0.0	0.0	0.0	-
Total	73 079 412	79 803 810	83 174 109	86 797 796	92 478 435	100.0	100.0	100.0	100.0	100.0	5.0

While most departments exclude administrative costs from this table, the spending per district municipal area by the DOE and the DOSR 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. OTP and PT also include administrative costs. These two departments' spending mainly occurs within the uMgungundlovu District Municipality, where they are based. Although they do provide support services to all provincial departments and municipalities, it is impractical to allocate their budgets at this level.

Despite the inclusion of a regional identifier in the new BAS structure, departments still found it difficult to quantify their operations by district municipality in 2012/13. However, this approach is still considered to be of importance and, therefore, continues to receive attention in the 2013/14 MTEF. The 2013/14 budget process places emphasis on accuracy in breaking down budgets in terms of spending in district municipalities, ensuring alignment with the PGDP and Integrated Development Plans (IDPs), and reviewing departmental budgets and service delivery in spatial terms. Emphasis was placed on departments' contributions to the objectives of the PGDS, PGDP and national priorities, in particular, the National Development Plan (NDP).

There is a significant increase in overall provincial spending from 2012/13 to 2015/16. Spending per district municipal area fluctuates, due to varying projects undertaken by departments at different intervals, and is also distorted by head office costs in uMgungundlovu.

Spending in the eThekweni Metro increased significantly from R19.229 billion in 2011/12 to R27.068 billion in 2015/16. This can be ascribed to the allocation of province-wide projects such as:

- Provincial Public Service Training Academy and LIV Orphanage (OTP).
- KZN Sharks Board (KZNSB), KZN Tourism Authority (TKZN), DTP, including the road linking to it (DEDT and DOT).
- The high number of schools and training institutions in the Metro (DOE).
- 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 and are living in informal settlements (DOH).
- High demand for housing in the Metro, as it has the highest population in the province. Some of the major projects which take place in the Metro include Cornubia, *eTafuleni*, Lamontville Slums Clearance, *Ntuzuma* and Sunhills. Most hostels that are being upgraded are also in the Metro. There is also extensive rehabilitation of former R293 towns in the Metro. The slight percentage decrease in the spending in this area in 2012/13 is due to delays in the implementation of planned projects as a result of challenges experienced within the Metro (DOHS).
- Construction of roads providing access to the DTP and the King Shaka International Airport (KSIA), the construction of the P577 (Duffs Road to KwaDabeka) and the upgrading of access roads and pedestrian bridges, as well as the PTOG (DOT).

- Substantial funds are spent in the area to cater for Child and Youth Care and Victim Empowerment national priorities, as well as the provision for the absorption of social work graduates and support to the NGO sector (DSD).
- The provincialisation of public libraries and museums also impacts on the Metro, as well as transfers to the Playhouse Company and the KZN Philharmonic Orchestra. The allocation to the Metro also provides for a new mega-library building project (DAC).

The increase against uMgungundlovu from R17.811 billion in 2011/12 to R21.572 billion in 2015/16 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. Besides this, the spending is also attributable to the following:

- The increase is partly caused by the increase in the Comprehensive Agricultural Support Programme grant (CASP) and other agricultural projects, which are centralised in this area, as well as the fact that public entities, such as EKZNW are based in the area (DAEARD).
- The spending is also affected by the increase in the allocation to Education over time where the bulk of the department's expenditure is comprised of *Compensation of employees*.
- Spending in this area is further affected by the allocation of funding to the Pietermaritzburg airport and major projects such as the Infrastructure Crack Team, Operation Clean Audit, the E-Procurement tool, etc. (PT).
- The main psychiatric, regional and tertiary services for the Midlands region (DOH).
- Provincialisation of public libraries and museums (DAC).
- Learner transport (DOT).
- The demand for housing where projects, such as the *Vulindlela* housing project, are undertaken in this area (DOHS).

The eThekweni Metro shows the fastest growth in the province, with an average annual growth rate of 8.9 per cent between 2012/13 and 2015/16. The largest contributors to the spending in the Metro are the DEDT, DOE, DOH, DOHS, DOT and DSD. 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 Zululand district, with an average growth of 0.2 per cent between 2012/13 and 2015/16, which is well below inflationary growth. While the growth against this district is low, the amount allocated in this area remains at a healthy level, in excess of R5 billion per year.

The *Unallocated* amounts over the 2013/14 MTEF relate to the Legislature. These amounts are reflected as unallocated, at this stage, because the Legislature's 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 stakeholders, as well as available budget.

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 KZN over the seven-year period. The level of provincial spending and budget reflects healthy growth from 2009/10 to 2015/16, despite the baseline cuts over the 2013/14 MTEF.

As shown in Table 5.10, the highest expenditure is on *Education*, and is anticipated to grow from R38.051 billion in 2013/14 to R43.277 billion in 2015/16. The growth is an indication of the province's commitment to the development of human capability and is ascribed to the increase in various national priorities, such as the increase in the number of teachers in Quintile 1 schools, as well as increasing the number of Grade R teachers in order to reach the target for the universalisation of Grade R by 2014.

Table 5.10: Summary of payments and estimates by functional area

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
General Public Services	3 467 704	3 688 260	3 835 919	4 408 815	4 698 378	4 697 137	4 485 659	4 678 199	4 823 822
Public Order and Safety	125 272	129 186	145 239	161 334	161 334	153 068	172 347	180 482	187 627
Economic Affairs	8 638 168	8 564 093	9 629 745	10 621 832	11 112 811	11 177 552	11 599 412	12 469 234	13 325 870
Environmental Protection	586 370	634 476	712 613	750 127	829 890	829 890	847 607	870 205	906 986
Housing and Community Amenities	2 492 647	3 089 237	3 042 495	3 300 935	3 377 820	3 377 820	3 550 676	2 012 405	2 015 177
Health	19 639 075	19 961 316	23 973 968	25 604 906	26 362 927	26 694 230	27 695 124	29 464 171	31 225 537
Recreation, Culture and Religion	535 250	652 550	708 760	899 868	916 078	916 078	1 080 750	1 147 804	1 227 178
Education	26 975 361	29 540 087	34 675 998	35 790 277	36 500 043	36 573 573	38 050 684	40 206 041	43 277 107
Social Protection	1 349 437	1 403 519	1 919 117	2 033 366	2 047 721	2 047 721	2 309 945	2 430 437	2 589 427
Total	63 809 284	67 662 724	78 643 854	83 571 460	86 007 002	86 467 069	89 792 204	93 458 978	99 578 731

The second largest expenditure is on *Health*, and is expected to increase from R27.695 billion in 2013/14 to R31.226 billion in 2015/16. This reflects the province's commitment to provide effective and efficient health care services to the people of the province. The growth can be attributed to the carry-through costs of various wage agreements, as well as the inclusion of a few new national priorities, such as the OSD for doctors and therapists, maternal and child health, ARV 350 threshold, and improved diagnostic tests for TB (GeneXpert), among others.

Economic Affairs comprises of DOT, DAEARD, DEDT and a portion of PT. The category shows significant growth from 2011/12 onward and continuing over the 2013/14 MTEF, which can be attributed to the maintenance of the provincial road network, as well as learner transport services (DOT), and the fencing and irrigation scheme programmes and the development of the Makhathini area (DAEARD). Other projects contributing to the increase in this area are DTP infrastructure and development, the implementation of the Consumer Protection Act, as well as the research on non-lethal shark deterrent (DEDT), etc.

The category *General Public Services* includes the Legislature and administrative departments such as PT, OTP, COGTA, DOPW, and portion of DOT and DAEARD. This category shows steady growth over the period under review, mainly due to the implementation of GIAMA (DOPW), the Provincial Nerve Centre (OTP) and major projects such as the construction of the Moses Mabhida Soccer Stadium (PT) and roads linking to DTP and KSIA (DEDT and DOT). The 2009/10 amount includes payment of interest by the province as a result of the collective over-expenditure of provincial departments in prior years which caused the provincial bank account to be in overdraft up to April 2010 (PT). The increase over the MTEF is due to additional funding allocated for various projects, such as the provision of piped water and proper roads at the Luwamba Clinic in the Ntambanana Municipality (OTP), DTP infrastructure and development (DEDT), funding provided for Strategic Cabinet Initiatives (PT), learner transport services (DOT), as well as improving DOPW's capacity for infrastructure support.

The growth against *Housing and Community Amenities* (DOHS) can mainly be attributed to the increase in the HSDG, which is used to promote the provision of low income housing using different programmes, such as project linked subsidies, people's housing programmes, integrated residential development programmes, rural housing subsidies, informal settlement upgrades, social housing, etc. The allocation decreases significantly in the two outer years of the 2013/14 MTEF as result of the review of the current allocation formula of the HSDG. The full amount of this grant will be allocated to the department in 2013/14, and only half the allocations will be allocated to provinces in 2014/15 and 2015/16. The remainder of the allocations for the two outer years remain unallocated in the interim.

The growth against *Social Protection* (DSD) can mainly be attributed to funding for the child and youth care and victim empowerment national priorities the absorption of social work graduates, support to the NGO sector, as well as the maintenance of existing infrastructure assets (with this latter funding ending in 2013/14, in line with project requirements).

The growth against *Environmental Protection* can be ascribed to funding allocated to EKZNW under DAEARD for road maintenance and protected area expansion, as well as the entity's Rhino Security Intervention plan.

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

The category *Public Order and Safety* (DCSL) reflects steady growth over the period. This can be ascribed to the establishment of community safety structures, as well as the implementation of the new structure to roll-out the Civilian Secretariat for Police Service Act.

5.6 Infrastructure

5.6.1 Infrastructure management

The construction and maintenance of infrastructure is one of the key ingredients in increasing the economic productivity and creating much needed employment, which is at the heart of government's social and economic development programmes. Over the past few years, there has been a positive shift from government in recognising that there is a dire need for major public infrastructure investment to stimulate and sustain growth and development. The infrastructure budgets for the 2013/14 MTEF will contribute toward the national vision of poverty eradication, reducing income inequality and creating employment through infrastructure development.

During 2012/13, the President committed to expand infrastructure investment, stressing that this should be a collaborative effort between government and the private sector. It is therefore vital that the delivery of public infrastructure projects is on time, on budget and within time-frames, while ensuring the generation of skills. In light of the above, it must be acknowledged that substantial progress has been made in recent years in contributing toward addressing poverty through investment in the provision of essential public infrastructure such as schools, roads, housing, health facilities, decent sanitation, water and electricity – although there is still room for improvement.

All departments are encouraged to properly plan and maintain infrastructure to avoid poor performance and under-spending of the allocated budgets. Planning needs to be aligned to the PGDP and PGDS, which are linked to the NDP 2030. Both the NDP and the PGDS emphasise the need for improved co-ordination, alignment and integration of infrastructure planning. The KZN Infrastructure Co-ordination Workgroup has therefore been established to facilitate a co-ordinated and integrated approach to planning strategic infrastructure, at a provincial level, in order to ensure comprehensive infrastructure delivery. This workgroup consists of the provincial DOPW, DOH, DOE, DOHS, COGTA, DOT, DEDT and PT, the PPC, the national Department of Water Affairs (DWAF) and the Department of Minerals and Energy, various state owned enterprises (such as Eskom, Transnet, SANRAL, Umgeni Water Board and the Development Bank of South Africa (DBSA)), as well as various municipalities (eThekweni, uMhlatuze, Msunduzi, Hibiscus Coast, Emnambithi, Newcastle and KwaDukuza).

Infrastructure Delivery Improvement Programme (IDIP)

The main objective of the province, in terms of infrastructure, is to promote the effective and efficient delivery of infrastructure to directly support the rendering of services to the communities. This includes clean, efficient and effective construction procurement processes with clear delineation of accountability and responsibilities of the various role-players and the assurance of transparency. Hence, NT introduced the IDIP.

IDIP is a partnership between NT, the Construction Industry Development Board (CIDB), the DBSA, the National DOPW, the National DOE, and the National DOH. A Programme Management Unit (PMU) was established in NT and a programme manager was appointed to manage IDIP. The programme is implemented in all nine provincial DOHs, DOEs and DOPWs, and is being co-ordinated by PTs. 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 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. Phase III of the programme commenced in December 2010, with scheduled completion at the end of March 2013. The programme will be extended by another year to Phase III B to end in March 2014 due to the slower than anticipated approval process of the KZN-Infrastructure Delivery Management System (IDMS) framework. Phase III B will primarily focus on implementation of the approved KZN-IDMS framework.

The recently approved IDMS for the provincial DOEs, DOHs, DOPWs and PTs articulates uniform processes that should be followed by provincial departments in the planning, budgeting, procurement, implementation, reporting, monitoring and evaluation of infrastructure projects in the province. The IDMS is structured according to four main core business roles namely:

- Portfolio management.
- Programme management.
- Project management.
- Operations and maintenance.

The KZN-IDMS clarifies specific governance and infrastructure principles that are applicable to the four core business roles. Emphasis is placed on the clarification of roles, responsibilities and strategic decision-making grey areas in respect of mandates, functions and responsibilities of different role players in the infrastructure delivery chain. Strategic decision-making points are included in the KZN-IDMS document to facilitate seamless service delivery across and within departments. A strategic decision-making point implies that a decision with required formal authorisation must be taken, before proceeding from one stage to another.

Implementation of the KZN-IDMS was included in the Programme Memorandum for Phase III of the IDIP and the KZN IDIP provincial logical framework. This is expected to be carried forward to Phase III B, to ensure seamless transition in implementation of the approved KZN-IDMS framework and fulfillment of key areas of responsibilities that are highlighted in the memorandum, wherein the province agrees that:

- PT is assigned with the responsibility of stimulating economic growth and employment creation through the funding of strategic investment initiatives and to support fixed capital formation in KZN.
- PT will support the implementation of the KZN-IDMS project.
- In addition, PT has proposed the establishment of a KZN-IDMS Steering Committee with membership from the IDIP partners and the OTP to provide a strategic oversight role in respect of implementation of the provincial IDMS project. The Steering Committee is now established and will continue to do its work over the 2013/14 MTEF.

During the implementation phase of the Cabinet-approved KZN-IDMS framework, PT will:

- Take responsibility and accountability to review infrastructure plans/budgets in support of broader provincial developmental goals, strategies and plans and make final recommendations for budget allocations.
- Take responsibility and accountability to enforce quality in the spending of funds through, *inter alia* facilitating the implementation of the IDMS, supporting departments in achieving infrastructure goals/objectives, regulating procurement systems related to construction procurement and monitoring/reporting on the effectiveness of infrastructure delivery.
- PT, in collaboration with DOPW, and the sector departments, will co-ordinate the development of the Standard Construction Procurement System. The system will ensure fair, equitable, transparent, competitive and cost effective procurement of engineering and construction work, as well as disposals relating to the construction industry. The system serves as a standard system for the

province and ensures that it is customised as per the needs of the sector departments in order to set out a clear audit trail.

- Ensure that the provincial HR capacitation plan is implemented, to ensure that there is sufficient capacity and correct skills for the implementation of IDMS by all participating departments.
- During the 2013/14 MTEF, PT will focus primarily on facilitation of implementation and institutionalisation of the IDMS in the province. It is envisaged that the four provincial IDIP participating departments will have been aligned to the IDMS high level implementation plan.

Fixed Asset Management

KZN has an array of immovable or fixed assets in its ownership and DOPW is the custodian of all Provincial Immovable Assets (PIAs). It manages a complex property portfolio comprising, *inter alia*, the Legislature buildings, ministerial and official residences, office complexes, hospitals, clinics, schools, workshops, traffic stations and vacant land. These assets constitute a substantial financial asset, whose value must be maintained.

Preserving these assets is a challenging task that cannot be performed by DOPW alone. It needs a combined effort from DOPW and its client departments. In order to assist departments with effective asset management, the Government Immovable Asset Management Act (Act No. 19 of 2007), commonly referred to as GIAMA, was promulgated on 27 November 2007.

GIAMA calls for more efficient and effective use of immovable assets by government and places an obligation on accounting officers to prepare immovable or fixed asset management plans to ensure prudent management of such assets. GIAMA provides for mechanisms to manage immovable assets in line with the requirements of the PFMA, taking cognisance of the unique character of immovable assets, particularly the long lifecycle of such assets. User departments therefore have to compile User Asset Management Plans (U-AMPS), and the custodian is to prepare a Custodian Asset Management Plan (C-AMP), in order to streamline the asset management process which includes maintenance.

Implementing agents

Section 12 of DORA, 2012 provides that provincial departments may enter into, implement and manage service delivery agreements with national or provincial departments, national or public entities to manage or undertake construction or maintenance on their behalf. Implementing Agents (IAs) are being utilised by departments in order to assist them to alleviate capacity constraints and service delivery backlogs.

DORA further provides that all contracts for infrastructure projects that are fully or partially funded should be compliant with the Register of Projects and the CIDB i-Tender system (used to check profiles, such as rating, grading and performance of contractors) in order to ensure that the IAs comply with best practice standards and guidelines of the CIDB.

Various infrastructure projects are carried out by IAs on behalf of departments, with DOPW being one of the IAs. In line with the implementation of the KZN-IDMS, which states that DOPW has to take full responsibility for infrastructure development and delivery in the province, the MEC for Public Works stated in his 2012/13 Budget Speech that DOPW is moving toward positioning itself as the IA of choice to all sector departments. The sector department must, together with DOPW, ensure that procurement and delivery of infrastructure programmes/projects are on time, within budget and in line with quality assurance standards.

The table below shows a breakdown of the work allocated to IAs for two of the large infrastructure departments in KZN, namely DOE and DOH. Apart from using DOPW as an IA, DOH has one other IA, and DOE has seven other IAs.

Work allocations

Department	Implementing agent (IA)	% allocation of work
Health	Public Works	99
	Other IA	1
Education	Public Works	32
	Other IA	68

Infrastructure Crack Team

During 2011/12, an initiative to improve the return on infrastructure investment and to realise value for the money spent in KZN was launched, with the formation of the Infrastructure Crack Team. PT appointed a panel of 18 consultants from the built environment 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.

PT plays a monitoring and evaluation role for certain infrastructure related projects 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.

To date, the team has been deployed to assist in various departments, namely DOPW, DAEARD, COGTA, DOE, as well as a number of municipalities. The latest intervention is within DOHS, where three teams have been deployed, to eThekweni and Msunduzi, in order to assist the department unlock problems that hinder the successful implementation of their allocated capital budget.

A significant success story is that of Nongoma Municipality – where the Infrastructure Crack Team now operates internally, assisting with administration, financial management, project management and technical support in the form of civil and electrical engineering.

The table below shows the past and present deployment of the Infrastructure Crack Team. Further deployments are in progress.

Infrastructure Crack Team provincial deployment

Deployment	Allocation (R)
Agriculture Flanders food programme intervention	823 784
Appointment of project managers and built environment professionals - DOPW support	3 550 912
Deployment: Support to DOE and COGTA	977 152
Improvement of municipal service delivery and improved planning at various municipalities - uPhongolo, eDumbe, uMngeni, Umtshezi, Okhahlamba, Uthukela, Msunduzi, Mtubatuba, Hlabisa	8 271 430
Improvement of municipal service delivery and improved planning: Nongoma Municipality	3 661 600
Support to DOHS	5 616 000
Continued support to COGTA: Municipal support at Impendle, Hibiscus Coast, Umzumbe, Ingwe, uThungulu (KwaMbonambi) and KwaDukuza Municipalities	2 160 000
DOH and DOE - assistance to PPP unit	432 000
DAEARD - Dawn Valley and Panderosa Project	512 000
TOTAL	26 004 878

5.6.2 Trends in infrastructure payments and estimates

Table 5.11 below shows the summary of infrastructure payments and estimates from 2009/10 to 2015/16.

Table 5.11: Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
New and replacement assets	1 579 153	1 222 640	1 920 587	1 645 022	1 725 460	1 948 021	1 872 130	2 103 852	2 343 454
Existing infrastructure assets	4 925 072	6 220 224	7 276 663	8 546 753	9 183 917	8 941 356	8 797 443	9 315 216	10 424 037
Upgrades and additions	2 592 036	2 461 898	2 816 317	3 053 458	3 762 890	3 590 190	2 978 422	3 236 628	3 663 882
Rehabilitation, renovations and refurbishments	541 732	1 339 520	1 464 262	1 514 916	1 615 922	1 546 061	1 700 769	1 624 434	1 729 691
Maintenance and repairs	1 791 304	2 418 806	2 996 084	3 978 379	3 805 105	3 805 105	4 118 252	4 454 154	5 030 464
Infrastructure transfers	2 049 747	853 980	645 685	810 128	673 977	698 169	828 802	929 219	845 602
Current	149 963	60 000	71 559	62 400	64 950	89 142	56 950	73 067	77 417
Capital	1 899 784	793 980	574 126	747 728	609 027	609 027	771 852	856 152	768 185
Capital infrastructure	6 612 705	5 818 038	6 775 292	6 961 124	7 713 299	7 693 299	7 323 173	7 821 066	8 505 212
Current infrastructure	1 941 267	2 478 806	3 067 643	4 040 779	3 870 055	3 894 247	4 175 202	4 527 221	5 107 881
Total	8 553 972	8 296 844	9 842 935	11 001 903	11 583 354	11 587 546	11 498 375	12 348 287	13 613 093

The payments and estimates are categorised as *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*.

Infrastructure transfers refers to the transfer of funding to municipalities and other entities for infrastructure projects, and is largely made up of the transfer to DTP and the Richards Bay Industrial Development Zone (RBIDZ) under DEDT, as well as the HSDG under DOHS. The provincial contribution to the construction of the Moses Mabhida Stadium in preparation for the 2010 Soccer World Cup was also catered for under this category, under PT and COGTA.

Table 5.11 indicates that there has been an increase in the infrastructure allocations for the period under review, with the budget growing from R11.583 billion in the 2012/13 Adjusted Appropriation to R13.613 billion in 2015/16. 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 reflected against *Existing infrastructure assets*, through *Upgrades and additions, Rehabilitation, renovations and refurbishments* and *Maintenance and repairs*. The proportion of funding allocated to *Maintenance and repairs* has substantially increased from R1.791 billion in 2009/10 to R5.030 billion in 2015/16 indicating a shift in focus to maintaining fixed assets before deterioration requires a more expensive intervention.

Table 5.12 below shows the split of infrastructure payments and estimates by vote.

Table 5.12: Summary of infrastructure payments and estimates by vote

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
1. Office of the Premier	6 698	2 403	1 905	11 000	16 701	16 701	13 300	16 400	17 154
2. Provincial Legislature	3 735	2 652	1 514	6 917	14 017	14 017	4 419	4 685	4 900
3. Agriculture, Environ. Affairs and Rural Dev.	99 559	64 365	118 607	138 624	168 624	168 624	167 697	156 386	163 654
4. Economic Development and Tourism	1 680 352	652 668	470 529	455 613	415 613	415 613	599 655	655 747	682 459
5. Education	1 392 251	1 920 280	2 198 134	2 404 154	2 428 694	2 428 694	2 591 418	2 836 718	3 627 201
6. Provincial Treasury	150 000	5 435	31 264	39 315	45 328	45 328	20 677	8 000	-
7. Health	1 374 801	1 082 210	1 795 794	1 885 949	2 336 125	2 336 125	1 576 129	1 431 544	1 365 044
8. Human Settlements	154 046	249 477	119 915	464 181	226 279	230 471	244 864	292 531	222 561
9. Community Safety and Liaison	-	-	-	-	-	-	-	-	-
10. The Royal Household	1 339	997	4 027	14 349	19 732	19 732	13 366	1 563	1 642
11. Co-operative Governance and Traditional Affairs	158 256	12 377	22 625	26 948	20 080	20 080	20 250	20 750	21 337
12. Transport	3 310 471	4 063 294	4 763 652	5 172 918	5 475 918	5 475 918	5 817 828	6 492 518	7 070 688
13. Social Development	85 035	79 647	179 977	190 378	220 378	220 378	211 782	193 391	202 286
14. Public Works	80 616	73 978	51 593	90 744	104 929	104 929	92 639	87 034	87 373
15. Arts and Culture	29 624	68 908	52 490	50 025	49 348	49 348	70 319	97 405	99 072
16. Sport and Recreation	27 189	18 153	30 909	50 788	41 588	41 588	54 032	53 615	47 722
Total	8 553 972	8 296 844	9 842 935	11 001 903	11 583 354	11 587 546	11 498 375	12 348 287	13 613 093

The growth in the infrastructure allocations mentioned above is reflected against most departments, and especially the major infrastructure departments such as Transport, Education, Health and Economic Development and Tourism Settlements, and is explained below.

It is worth noting that Health largely effected their baseline cuts against their infrastructure budgets on new projects such as clinics, community health centres (CHC) and additions to existing hospitals, to ensure no reduction in current services provided. A review of this will be undertaken in-year in an attempt to mitigate the effect on infrastructure projects.

Transport's infrastructure expenditure and budget increase substantially from R3.310 billion in 2009/10 to R7.071 billion in 2015/16. 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 Soccer World Cup (such as DTP and KSIA), and the maintenance of the provincial road network with regard to the maintenance backlog. The department 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), African Renaissance Roads Upgrading Programme (ARRUP) projects and access roads (to clinics and schools) and pedestrian bridges. The department also undertakes repairs to roads damaged by floods as and when such disasters occur. Finally,

the amounts shown cater for routine, preventative, mechanical and other maintenance. The department was allocated substantial once-off additional funding in the 2012/13 Adjusted Appropriation for the upgrade of 44.5 kilometres of gravel to blacktop roads and the construction of one pedestrian bridge. The increase over the MTEF is mainly in respect of the maintenance of the road network, the construction of main roads, public transport facilities, pedestrian bridges, as well as access roads to clinics and schools.

The Education infrastructure budget shows significant growth over the period. The increase in the 2012/13 Adjusted Appropriation relates to renovations and refurbishment of Examination House (at Malgate building) in Durban. The strong growth over the 2013/14 MTEF corresponds to the increase in the Education Infrastructure grant to 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. This grant supplements existing infrastructure budgets and functions to improve the delivery of school infrastructure.

Health's infrastructure shows a fluctuating trend with the department providing for the building of additional community health centres and 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 was caused by the under-spending of the Health Infrastructure and Hospital Revitalisation components of the Health Facility Revitalisation grant. Note that from 2013/14, all conditional grants in the health sector which focus on infrastructure delivery have been consolidated into one grant with separate grant components. The newly amalgamated grant is called the Health Facility Revitalisation grant and funds the construction and maintenance of health infrastructure. This grant has been created through the merger of the Health Infrastructure grant, Hospital Revitalisation grant and the Nursing Colleges and Schools grant, which are now three components within the merged grant. 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 also contributed to the under-spending in 2010/11. The increase in the 2012/13 Adjusted Appropriation can be attributed to additional funding allocated in respect of the Health Infrastructure and the Hospital Revitalisation components of the Health Facility Revitalisation grant, as well as equitable share funds allocated to address pressures due to an acceleration in various infrastructure projects. The decrease over the 2013/14 MTEF can be attributed to the department effecting their baseline cuts largely against their infrastructure budgets, as explained above.

Spending against DEDT was high in 2009/10, mainly due to the funding requirements of DTP. The decrease from 2010/11 onward was due to decreasing funding requirements of DTP due to the completion of the airport portion of the project. There is steady growth over the 2013/14 MTEF, as both DTP and RBIDZ are now implementing capital projects in line with their 60-year and 50-year Master Plans, respectively. DTP is a multi-nodal development, which is being phased in over 60 years and includes five development zones to enable and drive the development of the air logistics business. These zones include the cargo terminal, TradeZone, KSIA, Dube City and the AgriZone. The RBIDZ outlines major projects and timing of implementation over 50 years, and includes negotiations with Transnet regarding a container terminal, as well as several potential tenants to establish manufacturing plants in the RBIDZ.

With regard to DOHS, the bulk of the allocation is against *Infrastructure transfers* and relates to transfers to the eThekweni Metro for maintenance to pre-1994 housing stock, e.g. Lamontville. The transfers are also in respect of the CRU programme. During 2011/12, no transfers were made due to delays in the approval process of projects within municipalities. The decrease in the 2012/13 Main to Adjusted Appropriation was due to savings identified as a result of delays in the implementation of the CRU programme, as well as the correction of the Rocky Housing project's budget.

5.6.3 Public Private Partnerships (PPP)

The following gives an update on the PPPs in KZN.

KZN Provincial Government – New Office Park

The provincial government initiated a government precinct project in 2009/10, which was aimed at reducing the shortage of office space in Pietermaritzburg for departments' head offices. The project was

suspended in 2010 due to the financial difficulties faced by KZN at the time, which made it unaffordable. In June 2013, the province took a decision to resuscitate the project and mandated both the DOPW and PT to update the feasibility study. The update of the feasibility study is expected to be completed by the end of March 2013. The implementation of this project may be hampered, though, by the significant baseline cuts experienced by KZN as a result of the 2011 Census data updates of the equitable share formula, as well as the 1, 2 and 3 per cent equitable share reduction.

King Edward VIII Hospital

The revitalisation of King Edward VIII hospital was identified through a review and business plan undertaken and drafted in 2006, and approved by the National DOH in April 2009. The objective of the project is to establish a framework for PPP in financing, designing, constructing and operating suitable hospital facilities for the delivery of health services. In 2012/13, the appointed Transaction Advisors (TAs) commenced with conducting a feasibility study, and a needs analysis report has been submitted to the project steering committee.

Education's Schools and Office project

DOE is exploring different methods to speed up its infrastructure delivery, while taking into account the current funding levels. In 2012/13, the department appointed TAs to assist in undertaking the feasibility study, which is scheduled to be completed during 2013/14.

Hibiscus Coast Municipality – John Mason Park project

The Hibiscus Coast Municipality, through the Hibiscus Coast Development Agency, appointed a TA to undertake a feasibility study to determine the possibility of developing a prime section of beachfront land, situated in the town of Umhlanga. The feasibility study was finalised, Treasury Views and Recommendations 1 were received, and negotiations commenced with the preferred bidder.

KwaDukuza Municipality – Solid Waste Management PPP project

The KwaDukuza Municipality identified the need to procure the most cost effective service delivery mechanism in respect of refuse removal. A team of TAs was appointed to assist the municipality in undertaking Section 78 investigations. This was completed in 2011/12 and it is anticipated that the project will proceed to procurement stage in 2013/14.

Greater Kokstad Municipality – Office Accommodation and Commercial Development PPP

The Greater Kokstad Municipality intended to provide office accommodation and commercial development for the town of Kokstad. A Request for Proposals was issued and the response from the market was inadequate as only one bidder responded and the bid was non-compliant. The municipality is expected to take a decision whether to continue with the project or to terminate it.

Newcastle Municipality – Alternative technology and waste reduction

The Newcastle Municipality wanted to undertake an Alternative Technology for Waste Reduction project on its existing landfill site and appointed consultants to do an assessment thereof. The assessment, however, failed to demonstrate whether or not the waste streams would be sufficient to make the project viable. In 2012/13, the municipality is yet to take a decision whether to use external or internal capacity to undertake a feasibility study in this regard.

Ilembe District Municipality – Water and Sanitation

In January 1999, the Borough of Dolphin Coast (now Ilembe District Municipality) and Siza Water Company entered into a concession agreement 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, with a concession period of 30 years and a contract reviewable on a five-yearly basis. The municipality is expected to initiate a third five-year review of the contract in 2012/13.

Inkosi Albert Luthuli Central Hospital (IALCH)

The IALCH, located in Durban, was built on behalf of the DOH through a PPP transaction. A 15-year concession contract, ending in December 2016 was signed in December 2001 between DOH and the Impilo consortium. In 2012/13, the process of developing an exit strategy was initiated.

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 2009/10 to 2012/13, largely attributable to various once-off allocations to public entities, as well as reprioritisation by the transferring departments in line with strategic priorities and spending trends. 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 Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Vote 1: Office of the Premier	46 989	36 688	41 394	62 235	62 235	62 235	65 026	68 230	70 641
KwaZulu-Natal Gaming and Betting Board	14 148	16 356	17 337	35 775	35 775	35 775	37 431	39 276	40 664
Amafa aKwaZulu-Natali	32 841	20 332	24 057	26 460	26 460	26 460	27 595	28 954	29 977
Vote 3: Agric., Enviro. Affairs and Rural Dev.	407 744	561 924	638 759	616 942	684 052	684 052	715 641	729 717	759 778
Ezemvelo KZN Wildlife	397 598	431 382	491 317	511 942	549 893	549 893	606 034	614 722	639 750
Mijindi Farming (Pty) Ltd	10 146	26 470	46 681	45 000	68 399	68 399	46 607	48 530	50 506
Agri-business Development Agency	-	104 072	100 761	60 000	65 760	65 760	63 000	66 465	69 522
Vote 4: Economic Development and Tourism	1 960 359	1 141 434	1 007 191	814 844	999 870	999 870	1 166 353	1 233 150	1 270 503
Ithala	100 000	280 000	280 000	100 000	249 500	249 500	280 000	280 000	280 000
of which									
SMMes Fund	100 000	180 000	-	-	-	-	-	-	-
Enterprise Development Fund	-	-	-	-	189 500	189 500	185 000	185 000	185 000
Ithala Share Capital	-	40 000	-	-	-	-	-	-	-
Growth Fund	-	60 000	100 000	100 000	60 000	60 000	95 000	95 000	95 000
Ezemvelo KZN Wildlife	-	-	970	-	4 500	4 500	-	-	-
KwaZulu-Natal Sharks Board	25 337	25 551	41 334	30 938	50 371	50 371	49 485	50 109	50 678
KwaZulu-Natal Tourism Authority	78 602	71 444	89 381	87 776	104 586	100 986	90 912	94 209	98 047
Agri-business Development Agency	-	24 051	26 000	36 591	74 974	74 974	38 150	39 945	41 571
Dube TradePort	1 598 254	526 905	448 334	432 308	392 308	392 308	575 402	630 375	656 053
Trade and Investment KwaZulu-Natal	54 416	56 508	61 536	64 613	61 013	64 613	67 240	70 342	73 207
Richards Bay Industrial Development Zone	103 750	156 975	59 636	62 618	62 618	62 618	65 164	68 170	70 947
Vote 10: Royal Household	-	5 857	11 300	12 000	10 800	10 800	20 393	22 393	23 415
Royal Trust	-	5 857	11 300	12 000	10 800	10 800	20 393	22 393	23 415
Vote 11: COGTA	2 800	-	1 700	-	1 000	1 000	-	-	-
Provincial Planning and Development Commission	2 800	-	-	-	-	-	-	-	-
Agri-business Development Agency	-	-	1 700	-	-	-	-	-	-
KwaZulu-Natal Tourism Authority	-	-	-	-	1 000	1 000	-	-	-
Vote 15: Arts and Culture	5 751	6 096	6 401	6 721	6 721	6 721	4 755	5 143	5 485
The Playhouse Company	5 751	6 096	6 401	6 721	6 721	6 721	4 755	5 143	5 485
Total	2 423 643	1 751 999	1 706 745	1 512 742	1 764 678	1 764 678	1 972 168	2 058 633	2 129 822

From 2012/13 onward, transfers to public entities 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, 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. KZNGBB's 2013/14 MTEF allocations were affected by the baseline cuts, which the entity has indicated will be achieved through cost-cutting, as well as containing travel and subsistence expenditure under its Compliance unit.
- Amafa aKwaZulu-Natali (Amafa) is responsible for administering heritage conservation and supporting cultural tourism in the province. The high amount in 2009/10 includes funding 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. The 2013/14 MTEF allocations were affected by the baseline cuts, which the entity has indicated will be achieved through cost-cutting and a phased-in approach with regard to project implementation.

Vote 3: Agriculture, Environmental Affairs and Rural Development

- EKZNW directs the management of biodiversity conservation within KZN, including protected areas. This includes the development and promotion of ecotourism facilities. The transfers to this entity show an increasing trend over the seven-year period. 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 2011/12 caters for the higher than anticipated 2011 wage agreement. The increase in 2012/13 relates to additional funding for protected area expansion and for road maintenance in the protected areas, for which carry-through costs were provided over the 2013/14 MTEF. In addition, during the 2012/13 Adjustments Estimate, the entity received additional funding of R9.814 million to fund the higher than budgeted 2012 wage agreement (with no carry-through provided over the outer years of the MTEF) and R28.137 million toward its Rhino Security Intervention plan. The additional funding in respect of the Rhino Security Intervention plan was carried through to 2013/14 (although at a reduced amount), accounting for the lower growth from 2013/14 to 2014/15. The 2013/14 MTEF allocations were affected by the baseline cuts, which the entity has indicated will be funded through cost-cutting, as well as a review of its contracts to ensure greater efficiency savings.
- 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 (FPC) 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, Mjindi was finally reconstituted in 2010/11 with a new Board of Directors and board members and a new mandate. Accordingly, the increase from 2011/12 onward provided for increased operational costs to assist the entity to become fully functional, as well as some funding for specific projects. The increase from the 2012/13 Main to Adjusted Appropriation relates to additional funds to assist Mjindi with repairs to the irrigation scheme. These funds were once-off, accounting for the dip from the 2012/13 Adjusted Appropriation and Revised Estimate to 2013/14. Over the 2013/14 MTEF, the entity's baseline shows slow growth, due to the baseline cuts. Mjindi has indicated that these cuts will be achieved through cost-cutting, as well as by delaying the filling of some non-critical vacant posts.
- With effect from 2010/11, the DAEARD commenced transferring funds to ADA. This public entity was established under the control of the DEDT, in line with a Cabinet decision to support emerging farmers and rural communities, particularly those that have acquired land through the restitution programme, to ensure that they have the required farming skills and experience to maintain their farms. ADA, together with DEDT, is currently engaged in drafting the ADA Bill, to be promulgated by the Legislature, which will ensure that governance of the agency is regulated. The reassignment of ADA to DAEARD is dependent on the promulgation of this Bill. Until this is finalised, the funding transferred to the entity by DAEARD is solely for implementing projects, and the entity's operational budget continues to be funded by DEDT. The decrease in transfer to ADA from 2012/13 onward takes into account progress on projects that are implemented by ADA on behalf of DAEARD. The slight increase in the 2012/13 Adjusted Appropriation relates to additional funding for the implementation of five beef projects.

Vote 4: Economic Development and Tourism

- 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. DEDT transfers funds on a project-specific funding basis to Ithala, who then oversees the financing and control of the projects. The 2009/10 figure consisted of transfers to the SMMEs Fund, which continues in 2010/11. In addition, Ithala received a once-off amount of R40 million in respect of Ithala share capital, to assist it with its capital adequacy ratios, which had fallen below that required by the Reserve Bank, which could have resulted in the loss of their banking licence. The allocation to the Growth Fund grows from R60 million to

R100 million from 2010/11 to 2011/12. In the 2012/13 Adjusted Appropriation, the allocation to the Growth Fund was reduced to R60 million, due to the actual pipeline of qualifying projects being less than expected. The Enterprise Development Fund was introduced in 2012/13, combining the former Co-operatives and SMMEs Funds. The allocations to the Enterprise Development and Growth Funds over the 2013/14 MTEF are at slightly lower levels compared to 2012/13, due to the baseline cuts.

- In 2011/12, funding was provided for DEDT to partner with EKZNW (which falls under the auspices of DAEARD) with regard to a corporate social investment project, where EKZNW was used as the implementing agent to build dams for communities in drought-stricken areas in KZN. In 2012/13, DEDT allocated funds to EKZNW for the development and funding of the management of community-based projects. The funding, managed by EKZNW, was allocated toward Bhambatha/Ngome Lodge, Ingodini Border Caves and for the Ntsikeni and May Lodge in the Ntsikeni Reserve.
- 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 to prevent shark attacks at 38 protected beaches along the KZN coastline. The allocation to the KZNSB rises steadily over the seven-year period. The allocation to KZNSB increased in 2011/12, to cater for once-off costs in respect of critical roof repairs at the entity's headquarters in Umhlanga and the purchase and installation of a biometric access control system, explaining the slight decrease in the 2012/13 Main Appropriation. In addition, the entity received funding in 2011/12 to investigate more environmentally friendly shark safety gear and to fill critical vacancies in its SCM unit. During the 2012/13 Adjustments Estimate, R14.433 million was provided to the KZNSB largely for once-off capital requirements, which included the replacement of boats, outboard motors and vehicles, as well as Caseware licence fees and legal fees. In addition, the entity received a once-off amount of R5 million, through reprioritisation by DEDT, toward activities of the Maritime Centre of Excellence, including learning materials, accreditation of courses, conversion of workshops to classrooms, etc. This explains the apparent reduction in the allocation in 2013/14. The entity was not affected by the equitable share reduction over the 2013/14 MTEF.
- TKZN is responsible directly and indirectly for the development, promotion and marketing of tourism into and within KZN. The vision of TKZN is to position KZN as Africa's leading tourism destination, nationally and internationally. The allocation to TKZN in 2009/10 includes additional funding for the costs of the 2010 Tourism *Indaba*. The transfer to TKZN was increased by R7.120 million in 2011/12 to provide for, among others, the promotion of the East 3 Route, which is a promotion of northern KZN, Mozambique and Swaziland. In addition, funding of R3.150 million was allocated for the UCI/BMX events held in KZN. During the 2012/13 Adjustments Estimate, the entity received additional funding, through internal reprioritisation by the department, to host the Tourism *Indaba*, East 3 Route and KZN Summer Campaign, which is a marketing strategy to increase tourism in KZN. It also received an additional allocation for its SAP and VIP payroll system. The Revised Estimate for 2012/13 decreases by R3.600 million to address an error which occurred during the 2012/13 Adjustments Estimate, where this amount was deducted from Trade and Investment KZN (TIK) for the Mountain Bike tournament event instead of TKZN. This virement was as a result of the department incurring the costs on behalf of TKZN. The correction will be formalised in the final audit close-out process. Over the 2013/14 MTEF, the entity's baseline shows negative real growth rate, due to baseline cuts. This will be achieved through savings on international travel and hosting of delegates for events.
- In 2010/11, ADA received funding from DEDT for establishment and operational costs. In 2011/12, 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 2012/13 Main Appropriation shows a substantial increase from 2011/12, to cover additional operational costs not provided for in the original set-up costs, such as audit fees, travel costs, additional staff, telephone and fleet costs, to fund business growth and expansion, specifically focusing on farmer support, capacity building and on-and-off farm infrastructure interventions. During the 2012/13 Adjustments Estimate, the budget was adjusted upward by R4 million through reprioritisation by the department for a cut-flower project, as well as R34 million in additional funds for feasibility studies to be undertaken, business

plans, capacity building and project management support to aspiring commercial farmers in KZN. Over the 2013/14 MTEF, the entity's baseline shows negative real growth, due to baseline cuts. The entity will cut back on advertising by entering into period contracts for suppliers of farming inputs.

- DTP is a Schedule 3C public entity established for the strategic planning, establishment, design, construction, operation, management and control of DTP. The significant transfer allocated to 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 2011/12, DTP was allocated an additional R84.231 million once-off for various strategic projects, such as cargo shed ramp handling facilities, additional AgriZone works and recapitalisation of the cargo terminal, to name a few. The 2012/13 Adjusted Appropriation allocation was reduced by R40 million in order to fund other areas of critical need within the department, such as the MTV Awards and the Project Tour Mentor Partnerships, Integrated Craft Hubs, etc. The entity was able to absorb the reduction by phasing in capital developments over a longer period. The negative real growth over the 2013/14 MTEF is a result of the baseline cuts. The entity indicated that it would phase in some projects over a longer period, in order to accommodate this cut.
- TIK is a trade and investment promotion agency, whose mandate it is to attract foreign and domestic investment and to generate exports and export capacity within KZN. The allocation to TIK grows steadily from 2009/10 to 2012/13. During the 2012/13 Adjustments Estimate, the entity's Main Appropriation was reduced erroneously by R3.600 million, and reallocated toward the Mountain Bike tournament event, as mentioned above. The Revised Estimate reflects the reversal of this error, which will be corrected as an audit adjustment. Due to baseline cuts, the growth over the 2013/14 MTEF is slightly less than projected CPI-inflation, and the entity will cut back on subsistence and travel in order to fund these cuts.
- RBIDZ is a Schedule 3D public entity established to undertake the development of industrial land in the Richards Bay area. The entity was listed as a provincial business enterprise in 2012/13, whereas it reported to Ithala prior to the listing. The transfers to RBIDZ in 2009/10 and 2010/11 included capital and establishment costs. The allocation in 2010/11 increased to cater for land purchases, estimated at R100 million. The allocation from 2012/13 and over the 2013/14 MTEF grows steadily. However, due to the baseline cuts, this growth is slightly less than projected CPI-inflation. The entity will phase in some projects over a longer period, in order to fund the shortfalls.

Vote 10: Royal Household

- The Royal Trust was established in 2010/11 as an entity in terms of the KZN Royal Household Trust Act and registered as a Schedule 3C provincial public entity during 2012/13. 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 Trustees, as well as various costs of the RHH 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. In 2011/12, according to a Cabinet Resolution, the Royal Trust received seed funding of R5 million for establishment costs. The decrease in the 2012/13 Adjusted Appropriation and Revised Estimate relates to the fact that the department continued to perform many of the functions which were anticipated to be performed by the Royal Trust, such as paying for expenditure relating to His Majesty's Queens, municipal and maintenance costs, etc., as the Royal Trust was not yet fully functional. Also, not all outstanding matters, such as a fully functional organisational structure, transfer of staff, SCM capacity, internal controls, etc., within the Royal Trust, have been resolved. It is envisaged that the Royal Trust will assume its functions from 2013/14, hence the substantial increase from 2013/14 onward. To this end, the transfer of palace support staff in Programme 2 and farm staff from Programme 3 is envisaged to take place in 2013/14.

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.

- The department also made a once-off transfer in 2011/12 to ADA in respect of a communal vegetable farming project at KwaSani, and an agri-processing facility at Middlerus in Mpofana.
- The once-off amount reflected in the 2012/13 Adjusted Appropriation relates to a transfer to TKZN for the erection of tourism signage.

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. Due to baseline cuts, DAC reduced allocations to the entity over the MTEF.

5.7.2 Transfers to other entities

Table 5.14 below shows the summary of departmental transfers to other entities, other than public entities, by vote. Eight departments will make transfer payments to these entities over the 2013/14 MTEF period, with ten departments having made transfers sometime over the period 2009/10 to 2012/13. Details of these are provided within each department's chapter in the *EPRE*. Transfers to other entities increases from R2.873 billion in 2009/10 to R3.931 billion in 2015/16.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
1. Office of the Premier	30	-	12 000	8 000	8 030	8 030	-	-	-
2. Provincial Legislature	-	-	-	-	-	-	-	-	-
3. Agriculture, Environ. Affairs and Rural Dev.	27 925	62 986	10 175	19 239	19 239	19 239	9 812	10 376	10 835
4. Economic Development and Tourism	10 912	50 967	41 036	88 734	75 406	75 406	86 549	90 651	94 582
5. Education	1 539 793	1 648 247	1 764 214	2 393 061	2 196 586	2 099 175	1 753 308	1 916 691	1 891 459
6. Provincial Treasury	-	-	-	-	-	-	-	-	-
7. Health	278 846	289 009	273 487	296 679	281 361	281 361	274 168	241 750	248 960
8. Human Settlements	-	-	-	-	-	-	-	-	-
9. Community Safety and Liaison	-	-	289	-	-	-	-	-	-
10. The Royal Household	-	-	-	-	-	-	-	-	-
11. Co-operative Governance and Traditional Affairs	-	-	-	-	658	658	-	-	-
12. Transport	593 250	715 294	773 473	900 360	808 279	873 020	852 325	895 350	936 536
13. Social Development	398 352	472 605	691 989	631 789	541 635	541 635	672 563	692 395	704 745
14. Public Works	-	-	-	-	-	-	-	-	-
15. Arts and Culture	18 420	19 349	21 901	22 949	26 077	26 077	19 236	20 197	21 235
16. Sport and Recreation	5 200	6 000	8 600	11 000	11 000	11 000	21 650	22 650	23 100
Total	2 872 728	3 264 457	3 597 164	4 371 811	3 968 271	3 935 601	3 689 611	3 890 060	3 931 452

Vote 1: Office of the Premier

The department made donations and sponsorships to various organisations from 2009/10 to 2012/13. The amount of R30 000 in 2009/10 relates to a donation made to *Nyonini Emnyama* Catholic Church in Zion for the purchase of chairs, as pledged by the Premier.

In 2011/12 and 2012/13, amounts of R12 million and R8 million, respectively, were transferred 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.

In 2012/13, a donation of R30 000 was made to Khulani Production Artist Theatre for a graduation ceremony to honour their students that completed the Arts and Skills courses.

Vote 3: Agriculture, Environmental Affairs and Rural Development

The transfers in 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 is now used to implement land reform projects. Also, in 2009/10 the department made several once-off transfers to various entities, including, the Cotton SA and KZN Spice-Growers' Association for the development of the small-scale cotton-farming sector and small-scale spice-growers.

The high spending in 2010/11 is due to a once-off transfer of R57.463 million to the SA Sugar Association for the provision of specialist extension services to assist small-scale farmers. The partnership with the SA Sugarcane Research Institute, which was formed in 2010/11, continues over the three years of the new MTEF. Also, in 2010/11, the department reached an agreement with the KZN Agricultural Union (KWANALU) to facilitate the development of a help-desk. However, following a review of the successfulness of this help-desk, the agreement was cancelled.

In 2011/12, a 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 KZN Outreach Programme, commenced in 2011/12. The fact that this transfer ends in 2013/14 accounts for the decrease in that year.

The allocation in 2012/13 relates primarily to the department's drive to actively market its soil conservation subsidy to business and farming industries for sub-surface drainage works. This is a national initiative in response to the Conservation of Agricultural Resources Act (CARA). Also, the department makes annual contributions to various agricultural show societies, which are aimed at showcasing the latest developments in agriculture.

Transfers over the MTEF relate mainly to the department's grant-in-aid funding to the SA Association for Marine Biological Research (SAAMBR).

Vote 4: Economic Development and Tourism

Over the 2013/14 MTEF, the department transfers funds to various entities, including the RBIDZ, KZNLA, the Moses Kotane Institute, Durban Film Festival, the Okhahlamba Development Agency and the KZN Music Studio.

The increase in 2010/11 is due to the allocation to the Moses Kotane Institute increasing substantially in respect of its operational costs. Also, in 2010/11, once-off additional funding was transferred for the establishment costs of the KZN Music Studio.

The increase from 2011/12 to the 2012/13 Main Appropriation was mainly due to the anticipated establishment of the KZNLA. This entity's establishment was delayed in 2011/12 and funds were shifted from *Transfers and subsidies* to *Goods and services* to cater for expenditure incurred by the department on behalf of KZNLA. The increase from the 2012/13 Adjusted Appropriation to 2013/14 is mainly due to the anticipated establishment of the KZNLA as a public entity whereby the department will no longer undertake certain operational functions on behalf of the entity, as it did prior to KZNLA's establishment.

Transfers will be made to the Okhahlamba Development Agency for the construction of trading centres, the Moses Kotane Institute and the Durban Film Festival over the 2013/14 MTEF.

Vote 5: Education

The largest portion of transfers is in respect of Section 21 schools, relating to the transfers of norms and standards funding. The increase from 2009/10 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. The reduction in the 2012/13 Revised Estimate is attributable to not all schools attaining the S21 functions as envisaged, meaning that the department no longer transfers funds to these schools, but rather procures the required items on behalf of the schools.

From 2009/10 to 2012/13, the department transferred funds to FET colleges to cater for officials employed by the college councils. As of 2013/14, the department no longer makes transfers to these colleges, as the transferring of funds to the colleges has been taken over by the DHET.

The 2013/14 MTEF grows in line with the anticipated increase in the per learner allocation.

Vote 7: Health

The transfers under this vote relate mainly to entities that receive funding for the provision of general clinic services, HIV and AIDS services, district and 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 evident in the transfers to those institutions which qualify for the state salary increases.

The decrease from 2010/11 to 2011/12 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 decrease from the 2012/13 Main to Adjusted Appropriation relates to the decision to reassess all NGOs, which resulted in a reduction in allocations to some NGOs. The negative growth in 2013/14 and 2014/15 is due to the planned provincialisation of the McCords Hospital following this reassessment. Also, the department has made provision for the phased-in contribution to the KZN Children's Hospital infrastructure and renovations up to 2013/14, with no provision made thereafter.

Vote 9: Community Safety and Liaison

In 2011/12, the department transferred R289 000 for the procurement and transfer of a park-home in Umlazi to a community policing NGO.

Vote 11: Co-operative Governance and Traditional Affairs

The amount in 2012/13 relates to donations to the South African Planning Institute (SAPI) in respect of the Planning Africa Conference (PAC), and to the KZN Top Business Portfolio for the update of promotional DVDs to showcase successful growth in the province.

Vote 12: Transport

The transfers under this vote relate mainly to the PTOG for the payment of bus subsidies to bus operators, as well as learner transport (2012/13 only). The decrease from the 2012/13 Main to Adjusted Appropriation is due to R92.081 million being shifted from *Transfers and subsidies* to *Goods and services* to correct a misallocation of funds relating to the learner transport funding that the department received from DOE. To this end, prior year's spending, as well as the 2013/14 MTEF allocations have been restated for comparative purposes.

The high 2012/13 Revised Estimate relates to the projected over-expenditure against the PTOG, due to the increase in fuel prices, which has resulted in higher than anticipated claims in respect of bus subsidies.

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 2012/13 Adjusted from the Main Appropriation is due to a compliance audit and the review of standard operating procedures for the funding and monitoring of NPOs, which will now include the formation of a council to evaluate and adjudicate new projects to eligible NPOs.

The increase from the 2012/13 Adjusted Appropriation to 2013/14 is the result of the department increasing tariffs to NPOs by 6 per cent, as well as additional funding received for the improvement of the quality of services provided by NGOs, as well as their financial sustainability.

Vote 15: Arts and Culture

The transfers under this vote relate mainly to community art centres, Art Councils and museums, as explained in detail below:

- *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. Due to the baseline cuts, the department reduced allocations toward the orchestra over the MTEF.
- *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, Ladysmith, Mbazwana and Ekhlaya Art Centres. In the 2012/13 Adjusted Appropriation, the transfer to the BAT Centre was increased by R1.100 million for the development and training of artists in poetry, spoken word, folk music, etc. The increased allocation is maintained

over the 2013/14 MTEF, and the department will continue funding all existing transfers to art centres, while providing for inflationary increments.

- *Arts and culture support:* This 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 2010/11, a transfer to Fodo Cultural Village and a once-off transfer to the Comrades Marathon Association were introduced. The 2011/12 spending includes new transfer payments, namely the Sakhisizwe Organisation and Twist Theatre Development and a once-off transfer to NB Productions for a television documentary on KZN artists. In the 2012/13 Adjusted Appropriation, the transfer payment in respect of Ugu Jazz Festival was increased by R750 000 and a once-off transfer of R900 000 in respect of the South African Library for the Blind was introduced. The decrease over the 2013/14 MTEF is due to the cancellation of transfers to the Crown Gospel Music Awards and MTN Jazz Festival.
- *Arts councils:* Funding is provided 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 and shows an inflationary increase over the 2013/14 MTEF.
- *Museum subsidies:* Funding is provided to NPOs 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.

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 increase in transfers from 2011/12 caters for the rise in the number of sport federations needing 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 table does not include funding in respect of motor vehicle licences, as this funding is not paid to any municipality.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Category A	614 414	734 085	432 730	864 025	677 506	701 698	652 609	761 335	686 325
Category B	260 448	436 498	496 474	358 632	582 372	582 372	408 737	424 553	447 206
Category C	302 869	270 479	224 780	32 050	125 314	125 314	20 793	23 513	23 025
Unallocated	-	-	-	1 200	42 773	42 773	3 256	3 282	5 310
Total	1 177 731	1 441 062	1 153 984	1 255 907	1 427 965	1 452 157	1 085 395	1 212 683	1 161 866

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 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 above:

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 transfer to the Metro shows a fluctuating trend, which can be attributed to various projects such as the construction of the Moses Mabhida Soccer Stadium, the transfers to municipal clinics, the payment of property rates and the maintenance of R293 hostels which are undertaken over varying timeframes. The trend is explained as follows:

- The increase in 2010/11 was mainly due to increased emphasis on the CRU programme toward providing public residential accommodation for low income persons in good locations, the maintenance of R293 hostels and the Enhanced Extended Discount Benefit Scheme (EEDBS) (DOHS), as well as arrear rates payment in respect of the Devolution of Property Rate Funds grant (DOPW).
- The subsequent reduction in 2011/12 can be attributed to the fact that no transfers were made due to delays in the approval process of projects within the Metro with regard to the CRU programme. This was resolved and, hence, the growth in the 2012/13 Main Appropriation. However, due to the need to revise the policy to, among others, ensure its sustainability, the implementation of the CRU programme being delayed resulting in the decrease in the 2012/13 Adjusted Appropriation. Savings identified (in respect of the Devolution of Property Rate Funds grant) due to budget allocations being made based on expected invoices, and amended once invoices were received, also contributed to the decrease in the 2012/13 Adjusted Appropriation.
- The increase in the 2012/13 Revised Estimate is mainly due to the budget for the EEDBS programme that was catered for under *Goods and services* as it was anticipated that professionals will be utilised for this programme. However, portion of the funds are now being transferred to the eThekweni Metro for the facilitation of transfers for R293 properties. This is a function shift, and the purpose of the funds remains unchanged.
- The decrease over the 2013/14 MTEF in comparison to the 2012/13 Main Appropriation mainly relates to the reduction of the Devolution of Property Rate Funds grant, that is being phased into equitable share (DOPW), as well as the decrease in transfers to be made to eThekweni for the CRU programme as per the agreement between the department and the Metro (DOHS).

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 transfers to category B municipalities substantially increased in 2010/11 and 2011/12 mainly due to arrear rates payments relating to the Devolution of Property Rate Funds grant (DOPW), and the provincialisation of libraries and museums (DAC). Also, COGTA initially budgets for the majority of municipal projects such as the Corridor Development, Massification and the Small Town Rehabilitation programmes 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 2012/13 Main Appropriation and over the 2013/14 MTEF and the increase in the 2012/13 Adjusted Appropriation. This category also includes funding over the period in respect of various projects and activities such as the development of airports (PT), the provincialisation of clinics in the uMhlathuze Municipality (DOH), as well as the provision for transfers for museums and building of libraries and the provincialisation of public libraries and museums (DAC), payment of property rates (DOPW), etc.

Category C (district municipality) refers to municipalities that have municipal executive and legislative authority in an area that includes more than one municipality. DOHS paid arrear rates and taxes in 2009/10, accounting for the decrease in 2010/11 and 2011/12. 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 2012/13 Main Appropriation and over the 2013/14 MTEF, and the increase in the 2012/13 Adjusted Appropriation. In addition, various other transfers to municipalities are catered for, such as the construction of sport facilities (DOSR), Development Planning Shared Services (COGTA) and the operational costs of art centres (DAC).

The amounts against *Unallocated* are usually allocated to specific recipients during the course of the year, and are formalised annually during the Adjustments Estimate. The high amount in the 2012/13 Adjusted Appropriation mainly relates to the Massification programme for the provision of water, sanitation and electricity services in various municipalities (COGTA). This was allocated against *Unallocated* in the 2012/13 Adjustments Estimate as the department had not finalised the list of the recipient municipalities, at that stage. The amounts over the 2013/14 MTEF are in respect of operational support to *Thusong* Service Centres (TSCs) (COGTA), the Greenest Municipality Competition (DAEARD), as well as property rates under DOPW for properties owned by KZN but located in other provinces.

A summary of the transfers to individual local and district municipalities is in the *Annexure to OPRE*.

Table 5.16 below presents a summary of provincial transfers to local government by vote and grant type from 2009/10 to 2015/16. It should be noted that detailed analysis of these transfers to local government is provided in the individual votes in the *EPRE*. The main transfers are summarised here:

- The amount under OTP in 2009/10 relates to the transfer of the Ulundi (Prince Mangosuthu Buthelezi) Airport 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 would provide funding for the operational costs of the airport up to 2009/10, and hence no allocation from 2010/11 onward. The once-off amount in the 2012/13 Adjusted Appropriation is in respect of the province's contribution toward the 2013 AFCON tournament.
- Amounts against DAEARD from 2011/12 onward relate to the Greenest Municipality Competition.
- The transfers under DEDT over the MTEF relate to the joint project funding in the Mthonjaneni and the Mandeni Municipalities for the establishment of trading centres.
- The transfers under PT show a substantial 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 were in respect of the transfer to the Msunduzi Municipality for the upgrade of the Pietermaritzburg airport, as well as the prescribed local government levy (in 2009/10 and 2010/11), which has since been discontinued due to a change in legislation. The amounts in 2011/12 were in respect of the infrastructure development of the Pietermaritzburg, Richards Bay and Ulundi airports, which are carried through in 2012/13. Also, the allocations in the 2012/13 Adjusted Appropriation relate to the development of a light industrial park in Bhongweni, which is carried through to 2013/14 and 2014/15, as well as the Shayamoya eco-complex, which is carried through to 2013/14.
- The transfers under DOH show a varying trend, due to the provincialisation of the municipal clinics. The majority of the municipal clinics were taken over by the department in 2011/12, and funding from 2012/13 onward relates to provision for the uMhlathuze Municipality only. In addition, funding was 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 DOHS relate mainly to the maintenance of R293 hostels in eThekweni, the CRU programme and the payment of arrear rates and taxes. The decrease in 2011/12 was due to the fact that no transfers were made as a result of delays in the approval process of projects within municipalities with regard to the CRU programme. The substantial decrease in the 2012/13 Adjusted Appropriation relates to delays in the implementation of the CRU programme due to the need to revise the policy to, among others, ensure its sustainability. The shifting of funds to *Buildings and other fixed structures* for properties that belong to the department and to *Transfers and subsidies to: Households* for properties belonging to individual beneficiaries, also contributed to the reduction. The increase in the 2012/13 Revised Estimate relates to the budget for the EEDBS programme that was catered for under *Goods and services* as it was anticipated that professionals will be utilised for this programme. Portion of the funds are now being transferred to the eThekweni Metro for the facilitation of transfers for R293 properties. The allocation over the 2013/14 MTEF mainly relates to the maintenance of the R293 hostels and EEDBS. The decrease in 2015/16 can be attributed to the

decrease in transfers to be made to the eThekweni Metro for the CRU programme as per the agreement between the department and the Metro.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Vote 1: Office of the Premier	4 823	-	-	-	15 000	15 000	-	-	-
2013 AFCON Tournament	-	-	-	-	15 000	15 000	-	-	-
Transfer to Zululand DM iro airport	4 823	-	-	-	-	-	-	-	-
Vote 3: Agriculture, Enviro. Affairs and Rural Dev	5 700	6 960	900	1 000	1 000	1 000	1 000	1 000	1 000
Upgrading of Khanya Village	2 000	-	-	-	-	-	-	-	-
Dev. of EMFs, SEAs and IWMPs	2 000	6 000	-	-	-	-	-	-	-
Waste management for 2010	800	-	-	-	-	-	-	-	-
Greenest Municipality Competition	900	960	900	1 000	1 000	1 000	1 000	1 000	1 000
Vote 4: Economic Development and Tourism	-	100	-	3 516	5 665	5 665	2 384	2 503	2 618
Newcastle Alliance Summit	-	100	-	-	-	-	-	-	-
Joint Project Funding	-	-	-	3 516	4 465	4 465	2 384	2 503	2 618
Beaches Rehabilitation	-	-	-	-	1 200	1 200	-	-	-
Vote 6: Provincial Treasury	159 646	15 664	31 264	39 315	53 863	53 863	20 677	8 000	-
Local government levy	9 646	10 229	-	-	-	-	-	-	-
Moses Mabhida Stadium	150 000	-	-	-	-	-	-	-	-
Pietermaritzburg airport	-	5 435	17 790	16 027	16 760	16 760	-	-	-
Ulundi airport	-	-	10 015	20 000	20 000	20 000	-	-	-
Richards Bay airport	-	-	3 459	-	7 041	7 041	-	-	-
Feasibility studies	-	-	-	3 288	-	-	-	-	-
Dev. of light industrial park	-	-	-	-	8 000	8 000	7 000	8 000	-
Shayamoya eco-complex	-	-	-	-	2 062	2 062	13 677	-	-
Vote 7: Health	81 058	123 888	86 040	84 293	97 373	97 373	143 500	166 600	179 500
Subsidy: Municipal Clinics	81 058	123 888	86 040	84 293	97 373	97 373	143 500	166 600	179 500
Vote 8: Human Settlements	209 973	353 525	85 616	393 591	178 111	202 303	168 126	240 417	161 563
Transfer of R293 staff	-	-	1 451	3 111	3 111	3 111	3 326	-	-
CRU programme	43 000	128 000	-	203 240	95 000	95 000	100 000	157 800	69 200
Municipal rates and taxes	44 303	15 525	8 365	20 000	20 000	20 000	12 800	14 500	19 896
Maintenance of R293 hostels & EEDBS	122 670	210 000	75 800	167 240	60 000	84 192	52 000	68 117	72 467
Vote 11: COGTA	438 803	394 813	348 161	14 900	352 184	352 184	6 000	8 600	9 200
Mun Govt and Fin Experts: Shared Deployment	-	5 800	5 600	-	-	-	-	-	-
Implementation of Pound Act	-	12 000	-	-	1 000	1 000	-	-	-
Inter-Governmental Relations	1 000	4 170	-	-	-	-	-	-	-
Municipal Governance	3 000	-	-	-	-	-	-	-	-
Provincial Interventions	-	1 300	-	-	-	-	-	-	-
Umzimkulu Support	56 008	36 873	25 320	-	-	-	-	-	-
Uthukela Water	2 000	-	-	-	-	-	-	-	-
Provincial Mgt. Assistance Programme	6 400	-	-	-	-	-	-	-	-
Public Part. Citizen Satisfaction Survey	-	-	-	-	2 260	2 260	-	-	-
Schemes Support Programme	-	-	2 250	-	-	-	-	-	-
MIG and MIS Grant	-	-	-	-	74	74	-	-	-
Town Settlement Formalisation Support	-	800	1 000	-	-	-	-	-	-
Corridor Development	118 132	114 068	96 447	-	97 600	97 600	-	-	-
Municipal LED	-	6 400	12 080	-	14 100	14 100	-	-	-
Small Town Rehabilitation	55 000	92 769	74 220	-	106 170	106 170	-	-	-
Construction of TSCs	-	-	6 000	-	-	-	-	-	-
Operational Support for TSCs	-	148	5 000	2 000	2 000	2 000	2 000	2 000	4 000
Provisional Security (MPCCs)	-	-	4 500	-	-	-	-	-	-
Urban Development Framework	-	3 758	-	-	-	-	-	-	-
Massification Programme	30 500	101 000	102 033	-	103 240	103 240	-	-	-
Infra provision for soccer stadia	149 963	-	-	-	-	-	-	-	-
Disaster Management	6 000	11 500	3 000	-	17 740	17 740	-	-	-
Community participation in IDPs	-	-	-	2 000	2 000	2 000	2 000	3 000	3 000
Development Planning Shared Services	10 800	4 227	5 461	2 000	2 000	2 000	2 000	3 600	2 200
District Growth and Development Summit	-	-	-	4 000	4 000	4 000	-	-	-
Community Development Projects	-	-	5 250	4 900	-	-	-	-	-
Vote 13: Social Development	-	-	35 000	-	-	-	-	-	-
ECD infrastructure development	-	-	35 000	-	-	-	-	-	-
Vote 14: Public Works	240 566	515 348	492 767	554 280	554 280	554 280	465 051	491 577	514 428
Property Rates	240 566	515 348	492 767	554 280	554 280	554 280	465 051	491 577	514 428
Vote 15: Arts and Culture	16 805	22 567	56 012	146 652	150 629	150 629	259 287	273 454	272 081
Art Centre (Operational costs)	-	-	400	-	1 561	1 561	1 639	1 729	1 815
Museum subsidies	1 078	1 170	7 168	7 065	10 049	10 049	8 796	10 395	7 595
Library building projects	9 336	421	-	-	-	-	-	-	-
Provincialisation of libraries	-	11 136	31 110	116 555	116 004	116 004	225 111	236 402	247 291
Community Lib Services grant	6 391	9 840	17 334	23 032	23 015	23 015	23 741	24 928	15 380
Vote 16: Sport and Recreation	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476
Infrastructure	20 357	8 197	14 924	15 960	14 910	14 910	14 420	15 582	16 526
Maintenance grant	-	-	3 300	2 400	4 950	4 950	4 950	4 950	4 950
Total	1 177 731	1 441 062	1 153 984	1 255 907	1 427 965	1 452 157	1 085 395	1 212 683	1 161 866

- The bulk of the transfer payments under COGTA are budgeted for under *Goods and services* but are reclassified as *Transfers and subsidies to: Provinces and municipalities* annually during the Adjustments Estimate pending evidence that the municipalities have the required capacity to implement the projects themselves. This has resulted in the high amount in the 2012/13 Adjusted Appropriation, and the decrease over the 2013/14 MTEF. The increase in the 2012/13 Adjusted Appropriation also includes additional funding allocated in respect of the Massification programme. The high 2009/10 amount included funding in respect of soccer stadia. 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 2013/14 MTEF allocations are in respect of operational support for TSCs, community participation in IDPs, as well as the Development Planning Shared Services.
- The transfer under DSD in 2011/12 relates to a once-off transfer made to Umkhanyakude District Municipality for the Ndumo Learner Support Centre in respect of ECD infrastructure development.
- The transfers under DOPW relate to the Devolution of Property Rate Funds grant in respect of property rates. The transfers increase significantly in 2010/11 due to the payment of arrear rates from previous financial years. The decrease in 2011/12 was due to disputed invoices with the eThekweni Metro which were resolved in the department's favour, as the properties concerned were identified as belonging to the Metro and national departments and not to the province. The decrease over the 2013/14 MTEF is attributed to the reduction of the Devolution of Property Rate Funds grant, in line with actual funding requirements, with this grant phased into the equitable share from 2013/14.
- The transfers under DAC reflect provision made to municipalities for library building projects, museum subsidies, and for the provincialisation of public libraries and museums. The low 2009/10 amount 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 2011/12 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 public libraries and museums. The substantial increase from 2012/13 onward 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 increase in the 2012/13 Adjusted Appropriation is in respect of operational costs for the art centres, as well as the increase in the museum subsidies.
- The transfers under DOSR, in respect of the construction of sport facilities, reflect a varying trend over the seven-year period. The substantial decrease in 2010/11 was due to delays in respect of transfer payments to municipalities for the construction of sport facilities, as a result of adverse weather conditions which hampered the completion of sport fields by constructors. The increase in 2011/12 was due to spending pressures relating to commitments (sport fields) which remained incomplete from 2010/11. The increase in the 2012/13 Adjusted Appropriation relates to funds moved from *Buildings and other fixed structures* due to the termination of a contract between the service provider and the department with regard to the construction of the Cecil Emmett sport field in Vryheid (Abaqulusi). The funds were moved to the maintenance grants that are paid to municipalities for the upkeep of sport facilities constructed by the department. In addition, during the finalisation of the 2012/13 EPRE the department inadvertently excluded 10 municipalities from receiving maintenance grants in respect of the upkeep of sport facilities constructed by the department. The department has therefore reprioritised the funds from various municipalities toward the maintenance and repair of sport fields to these 10 municipalities. The growth over the 2013/14 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.

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.

Table 5.17: Summary of personnel numbers and costs by vote¹

Personnel numbers	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	As at 31 March 2016
1. Office of the Premier	328	329	2 047	3 452	2 408	2 408	2 408
2. Provincial Legislature	144	155	213	234	244	244	244
3. Agriculture, Environ. Affairs and Rural Dev.	3 302	3 365	3 867	4 056	4 056	4 056	4 056
4. Economic Development and Tourism	301	303	301	391	391	391	391
5. Education	103 119	105 742	107 657	108 369	108 369	108 369	108 369
6. Provincial Treasury	365	310	473	489	529	530	530
7. Health	64 849	68 889	78 213	80 590	81 945	81 945	81 945
8. Human Settlements	858	857	740	770	861	861	861
9. Community Safety and Liaison	108	108	108	107	140	150	164
10. The Royal Household	150	140	140	141	92	80	80
11. Co-operative Governance and Traditional Affairs	1 169	1 203	1 332	1 673	1 736	1 763	1 766
12. Transport	4 296	3 995	4 154	4 533	4 906	4 950	5 025
13. Social Development	2 678	2 855	3 398	5 968	6 415	6 568	6 719
14. Public Works	2 167	2 096	2 078	2 259	2 368	2 368	2 368
15. Arts and Culture	432	423	458	523	536	536	536
16. Sport and Recreation	1 888	2 353	1 932	2 075	630	434	434
Total	186 154	193 123	207 111	215 630	215 626	215 653	215 896
Total personnel cost (R thousand)	35 608 907	39 312 068	46 035 829	48 035 685	49 474 031	50 011 026	52 761 916
Unit cost (R thousand)	191	204	222	223	229	232	244

¹ Full Time Equivalents

The personnel numbers and costs against the OTP include youth ambassadors from 2011/12 onward. The effect of the baseline cuts on OTP was a reduction of the budget in respect of youth ambassadors, resulting in a decrease over the MTEF.

In 2012/13, DAEARD commenced implementing the new organisational structure, which was proposed in 2010/11. The organisational structure provides for three regions. However, this new structure was recently reviewed once again, and it is now proposed that there should be five regional offices, with the aim of improving service delivery. The department anticipates implementation of the refined structure to commence in 2013/14 and will be funded by reprioritising from within the existing budget allocation, subject to the moratorium on the filling of non-critical posts. This explains the constant personnel numbers from 2013/14 onward.

With regard to DOE, from the end of 2012/13, the department will carry 1 866 unfunded posts, based on the actual number of employees in the system as at end of November 2012. This figure reduces to 1 666 and 1 602 in the two outer years, respectively. The reason for the slow increase in affordability is due to the estimated inflationary increase of 6.1 per cent annual average in the personnel cost over the MTEF. However, it should be noted that the affordability has increased from 101 723 employees estimated in the 2011/12 MTEF to some 106 503 employees due to the reprioritisation that was undertaken during the 2012/13 Adjustments Estimate, with some carry-through over the MTEF.

DOH's personnel numbers exclude employees whose salaries are paid from donor funds, personnel working at the Provincial Pharmacy Supply Depot and staff occupying the sub-vented (shared costs) posts, whose salaries are claimed from the University of KwaZulu-Natal. The sharp increase in personnel numbers from 2010/11 to 2011/12 is largely due to the department placing student nurses and community care givers (CCGs) on the payroll. Although the numbers have increased significantly, the cost to the department for CCGs has not increased, as the affected staff were paid through transfers to NGOs previously. In the case of student nurses, the costs are lower as they now receive a stipend, instead of a full salary. The increase from 2011/12 is due to the restructuring of the department.

In 2012/13, DOHS engaged in a restructuring process, which entailed revising the structure of the department. The new structure is anticipated to be implemented in the latter part of 2012/13. Due to financial constraints in the equitable share allocation, the new structure will be implemented in phases, and the HSDG will be utilised to fund some of the posts.

The increase from 2013/14 onward against DCSL is due to the department budgeting to fill its full staff complement in line with the new approved organisational structure. In the outer two years of the MTEF, the department receives additional funding per year for the implementation of the new organisational structure, in line with the decentralisation strategy and implementation of the Civilian Secretariat for Police Service Act.

The decrease in personnel against RHH over the MTEF is due to the department anticipating to transfer support staff and farm workers to the Royal Trust over the MTEF. The table above excludes personnel employed by the Royal Trust and its board members, since it is a public entity.

The increase against COGTA from 31 March 2013 onward is due to the planned filling of vacant posts. The department appointed employment agencies to accelerate the recruitment process, while bearing in mind the moratorium on the filling of non-critical posts.

DOT's personnel increases steadily over the seven-year period. The decrease in 2010/11 was mainly due to the high staff turnover in respect of engineers, land surveyors, etc., as well as non-filling of funded vacant posts. The department reviewed its organisational structure in February 2012, and critical vacant posts are being filled, and will also review the number of contract workers as posts are being filled.

The gradual increase over the seven-year period against DSD is attributable to the revision of the departmental structure in an attempt to cope with policy changes such as the implementation of 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), annual salary improvements and the absorption of social work graduates in line with national priorities.

The slight decrease against DOPW in 2010/11 is due to staff exits and the moratorium placed on the filling of non-critical vacant posts. The further decrease in 2011/12 is attributed to delays in recruitment processes, which resulted in non-filling of vacant posts. The increase from 2012/13 is due to the department's anticipation to fill vacant posts to improve infrastructure support. The newly implemented moratorium has been considered, and only critical vacant posts will be filled.

The increase in the number of staff of DOSR from 2009 to 2010 is due to the establishment of district offices in all districts, and the employment of volunteers under the MPSD grant. As a result of the directive from National DOSR, that the department must train and capacitate educators in schools who will then coach the students, the department decided to use equitable share funding to employ volunteers, as the department considers the role played by the volunteers to be very effective. The department implemented the baseline cuts against *Compensation of employees*. However, the decrease in 2013/14 was offset by additional funding received in respect of the EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces. These funds will be used to employ 196 volunteers as contract workers, since the end date for the volunteer contract is 31 March 2013. The decrease from 2014/15 is due to no allocations made in respect of these grants at this stage.

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 R892.309 million in 2009/10 to R1.424 billion in 2015/16, reflecting healthy growth.

The main contributors are Health, Education and Transport, as discussed in more detail below. Departments are required by the Skills Development Act to budget at least 1 per cent of their salary expenses on staff training, to cater for human resource development. The detail of departmental spending within each vote is provided in the departmental chapters in the *EPRE*.

The training costs against Health include the costs of staff and other running costs within its training programme. 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 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Office of the Premier	1 268	1 187	873	22 482	22 482	22 482	3 135	3 333	3 487
2. Provincial Legislature	1 270	929	2 401	1 844	1 844	1 844	2 238	2 812	2 924
3. Agriculture, Enviro Affairs and Rural Development	8 600	7 829	13 248	18 134	17 507	17 507	19 254	20 024	20 943
4. Economic Development and Tourism	1 458	866	14 350	1 540	1 260	1 260	1 060	1 092	1 109
5. Education	62 785	63 037	29 992	204 595	204 595	113 425	269 425	296 082	274 207
6. Provincial Treasury	1 538	485	2 085	1 321	1 321	1 321	1 835	1 959	1 892
7. Health	773 998	832 279	860 457	998 051	960 723	934 894	992 246	1 022 500	1 075 603
8. Human Settlements	2 963	462	249	2 710	2 710	1 777	2 770	2 991	2 960
9. Community Safety and Liaison	755	504	2 674	7 022	7 022	7 022	8 352	8 688	9 087
10. The Royal Household	-	3	44	-	-	-	-	-	-
11. Co-operative Governance and Traditional Affairs	2 055	2 249	882	600	1 608	1 608	750	750	750
12. Transport	22 853	14 148	6 447	6 309	6 309	6 309	7 416	7 825	8 294
13. Social Development	4 906	1 928	4 521	8 240	8 240	8 240	8 692	9 169	7 625
14. Public Works	4 652	3 526	2 766	5 376	5 915	5 915	5 533	5 809	4 879
15. Arts and Culture	753	1 349	1 068	1 570	1 406	1 406	1 511	3 327	3 539
16. Sport and Recreation	2 455	4 419	3 336	17 025	4 274	4 274	5 886	5 666	6 906
Total	892 309	935 200	945 393	1 296 819	1 247 216	1 129 284	1 330 103	1 392 027	1 424 205

As a result of the expenditure pressures in *Compensation of employees* in Education, the department budgets slightly less than the 1 per cent required by the Skills Development Act. The decrease in the 2012/13 Revised Estimate is due to the effects of cost-cutting implemented to curtail over-expenditure, which had an impact on training expenditure. The training budget is set to increase steadily over the 2013/14 MTEF, in order to address the educators' skills gaps and improve the quality of education, by using the in-service training centre which is the Public Service Training Academy.

DOT's costs on training relate to the training of *Zimbabwe* contractors, safety and compliance workers such as road safety education, traffic officers, and learnerships and mentorship for the *Vukuzakhe* projects. The decrease in 2010/11 and 2011/12 can be attributed to cost-cutting. The further decrease in 2012/13 relates to the department undertaking in-house training. The increase over the MTEF relates to inflationary increments.

RHH is the only department that has not made provision for training from 2012/13 onward, pending the full establishment of the Royal Trust. The department spent R3 000 on training in 2010/11 and R44 000 in 2011/12. The high spending in 2011/12 is due to the high demand in that year.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Number of staff	186 154	193 123	207 111	204 855	209 335	215 648	215 626	215 653	215 896
Number of personnel trained	67 991	67 479	22 696	39 619	40 712	43 975	142 323	143 952	145 192
of which									
Male	30 375	26 613	7 762	13 635	13 716	15 244	50 315	50 851	53 368
Female	37 616	40 866	14 934	25 984	26 996	28 731	92 008	93 101	91 824
Number of training opportunities	63 655	16 783	19 021	21 305	21 586	24 291	48 252	60 876	72 651
of which									
Tertiary	13 236	2 057	1 970	5 134	5 102	5 304	5 833	6 652	7 115
Workshops	39 564	3 330	3 911	4 578	4 599	7 107	4 846	5 085	5 337
Seminars	2 497	216	286	318	297	301	322	341	463
Other	8 358	11 182	12 854	11 275	11 588	11 579	37 251	48 799	59 737
Number of bursaries offered	4 558	5 074	1 780	1 958	1 608	1 895	13 040	18 120	21 302
External	1 163	1 156	969	1 074	1 056	1 029	1 646	2 066	2 216
Internal	3 395	3 918	811	884	892	866	11 394	16 054	19 086
Number of interns appointed	1 397	1 078	990	1 360	1 332	1 534	1 453	1 503	1 562
Number of learnerships appointed	447	407	514	711	576	588	771	773	779
Number of days spent on training	7 458	8 097	8 312	8 113	8 183	8 204	8 323	8 371	8 393

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 measuring the costs associated with service delivery, have become a focal point to ensure that value for money is pursued.

6.1 Provincial budget and programme structures and performance plan formats

The uniform budget and programme structures for departments are gazetted each year, as NT fulfils its Constitutional obligation and that of the PFMA to propose uniform budget and programme structures across all nine provinces for approval by the HODs 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 most 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.

Uniform Budget and Programme Structures for 2013/14 are applicable to DOE, DOH, DSD, PT, Legislature, OTP, DAEARD, DOHS, DCSL, DEDT, COGTA, DOSR, DAC, DOPW and DOT. The budget and programme structures for these remain unchanged, except for Legislature, DOE and DAEARD. The structure for Education has been reviewed by the sector, but has not been formally signed off yet, and is hence subject to minor adjustments. Legislatures will implement the newly revised budget and programme structure in 2013/14, whereby three programmes are reduced to two.

A new uniform budget and programme structure has been developed for the Tourism function and has been added to the DEDT structure as a sixth programme. The only department with no current uniform budget and programme structure is the RHH.

It was agreed not to exclude any future amendments to the budget structure, as these are dynamic 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 HODs, representing all line departments and their national counterparts.

The provincial budget reform programme outlines the guidelines for the format of provincial budget documents, and formats for SPs and APPs are issued annually and prescribed by NT. 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 for SPs and APPs 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. In addition, from 2013/14 in KZN, the preparation of APPs is now done in alignment with the PGDP, and the co-ordination of this alignment is a joint responsibility between the PPC, the OTP and PT.

The DOE, DOH, DSD, DOHS, DAEARD, DEDT, DOT, DOPW, DAC, DCSL, COGTA and DOSR will report on standardised sector-specific performance measures for 2013/14. 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 DOE, DAEARD, DCSL, DAC, COGTA, DOPW, DOT and DOSR.

The Legislature, PT, OTP, RHH and the public entities will not report on customised performance measures in 2013/14 as there are no customised measures at this stage. However, the measures contained in these departments' APPs 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.

NT 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, NT 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.

In 2012/13, the QPR data for DOH, DSD and DAEARD are published in a national gazette quarterly. It is anticipated that other sectors will be added to this quarterly publication in the next few years.

6.3 Performance audit of non-financial measures

During 2011/12, the A-G conducted a performance audit of a number of departments' and public entities' non-financial measures in order to determine the state of readiness of the province to comply with audit standards. In 2011/12, the A-G provided an opinion on non-financial, as well as financial records for each department and public entity as part of the 2011/12 audit process, and this will be repeated in 2012/13. 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 and public entities 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 PT and the OTP. This was addressed in 2012/13 with additional workshops for strategic planning and monitoring and evaluation staff within departments and public entities. The first workshop hosted by PT was held in June 2012 and focussed on the technical completion and alignment of the APP with the *EPRE*. NT also attended this workshop and gave guidance on the completion of SPs and APPs. A second workshop was held in December 2012, and was co-hosted by the OTP and PT. The aim of this workshop was to allow the PPC to update departments on the province's 30 to 60 year plans, and introduce departmental staff to the Black Balance consortium, whose task it is to ensure APP alignment with the goals and objectives of the PGDP.

PT has continued to provide *ad hoc* support when requested by departments and public entities. NT has also been available to assist in adding their support to this activity.

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		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
Tax receipts	1 327 599	1 439 970	1 637 846	1 702 324	1 702 324	1 769 130	1 802 409	1 904 649	2 018 858
Casino taxes	283 970	305 583	337 435	336 827	336 827	383 835	385 479	406 680	427 014
Horse racing taxes	41 571	45 857	68 422	67 097	67 097	63 091	68 203	71 954	75 552
Liquor licences	4 831	5 023	465	48 400	48 400	5 600	5 727	6 015	6 292
Motor vehicle licences	997 227	1 083 507	1 231 524	1 250 000	1 250 000	1 316 604	1 343 000	1 420 000	1 510 000
Sale of goods and services other than capital asset	345 775	326 565	383 949	359 551	359 551	390 184	393 790	410 902	430 568
Sale of goods and services produced by dept. (excl. capital assets)	343 208	324 861	383 107	358 998	359 504	389 872	392 932	410 041	429 705
Sales by market establishments	13 963	26 505	27 768	24 868	25 374	28 840	19 717	27 888	29 831
Administrative fees	100 797	142 349	161 739	138 264	138 264	159 718	151 726	164 570	171 852
Other sales	228 448	156 007	193 600	195 866	195 866	201 314	221 489	217 583	228 022
<i>of which</i>									
Health patient fees	133 750	84 885	110 774	109 134	109 134	114 720	127 255	120 319	126 335
Other	94 698	71 122	82 826	86 732	86 732	86 594	94 234	97 264	101 687
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	2 567	1 704	842	553	47	312	858	861	863
Transfers received from:	-	1 255	459	-	-	5	-	-	-
Other governmental units	-	-	409	-	-	5	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments	-	1 255	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	50	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	43 259	50 989	45 352	40 298	40 298	46 194	45 121	20 121	20 121
Interest, dividends and rent on land	32 384	34 598	303 685	186 161	186 161	253 524	201 270	216 364	237 918
Interest	32 285	34 419	303 513	186 014	186 014	253 441	201 171	216 261	237 805
Dividends	4	2	4	3	3	3	4	4	4
Rent on land	95	177	168	144	144	80	95	99	109
Sale of capital assets	32 462	18 296	18 109	8 208	8 208	35 968	20 840	19 401	19 576
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Other capital assets	32 462	18 296	18 109	8 208	8 208	35 968	20 840	19 401	19 576
Transactions in financial assets and liabilities	75 716	169 691	337 559	42 411	42 411	94 629	41 685	48 381	50 691
Total	1 857 195	2 041 364	2 276 959	2 338 953	2 338 953	2 589 634	2 505 115	2 619 818	2 777 732

Overview of Provincial Revenue and Expenditure

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	48 430 458	52 286 153	61 902 644	65 973 570	67 514 707	68 149 670	72 214 408	76 555 057	81 754 967
Compensation of employees	35 608 907	39 312 068	46 035 829	48 035 685	49 474 031	50 011 026	52 761 916	56 036 392	59 559 844
Salaries and wages	29 333 692	32 572 531	38 184 989	39 426 389	40 849 167	42 582 721	43 313 495	46 038 703	48 929 834
Social contributions	6 275 215	6 739 537	7 850 840	8 609 296	8 624 864	7 428 305	9 448 421	9 997 689	10 630 010
Goods and services	12 716 049	12 957 936	15 865 252	17 887 885	18 036 376	18 134 097	19 443 584	20 510 897	22 184 891
of which									
Administrative fees	52 158	29 041	36 783	15 828	17 345	45 816	15 908	16 701	17 060
Advertising	168 568	88 760	143 640	114 699	133 113	121 434	136 547	141 427	148 208
Assets <R5000	175 428	117 925	216 746	249 562	260 155	282 785	318 025	343 430	352 908
Audit cost: External	74 680	85 830	68 236	86 309	93 929	98 844	103 476	111 129	113 645
Bursaries (employees)	28 863	33 175	28 887	47 351	41 884	43 174	63 610	75 729	32 003
Catering: Departmental activities	154 662	107 948	134 663	135 825	142 774	127 312	148 933	153 805	164 328
Communication	300 706	275 666	264 912	257 596	254 073	282 893	268 830	283 353	297 350
Computer services	347 720	371 246	435 152	540 766	525 692	513 503	552 595	576 586	598 076
Cons/prof: Business & advisory services	758 545	663 199	586 870	1 416 036	1 165 603	1 166 048	1 278 595	1 245 329	1 341 922
Cons/prof: Infrastructure & planning	190 636	143 514	102 616	307 707	355 391	349 912	209 097	207 539	216 964
Cons/prof: Laboratory services	665 195	408 384	568 743	718 172	559 099	557 119	615 132	660 788	753 984
Cons/prof: Legal cost	36 195	36 446	64 538	28 876	37 742	33 712	50 962	52 699	53 883
Contractors	1 175 520	1 808 536	1 688 178	2 674 445	2 629 706	2 639 938	2 292 764	2 493 165	2 972 337
Agency & support/outsourced services	966 783	913 655	2 366 907	2 298 540	2 454 431	2 412 763	2 545 076	2 627 169	2 758 667
Entertainment	2 395	1 442	2 390	5 600	5 102	4 493	4 543	4 852	4 963
Fleet services (incl. GMT)	36 067	41 423	85 261	71 200	129 867	154 259	126 764	136 010	140 476
Housing	185	-	36	31	31	31	33	50	36
Inventory: Food and food supplies	803 756	889 258	143 341	150 680	143 324	127 205	137 185	149 777	161 743
Inventory: Fuel, oil and gas	279 667	317 496	398 183	384 646	397 984	398 669	490 689	536 966	577 487
Inventory: Learner and teacher supp material	319 150	454 053	605 793	659 067	659 343	536 147	881 162	879 741	1 052 797
Inventory: Materials and supplies	106 951	86 085	45 318	55 715	71 358	58 437	73 434	75 899	78 677
Inventory: Medical supplies	982 448	921 511	1 204 239	1 231 192	1 190 614	1 188 756	1 271 810	1 357 636	1 440 069
Inventory: Medicine	1 742 051	1 873 001	1 883 341	2 146 097	2 296 353	2 601 827	2 535 462	2 832 735	3 081 647
Medas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	445 870	509 446	574 308	554 998	611 846	586 205	683 876	700 986	727 355
Inventory: Stationery and printing	358 182	192 424	249 940	265 355	271 140	279 791	287 859	304 936	317 709
Operating leases	376 500	388 661	334 848	376 971	365 587	368 318	343 529	355 226	367 443
Property payments	1 008 632	1 084 176	1 600 254	1 514 301	1 592 865	1 646 187	1 754 971	1 828 327	1 938 613
Transport provided: Departmental activity	127 116	93 056	140 355	160 028	229 444	198 576	280 240	301 822	313 177
Travel and subsistence	587 244	538 409	769 966	613 285	661 066	726 209	708 744	747 868	786 349
Training and development	115 308	101 398	117 061	295 216	305 511	180 825	349 457	357 314	381 015
Operating expenditure	115 392	196 783	229 725	235 206	218 084	216 314	214 077	220 943	223 437
Venues and facilities	154 428	128 288	225 292	205 316	211 767	168 681	163 180	167 370	178 527
Rental and hiring	59 048	57 701	548 730	71 269	4 153	17 914	537 019	563 590	592 036
Interest and rent on land	105 502	16 149	1 563	50 000	4 300	4 547	8 908	7 768	10 232
Interest	105 502	16 149	1 563	50 000	4 300	4 547	8 908	7 768	10 232
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	8 729 987	9 228 387	9 529 717	10 118 836	10 331 511	10 336 869	10 105 857	8 931 913	9 053 624
Provinces and municipalities	1 183 299	1 447 500	1 160 365	1 264 715	1 438 154	1 462 311	1 096 713	1 223 905	1 173 488
Provinces	5 568	6 438	6 381	8 808	10 189	10 154	11 318	11 222	11 622
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	5 568	6 438	6 381	8 808	10 189	10 154	11 318	11 222	11 622
Municipalities	1 177 731	1 441 062	1 153 984	1 255 907	1 427 965	1 452 157	1 085 395	1 212 683	1 161 866
Municipalities	1 177 731	1 441 062	1 153 984	1 255 907	1 412 965	1 437 157	1 085 395	1 212 683	1 161 866
Municipal agencies and funds	-	-	-	-	15 000	15 000	-	-	-
Departmental agencies and accounts	666 561	774 167	889 776	882 502	1 132 817	1 133 199	1 281 776	1 191 452	1 236 074
Social security funds	483	460	512	225	220	643	568	600	608
Entities receiving funds	666 078	773 707	889 264	882 277	1 132 597	1 132 556	1 281 208	1 190 852	1 235 466
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	226	410	173	180	180	180	189	198	207
Public corporations and private enterprises	729 317	1 081 682	1 101 034	1 281 238	1 130 708	1 195 449	1 183 141	1 228 341	1 271 708
Public corporations	729 317	1 081 682	1 101 034	1 281 215	1 130 127	1 194 868	1 183 117	1 228 316	1 271 682
Subsidies on production	593 250	715 294	773 473	850 685	808 279	873 020	852 325	895 350	936 536
Other transfers	136 067	366 370	327 561	430 530	321 848	321 848	330 792	332 966	335 146
Private enterprises	-	18	-	23	581	581	24	25	26
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	18	-	23	581	581	24	25	26
Non-profit institutions	4 003 614	3 253 010	3 410 877	4 013 480	3 717 876	3 620 535	3 526 086	3 744 140	3 774 161
Households	2 146 970	2 671 618	2 967 492	2 676 721	2 911 776	2 925 195	3 017 952	1 543 877	1 597 986
Social benefits	141 807	152 890	228 702	152 261	164 266	169 745	149 791	161 986	178 356
Other transfers to households	2 005 163	2 518 728	2 738 790	2 524 460	2 747 510	2 755 450	2 868 161	1 381 891	1 419 630
Payments for capital assets	5 417 997	5 640 063	7 119 627	7 406 955	8 088 376	7 908 086	7 393 389	7 861 040	8 681 125
Buildings and other fixed structures	4 604 839	4 973 729	5 893 494	5 853 391	6 744 267	6 724 267	6 271 741	6 890 960	7 657 522
Buildings	2 495 989	2 851 261	3 407 741	3 603 198	4 187 191	4 167 191	3 654 957	3 919 069	4 666 886
Other fixed structures	2 108 850	2 122 468	2 485 753	2 250 193	2 557 076	2 557 076	2 616 784	2 971 891	2 990 636
Machinery and equipment	797 665	650 510	1 169 438	1 542 296	1 301 037	1 140 747	1 108 078	960 801	1 015 152
Transport equipment	101 572	154 714	334 417	271 313	250 967	251 181	219 766	223 368	217 211
Other machinery and equipment	696 093	495 796	835 021	1 270 983	1 050 070	889 566	888 312	737 433	797 941
Heritage assets	-	323	1 819	-	8 000	8 000	4 865	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	360	222	7 354	523	9 951	9 951	553	586	609
Land and sub-soil assets	450	798	26 455	-	-	-	-	-	-
Software and other intangible assets	14 683	14 481	21 067	10 745	25 121	25 121	8 152	8 693	7 842
Payments for financial assets	1 164 407	445 440	26 265	1 800	2 109	2 145	2 500	2 500	4 694
Total	63 742 849	67 600 043	78 578 253	83 501 161	85 936 703	86 396 770	89 716 154	93 350 510	99 494 410
Statutory payments	66 435	62 681	65 601	70 299	70 299	70 299	76 050	108 468	84 321
Total (including statutory payments)	63 809 284	67 662 724	78 643 854	83 571 460	86 007 002	86 467 069	89 792 204	93 458 978	99 578 731

Table 1.C: Information relating to conditional grants

Vote and Grant	Adjusted appropriation	Actual transfer	Audited expenditure	Adjusted appropriation	Actual transfer	Audited expenditure	Adjusted appropriation	Actual transfer	Audited expenditure	Adjusted appropriation	Revised transfer estimate	Revised exp estimate	Medium-term estimates		
	2009/10			2010/11			2011/12			2012/13			2013/14	2014/15	2015/16
R thousand															
Vote 3 - Agric., Environ. Affairs and Rural Dev	138 489	138 489	126 924	186 090	186 090	185 614	242 727	242 251	242 022	277 443	276 738	277 443	287 586	292 579	305 133
Land Care Programme grant	8 227	8 227	8 227	8 721	8 721	8 245	9 720	9 244	9 015	21 009	20 304	21 009	18 746	10 854	11 179
Comprehensive Agricultural Support Programme	117 762	117 762	106 197	147 369	147 369	147 369	164 691	164 691	164 691	183 726	183 726	183 726	202 522	212 632	222 405
Agricultural Disaster Management grant	5 000	5 000	5 000	30 000	30 000	30 000	-	-	-	-	-	-	-	-	-
Ilima/Letsema Projects grant	7 500	7 500	7 500	-	-	-	60 000	60 000	60 000	63 000	63 000	63 000	65 768	69 093	71 549
EPWP Integrated Grant for Provinces	-	-	-	-	-	-	8 316	8 316	8 316	9 708	9 708	9 708	550	-	-
Vote 4 - Economic Development and Tourism	-	-	-	-	-	-	536	536	-	1 000	1 000	1 000	-	-	-
EPWP Integrated Grant for Provinces	-	-	-	-	-	-	536	536	-	1 000	1 000	1 000	-	-	-
Vote 5 - Education	1 380 097	1 341 818	1 389 019	2 598 423	2 598 423	2 550 137	3 210 108	3 180 057	3 180 057	3 393 341	3 363 826	3 380 975	2 943 633	3 133 961	3 787 518
Educator Infrastructure grant (previously IGP)	594 196	746 136	603 211	855 285	1 035 501	753 216	1 175 956	1 175 956	1 144 368	1 179 358	1 247 477	1 138 616	1 206 190	1 237 534	1 287 034
HIV and AIDS (Life-Skills Education) grant	39 765	39 765	39 672	42 686	42 686	39 998	45 114	45 114	45 114	46 806	46 806	42 019	48 634	52 261	51 255
National School Nutrition Programme (NSNP) grant	746 136	555 917	746 136	1 035 501	855 285	1 035 501	1 172 082	1 144 368	1 175 956	1 247 477	1 151 644	1 247 477	1 298 847	1 432 140	2 011 863
FET College Sector Recapitalisation grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FET College Sector grant	-	-	-	649 177	649 177	705 883	765 537	765 537	765 537	858 862	858 862	892 025	325 736	347 178	369 399
Education Disaster Management grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical Secondary Schools Recapitalisation grant	-	-	-	15 274	15 274	15 039	38 563	36 762	36 762	42 291	40 490	42 291	42 717	45 280	47 499
EPWP Integrated Grant for Provinces	-	-	-	500	500	500	536	-	-	1 000	1 000	1 000	3 000	-	-
Dinaledi Schools grant	-	-	-	-	-	-	12 320	12 320	12 320	17 547	17 547	17 547	18 509	19 568	20 468
Vote 6 - Provincial Treasury	-	-	-	-	1 634	1 634	-	-	-	-	-	-	-	-	-
Infrastructure Grant to Provinces	-	-	-	-	1 634	1 634	-	-	-	-	-	-	-	-	-
Vote 7 - Health	1 841 836	3 114 646	3 191 197	2 324 747	3 924 609	3 575 732	2 703 561	4 435 205	4 452 554	5 023 849	5 023 849	5 023 849	5 319 234	5 992 400	6 539 263
Health Professions Training and Development grant	222 425	222 425	222 425	235 771	235 771	235 771	249 917	249 917	249 917	261 860	261 860	261 860	276 262	292 837	306 308
Health Facility Revitalisation grant	1 615 830	648 579	584 626	2 071 455	901 053	578 019	2 427 333	906 169	906 169	1 176 452	1 176 452	1 176 452	962 469	1 090 431	1 139 972
of which:															
Health Infrastructure component	1 121 575	359 717	359 717	1 518 811	400 238	280 449	1 907 312	358 471	358 471	573 367	573 367	573 367	373 969	410 845	430 527
Hospital Revitalisation component	359 717	288 862	224 909	400 238	500 815	297 570	358 471	547 698	547 698	586 605	586 605	586 605	560 104	646 132	676 544
Nursing Colleges and Schools component	134 538	-	-	152 406	-	-	161 550	-	-	16 480	16 480	16 480	28 396	33 454	32 901
National Tertiary Services grant	3 581	983 948	984 488	3 538	1 102 585	1 102 517	-	1 201 831	1 201 831	1 323 114	1 323 114	1 323 114	1 415 731	1 496 427	1 565 263
Comprehensive HIV and AIDS grant	-	1 121 575	1 121 582	2 676	1 518 811	1 500 926	25 775	1 889 427	1 907 312	2 225 423	2 225 423	2 225 423	2 652 072	3 098 705	3 512 927
Forensic Pathology Services grant	-	134 538	278 033	11 307	152 406	152 406	536	161 550	161 550	-	-	-	-	-	-
2010 World Cup Health Preparation Strategy grant	-	3 581	43	-	-	3 538	-	-	-	-	-	-	-	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	-	-	2 676	2 555	-	25 775	25 775	-	-	-	-	-	-
EPWP Integrated Grant for Provinces	-	-	-	-	11 307	-	-	536	-	1 000	1 000	1 000	3 000	-	-
National Health Insurance grant	-	-	-	-	-	-	-	-	-	33 000	33 000	33 000	9 700	14 000	14 793
AFCON 2013: Medical Services grant	-	-	-	-	-	-	-	-	-	3 000	3 000	3 000	-	-	-
Vote 8 - Human Settlements	2 330 448	2 330 448	2 253 423	2 725 526	2 768 502	2 845 034	2 801 011	2 801 547	2 772 232	2 942 934	2 915 297	2 942 934	3 238 428	1 685 764	1 675 237
Human Settlements Development grant	2 180 448	2 180 448	2 103 423	2 711 133	2 634 109	2 711 234	2 769 871	2 769 871	2 769 871	2 915 297	2 915 297	2 915 297	3 235 428	1 685 764	1 675 237
Housing Disaster Relief grant	150 000	150 000	150 000	13 800	133 800	133 800	31 140	31 140	2 361	27 637	-	27 637	-	-	-
EPWP Integrated Grant for Provinces	-	-	-	593	593	-	-	536	-	-	-	-	3 000	-	-
Vote 9 - Community Safety and Liaison	-	-	-	-	-	-	-	-	-	1 673	1 673	1 673	5 369	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	-	-	-	-	-	-	-	1 673	1 673	1 673	5 369	-	-
Vote 12 - Transport	1 631 123	1 570 723	1 576 577	2 040 937	2 040 505	2 041 644	2 157 272	2 157 272	2 157 272	2 393 661	2 373 740	2 458 402	2 619 732	2 646 943	3 104 476
Sani Pass Road grant	34 747	34 347	34 347	-	-	-	-	-	-	-	-	-	-	-	-
Transport Disaster Management grant	-	-	-	-	-	-	29 736	29 736	29 736	-	-	-	-	-	-
Public Transport Operations grant	647 396	587 396	593 250	714 587	714 587	715 294	773 473	773 473	773 473	808 279	808 279	873 020	852 325	895 350	936 536
EPWP Integrated Grant for Provinces	83 900	83 900	83 900	153 562	153 130	153 562	117 415	117 415	117 415	84 211	64 290	84 211	88 487	-	-
Provincial Roads Maintenance grant	865 080	865 080	865 080	958 390	958 390	958 390	1 236 648	1 236 648	1 236 648	1 501 171	1 501 171	1 501 171	1 678 920	1 751 593	2 167 940
Provincial Disaster Relief grant	-	-	-	214 398	214 398	214 398	-	-	-	-	-	-	-	-	-
Vote 13 - Social Development	-	-	-	2 700	2 700	2 700	4 494	3 821	3 821	674	-	674	14 610	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	-	2 700	2 700	2 700	4 494	3 821	3 821	674	-	674	14 610	-	-
Vote 14 - Public Works	237 662	236 544	237 205	714 031	713 331	510 352	507 841	465 546	494 163	554 640	552 608	554 640	3 000	-	-
Devolution of Property Rate Funds Grant to Provinces	237 382	236 264	237 205	710 068	709 891	509 939	505 880	463 585	489 480	551 100	551 100	551 100	-	-	-
EPWP Integrated Grant for Provinces	280	280	-	3 963	3 440	413	1 961	1 961	4 683	3 540	1 508	3 540	3 000	-	-
Vote 15 - Arts and Culture	35 589	35 589	30 597	43 274	38 282	41 261	48 971	48 971	49 444	49 166	48 619	49 166	63 695	122 754	160 042
Community Library Services grant	35 589	35 589	30 597	43 274	38 282	41 261	48 971	48 971	49 444	48 619	48 619	48 619	63 145	122 754	160 042
EPWP Integrated Grant for Provinces	-	-	-	-	-	-	-	-	-	547	-	547	550	-	-
Vote 16 - Sport and Recreation	85 148	85 148	79 249	94 214	90 256	93 714	87 694	87 694	87 694	92 122	92 122	92 122	84 760	83 877	88 071
Mass Sport and Recreation Participation Programme	85 148	85 148	79 249	93 714	90 256	93 714	87 694	87 694	87 694	91 122	91 122	91 122	79 883	83 877	88 071
EPWP Integrated Grant for Provinces	-	-	-	500	500	-	-	-	-	1 000	1 000	1 000	550	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	-	-	-	-	-	-	-	-	-	-	4 327	-	-
Total conditional grants	7 680 392	8 853 405	8 884 191	10 729 942	12 364 832	11 847 822	11 764 215	13 422 900	13 439 259	14 730 503	14 649 472	14 782 878	14 580 047	13 958 278	15 659 740

Overview of Provincial Revenue and Expenditure

Table 1.D: 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	Total available	MTEF forward estimates	
			Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish						2013/14	2014/15	2015/16
R thousand														
New and replacement assets														
Agriculture, Environmental Affairs and Rural Development									-	34 440	-	48 096	50 981	53 326
1.	Mushroom bases	Various	Mushroom satellite	2 per annum	Ongoing	Ongoing	Equitable share	Programme 2	-	34 440	-	18 800	20 525	21 043
2.	Farm structures	Various	Fencing, irrigation, poultry, piggery, etc	Various	Ongoing	Ongoing	Equitable share	Programme 2	-	-	-	2 145	1 021	1 082
3.	Makhathini	Jozini	Irrigation, fencing, drainage canals, etc	Various	01 Apr 2013	31 Mar 2016	Equit. & cond. grant	Programme 2	-	-	-	23 151	25 235	26 749
4.	Office accommodation (HO & districts)	Various	Office accommodation	Various	01 Apr 2013	31 Mar 2016	Equitable share	Programme 1	-	-	-	4 000	4 200	4 452
Education									-	1 644 600	383 285	757 865	1 028 289	1 266 637
1.	Nkombose H.S.	The Big 5 False Bay	School - Secondary	15	27 Aug 2009	31 Mar 2016	Equitable share	Programme 2	-	31 628	24 111	582	-	582
2.	Amandlakazulu (Bilanyoni) P.S.	Abaqulusi	School - Primary	21	04 Sep 2009	31 Mar 2016	Equitable share	Programme 2	-	30 276	6 466	7 406	3 000	7 406
3.	Intuthuko Lsen	Umkhanyakude	School - Specialised	8	02 Feb 2011	31 Mar 2016	Edu. Infrs. grant	Programme 4	-	70 000	7 314	8 895	13 320	8 895
4.	New Ulundi Sect D Area P.S.	Ulundi	School - Primary	1	01 Apr 2012	31 Mar 2016	Equitable share	Programme 2	-	30 000	-	10 000	5 000	10 000
5.	New Makhana P.S.	Jozini	School - Primary	1	01 Apr 2012	31 Mar 2016	Equitable share	Programme 2	-	30 000	-	5 000	5 000	5 000
6.	Gannahoeck P.S.	Umtshezi	School - Primary	10	01 Apr 2012	31 Mar 2016	Equitable share	Programme 2	-	14 000	1 308	1 125	1 000	1 125
7.	Khethokuhle P.S.	Newcastle	School - Primary	21	09 Mar 2011	31 Mar 2016	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 2016	Edu. Infrs. grant	Programme 4	-	7 000	5 257	272	-	272
9.	Mabhumane PS	Emnambithi/Ladysmith	School - Primary	1	15 Feb 2007	31 Mar 2016	Edu. Infrs. grant	Programme 2	-	8 250	8 032	-	-	-
9.	Mkhamba Gardens P.S.	Emnambithi/Ladysmith	School - Primary	1	01 Apr 2012	31 Mar 2016	Edu. Infrs. grant	Programme 2	-	30 000	-	4 000	12 000	4 000
Other	Various	All	Various	Several	01 Apr 2010	31 Mar 2016	Equit. & Edu. Infrs. grant	All	-	1 361 446	329 277	717 587	982 969	1 226 359
Health									-	696 308	255 296	379 082	373 764	353 010
1.	Construction of a new CHC	Dannhauser	Community Health Centre	1	March 2012	June 2014	Health Infrastructure	Programme 8	-	157 384	75 919	78 000	3 465	-
2.	Construction of a new clinic with residences	Jozini	Clinic	1	March 2012	June 2014	Equitable share	Programme 8	-	34 202	15 115	18 287	800	-
3.	Construction of a new CHC	Jozini	Community Health Centre	1	August 2012	May 2015	Equitable share	Programme 8	-	170 000	28 433	66 000	71 567	4 000
4.	Construction of a medium clinic with residence	Msinga	Clinic	1	March 2013	April 2015	Equitable share	Programme 8	-	15 000	934	9 000	4 696	370
5.	Construction of a new medium clinic	Umlalazi	Clinic	1	April 2013	May 2014	Equitable share	Programme 8	-	19 408	8 427	10 431	550	-
6.	Construction of a new clinic	Msinga	Clinic	1	August 2012	April 2014	Equitable share	Programme 8	-	16 878	4 625	11 853	400	-
7.	Replacement clinic: guard house, car port, etc	Mthonjaneni	Clinic	1	April 2012	April 2014	Health Infrastructure	Programme 8	-	16 325	3 902	11 923	500	-
8.	New M6 forensic mortuary	eThekwini	Mortuary	1	December 2011	June 2014	Equitable share	Programme 8	-	87 313	37 177	47 936	2 200	-
9.	Construction of a new CHC with residences	Msinga	Community Health Centre	1	March 2012	June 2014	Health Infrastructure	Programme 8	-	161 018	80 164	76 854	4 000	-
10.	Replacement medium clinic	Nongoma	Clinic	1	March 2013	April 2015	Equitable share	Programme 8	-	18 780	600	12 000	5 780	400
Other	Various	Various	Various	Various	Various	Various	Various	Programme 8	-	-	-	36 798	279 806	348 240
Human Settlements									-	-	-	15 000	26 014	26 014
1.	Social and Economic Facilities	Various	Parks, creche facilities, taxi ranks, community halls, etc.	Several	01 Apr 2011	01 Mar 2016	HSDG	Programme 3	-	-	-	15 000	26 014	26 014
Co-operative Governance and Traditional Affairs									-	16 012	39 802	13 250	14 250	14 512
1.	Imizi Yesizwe	Various	Houses for Amakhosi	Several	01 Apr 2007	Ongoing	Equitable share	Programme 4	-	-	36 950	8 000	9 000	9 000
2.	New Traditional Administrative Centre	Zululand	New construction	1	01 Apr 2013	31 Mar 2014	Equitable share	Programme 3	-	5 250	2 852	5 250	-	-
3.	New Traditional Administrative Centre	uMgungundlovu DM	New construction	1	01 Apr 2014	31 Mar 2015	Equitable share	Programme 3	-	5 250	-	-	5 250	-
4.	New Traditional Administrative Centre	uMgungundlovu DM	New construction	1	01 Apr 2015	31 Mar 2016	Equitable share	Programme 3	-	5 512	-	-	-	5 512
Transport									4 500	739 900	660 900	432 573	356 343	368 517
1.	P577 (ARRUP)	Durban	Surface	14 km	01 Apr 2003	31 Mar 2014	Equitable share	Programme 2	4 500	739 900	660 900	100 424	-	-
2.	Access roads	Whole KZN	Gravel	Several	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	-	-	161 604	182 858	193 827
3.	Pedestrian bridges	Whole KZN	Bridges	Several	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	-	-	126 147	133 085	133 986
4.	Integrated Public Transport facilities	Estcourt and Emondlo	Structures	2	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	-	-	44 398	40 400	40 704

Table 1.D: Detail payments and estimates of infrastructure by category (cont'd)

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			
				Date: Start	Date: Finish						Total available			
		Project/admin block; water; electricity; sanitation; etc.	Units (I.e. number of facilities)								2013/14	2014/15	2015/16	
R thousand														
Social Development														
1. KwaShukela Service Centre	Jozini	Service centre	7	23 May 2011	23 Feb 2014	Equitable share	Programme 3	-	431 204	-	141 021	148 777	155 621	
2. Hlabisa Service Office	Hlabisa	Service office	7	02 Apr 2011	21 Mar 2014	Equitable share	Programme 2	-	16 917	-	9 653	-	-	
3. Emamnyiseni Service Centre	Umkhlabuyalingana	Service centre	7	07 Apr 2011	25 Feb 2014	Equitable share	Programme 3	-	16 685	-	8 387	-	-	
4. Obuka Service Office	Umlalazi	Service office	6	08 May 2011	31 Mar 2014	Equitable share	Programme 2	-	17 035	-	4 845	-	-	
5. KwaNgwanase Service Office	Umkhlabuyalingana	Service office	8	19 Apr 2011	31 Mar 2014	Equitable share	Programme 2	-	12 633	-	5 224	-	-	
6. Nkunzana Service Centre	Nongoma	Service centre	7	01 Apr 2011	30 Mar 2014	Equitable share	Programme 3	-	19 964	-	10 788	-	-	
7. Godwayo Service Centre	uPhongolo	Service centre	7	05 May 2011	31 Mar 2014	Equitable share	Programme 3	-	15 058	-	1 721	-	-	
8. Osuthu Youth Development Centre	Nongoma	Youth Dev. centre	7	12 Apr 2011	31 Mar 2014	Equitable share	Programme 3	-	15 110	-	6 927	-	-	
9. Inkosi Simakade Mchunu Service Centre	Msinga	Service centre	7	01 Apr 2011	31 Mar 2014	Equitable share	Programme 3	-	16 109	-	15 074	-	-	
Other Various	Various	Various	Various	Various	Various	Equitable share	Various	-	12 139	-	6 762	-	-	
									-	289 554	-	71 640	148 777	155 621
Public Works														
1. Ixopo: district office (d/o) - new d/o	Sisonke	Construct new office	1	01 Nov 2010	30 Mar 2014	Equitable share	Programme 3	-	21 960	1 401	16 144	5 889	40	
2. Richmond NIP site - con. of Richmond NIP site	Sisonke	Construct new office	1	01 Apr 2010	30 Mar 2014	Equitable share	Programme 3	-	21 310	1 305	690	-	-	
3. Umzinyathi sub-district office (Uthukela Ferry)	Uthukela	Construct new office	1	01 Apr 2013	30 Aug 2016	Equitable share	Programme 3	-	650	96	404	-	-	
4. uMgungundlovu - new admin wing	uMgungundlovu	Construct new wing	1	01 Apr 2013	30 Mar 2015	Equitable share	Programme 3	-	-	-	5 500	3 289	40	
5. eThekwini Regional Office	eThekwini	Replacement lift	1	01 Apr 2013	30 Mar 2014	Equitable share	Programme 3	-	-	-	7 900	2 600	-	
									-	-	-	1 650	-	-
Arts and Culture														
1. Construction of libraries	Various	Library building	2	01 Apr 2013	31 Mar 2016	Conditional grant	Programme 3	-	-	-	36 719	68 882	82 072	
2. Construction of libraries	Various	Library building	2	01 Apr 2013	31 Mar 2016	Equitable share	Programme 3	-	-	-	20 400	49 000	58 000	
3. Construction of museums	Various	Museum	4	01 Apr 2013	31 Mar 2016	Equitable share	Programme 2	-	-	-	9 319	10 107	10 572	
4. Construction of art centres	Various	Art centre	3	01 Apr 2013	31 Mar 2016	Equitable share	Programme 2	-	-	-	2 000	1 500	3 500	
									-	-	-	5 000	8 275	10 000
Sport and Recreation														
1. Combination courts	Various municipalities	Sporting courts	11	01 Apr 2012	31 Mar 2016	Equitable share	Programme 2	-	19 565	56 766	32 380	30 663	23 705	
2. Sports fields	Various municipalities	Sport fields	4	01 Apr 2012	31 Mar 2016	Equitable share	Programme 2	-	3 500	29 664	5 275	5 592	5 849	
3. Futsal courts	Various municipalities	Soccer courts	15	01 Apr 2012	31 Mar 2016	Equitable share	Programme 2	-	7 560	7 685	7 976	8 454	8 843	
4. Office building	Ugu/Sisonke	Building	1	01 Apr 2012	31 Mar 2015	Equitable share	Programme 1	-	7 705	18 820	8 129	8 617	9 013	
									-	800	597	11 000	8 000	-
Total new and replacement assets									4 500	3 603 989	1 397 450	1 872 130	2 103 852	2 343 454
Upgrades and additions														
Provincial Legislature														
1. Installation of generator - Legislature building	Msunduzi	Legislature building	1	01 Apr 2012	01 Mar 2014	Equitable share	Programme 1	-	3 400	1 259	767	813	850	
2. Installation of generator - Admin. building	Msunduzi	Admin. building	1	01 Apr 2012	01 Mar 2014	Equitable share	Programme 1	-	-	528	154	-	-	
3. Capital revamping of Legislature building	Msunduzi	Legislature building	1	01 Apr 2012	01 Mar 2016	Equitable share	Programme 1	-	-	731	400	-	-	
									-	3 400	-	213	813	850
Education														
1. A M Moolla Spes Nova For C P Children	eThekwini	School - Specialised	1	01 Apr 2012	31 Mar 2014	Equitable share	Programme 4	-	6 536 025	1 510 858	1 112 878	1 040 959	1 434 757	
2. Abaqulusi H.S.	Zululand	Sanitation/toilet buildings	1	01 Apr 2012	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	900	-	900	-	-	
3. Abaqulusi H.S.	Zululand	Mobile school	1	01 Feb 2011	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	1 306	-	474	-	-	
4. Albert Falls P.S.	uMshwathi	School - Primary	7	01 Apr 2012	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	479	307	172	-	-	
5. Aldinville	Ilembe	School - Primary	1	19 Mar 2010	31 Mar 2014	Equitable share	Programme 2	-	18 303	812	16 000	-	-	
6. Alexandra H.S.	Msunduzi	School - Secondary	1	01 Apr 2012	31 Mar 2016	Edu. Infrs. grant	Programme 2	-	1 518	842	-	-	-	
7. Alpha	Zululand	Mobile school	2	01 Apr 2012	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	768	-	384	-	384	
8. Altona Primary	Zululand	Fencing	500	02 Jul 2008	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	137	-	137	-	-	
8. Altona Senior P.S.	Zululand	School - Primary	1	01 Apr 2012	31 Mar 2016	Edu. Infrs. grant	Programme 2	-	78	78	-	-	-	
Other Various	All	Various	38 095	01 Apr 2010	31 Mar 2016	Equit. & Edu. Infrs. grant	All	-	10 000	-	4 400	1 000	4 400	
									-	6 502 536	1 508 819	1 090 411	1 039 959	1 429 973

Overview of Provincial Revenue and Expenditure

Table 1.D: Detail payments and estimates of infrastructure by category (cont'd)

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						2013/14	2014/15	2015/16
R thousand													
Health													
1. Upgrade existing accident and emergency unit	Msunduzi	Hospital - Regional	1	October 2012	June 2015	Hospital Revitalisation	Programme 8	-	1 137 649	571 747	438 363	392 000	414 598
2. New OPD, casualty/trauma unit, facilities, ect.	Okhahlamba	Hospital - District	865	March 2012	December 2015	Equitable share	Programme 8	-	78 493	7 823	30 000	38 372	2 298
3. Health technology equipment	eThekwini	Hospital - District	1	April 2011	September 2014	Hospital Revitalisation	Programme 8	-	132 236	32 470	51 000	36 266	10 300
4. New TB complex	eThekwini	Hospital - Regional	297	September 2011	June 2014	Hospital Revitalisation	Programme 8	-	130 000	89 194	35 000	5 000	-
5. Alteration and additions to existing hospital	uMhlathuze	Hospital - District	296	September 2010	July 2015	Hospital Revitalisation	Programme 8	-	81 104	48 061	31 071	2 030	-
6. New general and T.B. wards	Hibiscus Coast	Hospital - District	900	March 2012	April 2015	Hospital Revitalisation	Programme 8	-	347 874	241 658	78 000	20 216	8 000
7. Upgr. MV and LV elec. Reticulation, etc.	uMhlathuze	Hospital - Regional	506	May 2011	June 2014	Health Infrastructure	Programme 8	-	67 500	19 868	30 000	15 932	1 700
8. Accomodation for 39 staff	Umzimkulu	Community Health Centre	268	September 2012	April 2014	Hospital Revitalisation	Programme 8	-	104 681	73 243	35 829	4 551	-
9. Phase 3B: Admin, kitchen, audio, ARV, etc.	Umzimkulu	Hospital - District	336	September 2012	April 2014	Equitable share	Programme 8	-	34 431	4 368	29 563	500	-
10. Phase 3A: New pharmacy, stores, etc.	Umzimkulu	Hospital - District	208	October 2011	June 2015	Hospital Revitalisation	Programme 8	-	110 000	33 464	50 000	25 069	2 300
Other Various	Various	Various	Several	April 2012	April 2014	Hospital Revitalisation	Programme 8	-	51 330	21 598	28 874	850	-
								-	-	-	39 026	243 214	390 000
Transport													
1. P496 (RNI)	Empangeni	Surface	13 km	01 Oct 2005	31 Mar 2013	Equitable share	Programme 2	9 650	1 375 188	902 588	1 326 432	1 704 282	1 693 054
2. DubeTradePort roads	eThekwini	Construction	Several	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	6 750	900 000	501 400	76 631	-	-
3. ARRUP roads	Whole KZN	Construction	Several	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	-	-	100 548	100 235	277 692
4. Access roads	Whole KZN	Construction	Several	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	-	-	306 029	590 291	568 465
5. P700 (ARRUP)	Empangeni	Surface	95 km	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	-	-	669 190	828 495	647 120
								2 900	475 188	401 188	174 034	185 261	199 777
Social Development													
1. KwaBadala Old Age	Nkandla	Old age home	7	01 May 2004	31 Mar 2016	Equitable share	Programme 2	-	135 600	-	36 347	28 307	29 608
2. Newcastle School of Industries	Newcastle	School of industry	1	01 Apr 2011	31 Mar 2014	Equitable share	Programme 2	-	20 000	-	6 000	-	-
3. Madadeni Rehab	Newcastle	School of industry	1	01 Apr 2011	30 Jun 2015	Equitable share	Programme 2	-	50 000	-	6 844	10 279	-
4. Princess Mkabayi Children's Home	Newcastle	Rehab centre	4	01 Apr 2011	31 Mar 2015	Equitable share	Programme 2	-	24 000	-	6 500	6 500	-
5. Excelsior POS	Nquthu	Children's home	4	01 Apr 2011	30 Aug 2014	Equitable share	Programme 2	-	6 400	-	3 000	-	-
6. Ocean View POS	eThekwini Metro	Children's home	4	01 Apr 2011	30 Sep 2014	Equitable share	Programme 2	-	8 400	-	4 003	-	-
7. Truro House Offices	eThekwini Metro	Place of safety	4	01 Apr 2011	30 Sep 2014	Equitable share	Programme 2	-	1 700	-	1 000	-	-
8. Enduduzweni Centre for the Blind	eThekwini Metro	Place of safety	4	01 Apr 2011	31 Mar 2014	Equitable share	Programme 2	-	1 700	-	1 000	-	-
9. Greenfields POS	eThekwini Metro	Offices	3	01 Apr 2011	31 Mar 2014	Equitable share	Programme 2	-	2 400	-	1 500	-	-
10. PMB Regional Office (Karl Eggers)	eThekwini Metro	Protective workshop	3	01 Apr 2011	31 Mar 2014	Equitable share	Programme 2	-	1 200	-	500	-	-
Other Various	Msunduzi	Place of safety	7	01 Apr 2011	31 Mar 2014	Equitable share	Programme 2	-	18 000	-	4 000	-	-
								-	3 500	-	3 000	-	-
								-	-	-	-	11 528	29 608
Public Works													
1. Nongoma d/o - LA Building	Zululand	Additions and alterations	1	26 Aug 2008	03 Dec 2014	Equitable share	Programme 2	-	443 453	90 703	47 135	61 267	74 015
2. eThekwini d/o - Conf. centre	eThekwini	Upgrades and additions	1	01 Apr 2012	30 Mar 2014	Equitable share	Programme 3	-	15 600	9 532	6 831	230	-
3. CiBD satellite office & uMgungun. d/o	eThekwini	Upgrades and additions	1	01 Apr 2012	30 Mar 2014	Equitable share	Programme 3	-	23 050	114	3 264	-	-
4. 191 Prince Alfred Street - Phase 1/2/3	uMgungundlovu	Upgrades and additions	1	01 Apr 2010	30 Mar 2015	Equitable share	Programme 3	-	14 760	2 362	9 200	1 930	-
5. Greytown sub. office - Uthukela	uMgungundlovu	Upgrades to existing office	1	01 Apr 2010	01 Mar 2016	Equitable share	Programme 3	-	335 611	57 857	16 222	56 921	74 015
6. Midlands r/o - emer. water supply, etc.	Umzinyathi	Extensions to Uthukela depot	1	15 Jan 2011	15 Jan 2014	Equitable share	Programme 3	-	20 000	908	1 423	-	-
7. Various	Uthukela	Upgrades to existing office	1	02 Feb 2009	15 Jan 2015	Equitable share	Programme 3	-	34 432	19 930	8 395	2 186	-
								-	-	-	1 800	-	-
Arts and Culture													
1. Upgrade of art centres	Various	Various	2	Various	Various	Equitable share	Programme 3	-	-	-	16 500	9 000	17 000
2. Upgrade of museums	Various	Art centre	3	01 Apr 2013	31 Mar 2015	Equitable share	Programme 2	-	-	-	5 000	2 000	-
3. Upgrade of libraries	Various	Museum	1	01 Apr 2013	31 Mar 2014	Equitable share	Programme 2	-	-	-	900	-	-
4. Upgrade of depots	Various	Library building	1	01 Apr 2013	31 Mar 2016	Conditional grant	Programme 3	-	-	-	1 600	1 000	17 000
								-	-	-	9 000	6 000	-
Total upgrades and additions								9 650	9 631 315	3 077 155	2 978 422	3 236 628	3 663 882

Table 1.D: Detail payments and estimates of infrastructure by category (cont'd)

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						2013/14	2014/15	2015/16	
R thousand														
Rehabilitation, renovations and refurbishments														
Agriculture, Environmental Affairs and Rural Development								-	-	-	96 772	81 206	85 016	
1. Office accommodation (HO & districts)	Various	Office accommodation	Various	Ongoing	Ongoing	Equitable share	Programme 1	-	-	-	9 856	10 439	10 875	
2. Makhathini	Jozini	Irrigation, fencing, drainage canals, etc	Various	Ongoing	Ongoing	Equit. & cond. grant	Programme 2	-	-	-	61 554	36 474	37 962	
3. Irrigation schemes	Various	Irrigation schemes	Various	Ongoing	Ongoing	Equit. & cond. grant	Programme 2	-	-	-	11 388	12 520	13 671	
4. Farm structures	Various	Handling facilities, poultry, piggery, etc	Various	Ongoing	Ongoing	Equitable share	Programme 2	-	-	-	9 850	17 443	17 918	
5. Cedara facilities	uMngeni	Access roads, dairy parlour, etc	Various	01 Apr 2013	31 Mar 2016	Equitable share	Programme 1	-	-	-	4 124	4 330	4 590	
Education								-	4 126 254	883 849	509 375	550 048	703 638	
1. Alstone P.S.	uMgungundlovu	School - Primary	1	01 Apr 2012	31 Mar 2016	Edu. Infrs. grant	Programme 2	-	13 500	251	4 100	3 900	4 100	
2. Altona Sps	UPhongo	Office accommodation	1	18 Jan 2011	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	1 409	718	691	-	-	
3. 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 2016	ES/Edu. Infrs. grant	All	-	4 106 574	882 434	503 684	543 948	698 638	
Health								-	698 388	258 866	326 287	211 831	125 693	
1. Refurbishment and rehabilitation of hospital	eThekwini	Hospital - District	238	March 2012	June 2015	Health Infrastructure	Programme 8	-	168 137	59 504	70 000	28 633	4 000	
2. Renovations and additions to existing building.	eThekwini	Training College	1	July 2012	April 2014	Nursing Colleges & Sch.	Programme 8	-	29 983	8 531	20 727	725	-	
3. Renovations, additions to existing building	Msunduzi	Training College	1	November 2011	June 2014	Nursing Colleges & Sch.	Programme 8	-	55 000	36 493	17 112	1 395	-	
4. Constr. of new roof for hospital buildings	Umlalazi	Hospital - District	125	March 2013	April 2014	Equitable share	Programme 8	-	11 880	989	10 441	450	-	
5. Phase 2-4 casualty, trauma, admissions	Umdoni	Hospital - District	300	May 2011	June 2015	Equitable share	Programme 8	-	137 758	37 567	76 500	19 591	4 100	
6. Repairs, renovations to doctors quarters, etc.	uMshwathi	Clinic	613	March 2013	April 2015	Equitable share	Programme 8	-	30 000	619	13 000	15 631	750	
7. Repair, install plant: Durban regional laundry	eThekwini	Sanitation	571	December 2011	June 2015	Equitable share	Programme 8	-	170 400	81 151	30 000	30 000	3 249	
8. Demolish existing houses at Jabulani Village	Umlalazi	Hospital - District	800	May 2012	April 2015	Health Infrastructure	Programme 8	-	18 352	3 133	9 502	5 267	450	
9. Replacement, renovations to roof - admin block	Msunduzi	Hospital - Specialised	1	October 2011	May 2014	Equitable share	Programme 8	-	61 878	27 185	33 193	1 500	-	
10. Upgrade, additions to admin block for EMRS	eThekwini	Hospital - District	361	October 2012	April 2014	Equitable share	Programme 8	-	15 000	3 694	11 056	250	-	
Other Various	Various	Various	Several	Various	Various	Various	Programme 8	-	-	-	34 756	108 389	113 144	
Human Settlements								-	-	-	60 464	28 200	42 480	
1. Rectification of pre-994 housing stock	Various	Human Settlements Properties	Several	Ongoing	Ongoing	HSDG	Programme 4	-	-	-	60 464	28 200	42 480	
The Royal Household								-	24 750	-	12 866	1 063	1 112	
1. Rehabilitation of palaces	Zululand	Palaces	7	Ongoing	Ongoing	Equitable share	Programme 2	-	24 750	-	12 866	1 063	1 112	
Co-operative Governance and Traditional Affairs								-	33 000	16 467	7 000	6 500	6 825	
1. Rehabilitation of various TACs	Province wide	Rehab of existing TACs	20	01 Apr 2013	31 Mar 2014	Equitable share	Programme 4	-	11 000	16 467	7 000	-	-	
2. Rehabilitation of various TACs	Province wide	Rehab of existing TACs	20	01 Apr 2014	31 Mar 2015	Equitable share	Programme 4	-	11 000	-	-	6 500	-	
3. Rehabilitation of various TACs	Province wide	Rehab of existing TACs	20	01 Apr 2015	31 Mar 2016	Equitable share	Programme 4	-	11 000	-	-	-	6 825	
Transport								-	-	-	666 645	733 308	759 809	
1. Various roads	Whole KZN	Rehabilitation	Several	01 Apr 2013	31 Mar 2016	Equitable share	Programme 2	-	-	-	666 645	733 308	759 809	
Public Works								-	51 028	21 663	21 360	11 778	5 118	
1. LA Building - Ulundi Campus	Zululand	Ext. maint. and rehab. of landscape	1	11 May 2009	16 Dec 2015	Equitable share	Programme 3	-	11 600	6 958	3 600	3 800	3 225	
2. LA Building - Ulundi Campus	Zululand	Maint. contract for air conditioning	1	12 Jul 2008	27 Jun 2014	Equitable share	Programme 3	-	18 400	6 900	4 500	3 978	-	
3. LA Building - Ulundi Campus	Zululand	Prevent maint. contract for electrical	1	12 Mar 2009	12 Mar 2016	Equitable share	Programme 3	-	20 228	7 805	3 800	3 800	1 893	
4. Umzinyathi d/o	Umzinyathi	Repair to leaking roof	1	01 Apr 2012	31 Mar 2015	Equitable share	Programme 3	-	800	-	2 000	200	-	
5. LA Building - Ulundi Campus	Zululand	Upgrade 8 lifts	1	01 Apr 2013	30 Mar 2014	Equitable share	Programme 3	-	-	-	4 600	-	-	
6. LA Building - Ulundi Campus	Zululand	Replace cracked glass	1	01 Apr 2013	30 Mar 2014	Equitable share	Programme 3	-	-	-	360	-	-	
7. LA Building - Ulundi Campus	Zululand	Renew palasade fencing	1	01 Apr 2013	30 Mar 2014	Equitable share	Programme 3	-	-	-	2 500	-	-	
Arts and Culture								-	-	-	-	500	-	
1. Renovation of museum	Various	Museum	2	01 Apr 2013	31 Mar 2015	Equitable share	Programme 2	-	-	-	-	500	-	
Total rehabilitation, renovations and refurbishments								-	4 933 420	1 180 845	1 700 769	1 624 434	1 729 696	

Overview of Provincial Revenue and Expenditure

Table 1.D: Detail payments and estimates of infrastructure by category (cont'd)

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						2013/14	2014/15	2015/16
R thousand														
Maintenance and repairs														
Office of the Premier									-	93 714	-	13 300	16 400	17 154
1.	Provincial Public Service Training Academy	eThekwini	Project/admin block	1	01 Apr 2011	01 Mar 2016	Equitable share	Programme 2	-	89 550	-	12 000	15 000	15 690
2.	Moses Mabhida Building	uMgungundlovu	Maintenance and Repairs	3	01 Apr 2011	01 Mar 2016	Equitable share	Programme 1	-	4 164	-	1 300	1 400	1 464
Provincial Legislature									-	10 617	573	3 652	3 872	4 050
1.	Ground maintenance	Msunduzi	Legislature building	1	01 Apr 2012	01 Mar 2016	Equitable share	Programme 1	-	346	26	107	120	93
2.	Fumigation - Legislature building	Msunduzi	Legislature building	1	01 Apr 2012	01 Mar 2016	Equitable share	Programme 1	-	270	-	80	90	100
3.	Fumigation - Admin. building	Msunduzi	Admin. building	1	01 Apr 2012	01 Mar 2016	Equitable share	Programme 1	-	369	153	96	92	112
4.	Lift maintenance - Legislature building	Msunduzi	Legislature building	1	01 Apr 2012	01 Mar 2016	Equitable share	Programme 1	-	43	24	19	15	18
5.	Lift maintenance - Admin. building	Msunduzi	Admin. building	2	01 Apr 2012	01 Mar 2015	Equitable share	Programme 1	-	367	50	49	54	-
6.	Refurbishment - Legislature building	Msunduzi	Legislature & Admin	2	01 Apr 2012	01 Mar 2016	Equitable share	Programme 1	-	5 255	60	28	33	38
7.	Maintenance contract for generators	Msunduzi	Legislature & Admin	2	01 Apr 2012	01 Mar 2016	Equitable share	Programme 1	-	104	-	-	30	34
8.	Maintenance contract of airconditioners	Msunduzi	Legislature & Admin	2	01 Apr 2012	01 Mar 2016	Equitable share	Programme 1	-	968	-	300	320	348
9.	Day-to-day maintenance - unforeseen items	Msunduzi	Legislature & Admin	2	01 Apr 2012	01 Mar 2016	Equitable share	Programme 1	-	1 500	-	1 325	2 171	2 316
10.	Painting - Legislature and Admin. building	Msunduzi	Legislature & Admin	2	01 Apr 2012	01 Mar 2014	Equitable share	Programme 1	-	750	-	750	-	-
Other	Pigeon protection, roof paint & waterproof	Msunduzi	Legislature & Admin	2	01 Apr 2012	01 Mar 2016	Equitable share	Programme 1	-	645	260	898	947	991
Agriculture, Environmental Affairs and Rural Development									-	-	-	22 829	24 199	25 312
1.	Office accommodation	Various	Office accommodation	Various	Ongoing	Ongoing	Equitable share	Programme 1	-	-	-	7 295	7 780	7 908
2.	Farm structures	Various	Fencing, irrigation, poultry, piggery, etc	Various	Ongoing	Ongoing	Equitable share	Programme 2	-	-	-	7 439	12 316	13 055
3.	Makhathini	Jozini	Irrigation, fencing , drainage canals, etc	Various	Ongoing	Ongoing	Equit. & cond. grant	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	Various	Equitable share	Programme 2	-	576 142	297 633	211 300	217 422	222 169
Health									-	1 194 068	-	412 397	453 949	471 743
1.	Institutional maintenance: Umkhanyakude	Umkhanyakude	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8	-	126 117	-	23 023	23 023	23 023
2.	Institutional maintenance: Amajuba District	Amajuba	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8	-	50 745	-	17 503	18 003	18 003
3.	Institutional maintenance: eThekwini District	eThekwini	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8	-	184 647	-	139 192	117 352	122 597
4.	Institutional maintenance: Ilembe District	Ilembe	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8	-	103 765	-	26 153	41 278	41 278
5.	Institutional maintenance: Sisonke District	Sisonke	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8	-	82 581	-	11 867	11 867	11 867
6.	Institutional maintenance: Ugu District	Ugu	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8	-	100 350	-	23 726	23 726	23 726
7.	Institutional maintenance: uMgungundlovu	uMgungundlovu	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8	-	186 264	-	63 191	61 999	61 999
8.	Institutional maintenance: Umzinyathi District	Umzinyathi	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8	-	78 582	-	40 405	52 501	52 501
9.	Institutional maintenance: uThungulu District	uThungulu	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8	-	101 448	-	12 443	25 578	25 578
10.	Institutional maintenance: Zululand District	Zululand	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8	-	59 824	-	23 532	43 444	35 993
Other	Various	Various	Maintenance	Several	April 2013	March 2016	Equitable share	Programme 8	-	119 745	-	31 362	35 178	55 178
Human Settlements									-	-	-	17 400	12 400	12 400
1.	Housing Property Maintenance	Various	Human Settlements Properties	Several	Ongoing	Ongoing	HSDG	Programme 4	-	-	-	17 400	12 400	12 400
The Royal Household									-	11 195	-	500	500	530
1.	Maintenance and repairs to palaces	Zululand	Palaces	7	Ongoing	Ongoing	Equitable share	Programme 2	-	11 195	-	500	500	530
Transport									-	-	-	3 392 178	3 698 585	4 249 308
1.	Reseals	Whole KZN	Reseals	Several	01 Apr 2012	31 Mar 2016	Equit. and cond. grant	Programme 2	-	-	-	333 000	370 169	327 018
2.	Routine	Whole KZN	Routine	Several	01 Apr 2012	31 Mar 2016	Equit. and cond. grant	Programme 2	-	-	-	1 151 018	1 324 417	1 530 003
3.	Preventative	Whole KZN	Preventative	Several	01 Apr 2012	31 Mar 2016	Equit. and cond. grant	Programme 2	-	-	-	982 309	982 314	1 210 444
4.	Safety	Whole KZN	Safety	Several	01 Apr 2012	31 Mar 2016	Equit. and cond. grant	Programme 2	-	-	-	315 500	302 142	395 074
5.	Special	Whole KZN	Special	Several	01 Apr 2012	31 Mar 2016	Equit. and cond. grant	Programme 2	-	-	-	35 591	36 944	38 791
6.	Mechanical	Whole KZN	Mechanical	Several	01 Apr 2012	31 Mar 2016	Equit. and cond. grant	Programme 2	-	-	-	144 510	137 086	152 940
7.	Maintenance administration	Whole KZN	Maintenance adm.	Several	01 Apr 2012	31 Mar 2016	Equit. and cond. grant	Programme 2	-	-	-	520 250	545 513	595 038
Social Development									-	-	-	34 414	16 307	17 057
Other	Various	Various	Various	Various	Various	Various	Equitable share	Progs 2 & 3	-	-	-	34 414	16 307	17 057

Table 1.D: Detail payments and estimates of infrastructure by category (cont'd)

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						2013/14	2014/15	2015/16	
R thousand														
Public Works									-	-	-	8 000	8 100	8 200
1. Maintenance & Repairs	Various	Various	Various	01 Apr 2011	01 Mar 2016	Equitable share	Programme 3	-	-	-	2 000	2 025	2 050	
2. Maintenance & Repairs	Various	Various	Various	01 Apr 2011	01 Mar 2016	Equitable share	Programme 3	-	-	-	2 000	2 025	2 050	
3. Maintenance & Repairs	Various	Various	Various	01 Apr 2011	01 Mar 2016	Equitable share	Programme 3	-	-	-	2 000	2 025	2 050	
3. Maintenance & Repairs	Various	Various	Various	01 Apr 2011	01 Mar 2016	Equitable share	Programme 3	-	-	-	2 000	2 025	2 050	
Sport and Recreation									-	2 163	14 877	2 282	2 420	2 541
1. Minor repairs and renovation	Various municipalities	Maintenance	5	01 Apr 2010	31 Mar 2016	Equitable share	Programme 2	-	2 163	14 877	2 282	2 420	2 541	
Total maintenance and repairs									-	1 887 899	313 083	4 118 252	4 454 154	5 030 464
Infrastructure transfers - current									-	-	-	-	-	-
Human Settlements									-	-	-	52 000	68 117	72 467
1. Maint. of R293 hostels and housing properties	Various	Human Settlements Properties	Several	Ongoing	Ongoing	HSDG	Programme 4	-	-	-	52 000	68 117	72 467	
Sport and Recreation									-	4 950	3 300	4 950	4 950	4 950
1. Maintenance grants	Various municipalities	Maintenance	22	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	4 950	3 300	4 950	4 950	4 950	
Total Infrastructure transfers - current									-	4 950	3 300	56 950	73 067	77 417
Infrastructure transfers - capital									-	-	-	-	-	-
Economic Development and Tourism									-	5 147 217	989 338	599 655	655 747	682 459
1. Dube TradePort	eThekwini	Dube TradePort	1	01 Apr 2006	31 Mar 2060	Equitable share	Programme 3	-	4 913 587	944 956	534 491	587 577	611 512	
2. RBIDZ	uThungulu	RBIDZ	1	01 Apr 2010	31 Mar 2050	Equitable share	Programme 3	-	233 630	44 382	65 164	68 170	70 947	
Provincial Treasury									-	38 739	-	20 677	8 000	-
1. Development of light industrial park	Greater Kokstad	Industrial Park	1	01 Apr 2013	31 Mar 2015	Equitable share	Programme 5	-	23 000	-	7 000	8 000	-	
2. Shayamoya eco-complex	Greater Kokstad	Community Park	1	01 Apr 2013	31 Mar 2014	Equitable share	Programme 5	-	15 739	-	13 677	-	-	
Health									-	50 000	30 000	20 000	-	-
1. KZN Children's Hospital	eThekwini	Hospital - Childrens	1	January 2012	March 2014	Equitable share	Programme 8	-	50 000	30 000	20 000	-	-	
Human Settlements									-	-	-	100 000	157 800	69 200
1. Community Residential Units	Various	Hostels	Several	Ongoing	Ongoing	HSDG	Programme 3	-	-	-	100 000	157 800	69 200	
Arts and Culture									-	-	-	17 100	19 023	-
1. Construction of mega-library	eThekwini	Library building	1	01 Apr 2011	31 Mar 2015	Conditional grant	Programme 3	-	-	-	15 000	15 750	-	
2. Construction of museum	Amajuba	Museum	1	01 Apr 2013	31 Mar 2015		Programme 2	-	-	-	1 000	1 000	-	
3. Construction of museum	Ilembe	Museum	1	01 Apr 2013	31 Mar 2015		Programme 2	-	-	-	1 100	2 273	-	
Sport and Recreation									-	14 910	117 373	14 420	15 582	16 526
1. Sports facilities	Various municipalities	Infrastructure transfer	12	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	14 910	117 373	14 420	15 582	16 526	
Total Infrastructure transfers - capital									-	5 250 866	1 136 711	771 852	856 152	768 185
Total Provincial Infrastructure									14 150	25 312 439	7 108 544	11 498 375	12 348 287	13 613 093

Table 1.E: Summary of transfers to municipalities

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
A KZN2000 eThekweni	614 414	734 085	432 730	864 025	677 506	701 698	652 609	761 335	686 325
Total: Ugu Municipalities	79 383	86 426	43 323	23 364	47 485	47 485	25 224	25 614	26 661
B KZN211 Vulamehlo	2 952	1 776	2 365	1 438	3 252	3 252	1 382	1 876	1 640
B KZN212 Umdoni	8 801	5 107	13 332	4 766	7 391	7 391	4 844	5 109	5 350
B KZN213 Umzumbe	-	2 787	2 580	2 253	2 269	2 269	1 502	1 577	1 909
B KZN214 uMuziwabantu	12 861	6 730	3 693	1 480	7 586	7 586	2 873	2 809	2 904
B KZN215 Ezingolweni	2 002	5 857	438	2 184	1 659	1 659	748	788	821
B KZN216 Hibiscus Coast	3 426	8 893	11 310	9 443	23 798	23 798	10 406	10 838	11 289
C DC21 Ugu District Municipality	49 341	55 276	9 605	1 800	1 530	1 530	3 469	2 617	2 748
Total: uMgungundlovu Municipalities	132 179	139 128	137 020	102 190	144 017	144 017	105 500	111 297	145 868
B KZN221 uMshwathi	4	7 822	9 180	1 528	2 551	2 551	9 788	10 281	11 092
B KZN222 uMngeni	5 272	11 036	10 612	4 674	5 118	5 118	12 629	13 261	14 229
B KZN223 Mpofana	41	1 704	2 746	3 289	4 601	4 601	1 720	2 111	1 906
B KZN224 Impendle	-	1 996	11 818	940	6 346	6 346	989	831	870
B KZN225 Msunduzi	71 576	92 859	75 234	89 756	110 330	110 330	74 712	79 882	112 621
B KZN226 Mkhambathini	90	2 332	2 161	760	778	778	1 401	1 473	1 521
B KZN227 Richmond	8 830	10 466	242	843	1 988	1 988	792	840	883
C DC22 uMgungundlovu District Municipality	46 366	10 913	25 027	400	12 305	12 305	3 469	2 618	2 746
Total: Uthukela Municipalities	37 429	63 095	82 237	36 758	89 049	89 049	32 394	34 364	35 370
B KZN232 Emnambithi/Ladysmith	29 151	31 722	36 409	15 595	30 744	30 744	17 625	18 526	19 008
B KZN233 Indaka	893	1 474	1 696	1 010	1 110	1 110	2 099	2 506	2 268
B KZN234 Umtshezi	3 034	8 985	13 769	13 872	21 228	21 228	6 190	6 705	7 201
B KZN235 Okhahlamba	2 779	8 244	3 926	2 515	14 933	14 933	1 826	1 922	1 994
B KZN236 Imbabazane	282	1 270	1 631	2 316	2 700	2 700	2 186	2 088	2 151
C DC23 Uthukela District Municipality	1 290	11 400	24 806	1 450	18 334	18 334	2 468	2 617	2 748
Total: Umzinyathi Municipalities	28 675	60 675	51 431	30 457	35 781	35 781	29 388	30 976	32 057
B KZN241 Endumeni	4 454	22 308	10 923	9 757	10 201	10 201	13 355	14 037	14 983
B KZN242 Nguthu	780	10 026	13 987	10 613	13 104	13 104	9 058	9 306	9 530
B KZN244 Msinga	10 880	10 069	7 163	4 015	4 450	4 450	2 652	2 787	2 861
B KZN245 Umvoti	3 822	3 714	6 650	5 672	4 826	4 826	4 070	4 578	4 401
C DC24 Umzinyathi District Municipality	8 739	14 558	12 708	400	3 200	3 200	253	268	282
Total: Amajuba Municipalities	33 724	21 281	26 586	15 114	49 242	49 242	16 712	18 943	17 139
B KZN252 Newcastle	24 288	8 587	20 216	7 576	22 088	22 088	12 561	13 588	12 557
B KZN253 eMadlangeni	550	5 077	1 720	2 537	2 537	2 537	2 216	2 119	2 179
B KZN254 Dannhauser	-	788	1 235	3 551	13 568	13 568	1 682	1 768	2 121
C DC25 Amajuba District Municipality	8 886	6 829	3 415	1 450	11 049	11 049	253	1 468	282
Total: Zululand Municipalities	25 364	49 365	73 686	49 102	98 896	98 896	24 062	25 539	26 506
B KZN261 eDumbe	600	9 414	4 375	5 481	6 028	6 028	5 050	5 307	5 483
B KZN262 uPhongolo	500	2 318	7 017	1 269	15 205	15 205	4 290	4 298	4 509
B KZN263 Abaqulusi	568	3 150	15 982	7 848	17 368	17 368	8 116	8 689	9 254
B KZN265 Nongoma	200	1 381	604	1 994	3 436	3 436	1 012	1 354	1 093
B KZN266 Ulundi	6 113	8 026	8 309	12 110	22 433	22 433	1 486	1 545	1 604
C DC26 Zululand District Municipality	17 383	25 076	37 399	20 400	34 426	34 426	4 108	4 346	4 563
Total: Umkhanyakude Municipalities	20 784	74 722	73 729	19 028	35 570	35 570	19 840	20 962	23 056
B KZN271 Umhlabyalingana	1 003	12 106	6 986	5 551	7 058	7 058	5 866	6 164	6 467
B KZN272 Jozini	600	8 596	3 314	2 186	7 011	7 011	2 832	2 977	3 225
B KZN273 The Big Five False Bay	913	2 823	2 665	1 725	1 750	1 750	1 753	1 634	1 713
B KZN274 Hlabisa	210	8 446	2 683	2 419	2 121	2 121	1 742	2 108	1 860
B KZN275 Mtubatuba	2 679	12 966	4 396	4 247	4 490	4 490	3 849	4 053	4 547
C DC27 Umkhanyakude District Municipality	15 379	29 785	53 685	2 900	13 140	13 140	3 798	4 026	5 244
Total: uThungulu Municipalities	71 075	56 064	83 039	38 778	74 885	74 885	99 319	108 891	96 953
B KZN281 Mbonambi	6 707	15 911	7 837	3 424	5 699	5 699	3 961	4 160	4 366
B KZN282 uMhlathuze	6 691	22 743	20 069	26 190	32 335	32 335	34 874	39 091	42 296
B KZN283 Ntambanana	731	174	1 915	1 516	4 021	4 021	927	1 276	1 022
B KZN284 Umlalazi	6 287	5 002	13 603	2 859	3 467	3 467	38 215	39 930	41 444
B KZN285 Mthonjaneni	2 177	898	17 427	2 670	17 129	17 129	18 891	20 688	4 822
B KZN286 Nkandla	4 597	8 652	12 094	1 719	3 534	3 534	2 198	2 278	2 721
C DC28 uThungulu District Municipality	43 885	2 684	10 094	400	8 700	8 700	253	1 468	282
Total: Ilembe Municipalities	63 186	89 398	69 117	59 732	67 449	67 449	38 252	43 713	44 404
B KZN291 Mandeni	1 471	4 324	11 459	5 016	10 408	10 408	14 176	15 006	16 599
B KZN292 KwaDukuza	5 392	16 887	16 080	37 912	27 047	27 047	14 217	16 862	15 552
B KZN293 Ndwedwe	90	1 399	3 506	1 779	7 214	7 214	988	1 050	1 107
B KZN294 Maphumulo	1 689	3 001	18 567	12 575	13 350	13 350	6 402	6 978	8 398
C DC29 Ilembe District Municipality	54 544	63 787	19 505	2 450	9 430	9 430	2 469	3 817	2 748
Total: Sisonke Municipalities	71 518	66 823	81 086	16 159	65 312	65 312	38 839	27 767	22 217
B KZN431 Ingwe	-	1 188	11 681	1 827	2 730	2 730	1 888	2 286	2 051
B KZN432 Kwa Sani	1 289	1 376	10 723	854	1 004	1 004	880	914	1 267
B KZN433 Greater Kokstad	-	5 375	15 359	6 353	16 515	16 515	30 079	18 298	11 221
B KZN434 Ubuhlebezwe	5 890	6 780	8 507	2 584	19 134	19 134	1 277	1 343	1 408
B KZN435 Umzimkulu	7 283	1 933	6 280	4 141	12 729	12 729	4 462	4 658	4 888
C DC43 Sisonke District Municipality	57 056	50 171	28 536	400	13 200	13 200	253	268	1 382
Unallocated/unclassified	-	-	-	1 200	42 773	42 773	3 256	3 282	5 310
Total	1 177 731	1 441 062	1 153 984	1 255 907	1 427 965	1 452 157	1 085 395	1 212 683	1 161 866

Table 1.F(a): Details of provincial payments and estimates by functional area

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
General Public Services									
Executive and Legislature	494 606	535 355	631 261	686 814	720 793	719 552	714 916	774 918	771 990
Office of the Premier	29 399	28 260	35 268	37 592	35 323	35 323	38 531	40 834	42 712
The Royal Household	40 407	50 627	59 409	59 566	65 361	65 361	63 330	53 870	56 063
Provincial Legislature	424 800	456 468	536 584	589 656	620 109	618 868	613 055	680 214	673 215
Financial and Fiscal Services	408 292	349 897	334 082	486 547	515 772	515 772	523 994	534 610	554 330
Provincial Treasury	408 292	349 897	334 082	486 547	515 772	515 772	523 994	534 610	554 330
General Services (Public Works, Local Government)	2 564 806	2 803 008	2 870 576	3 235 454	3 461 813	3 461 813	3 246 749	3 368 671	3 497 502
Total: General Public Services	3 467 704	3 688 260	3 835 919	4 408 815	4 698 378	4 697 137	4 485 659	4 678 199	4 823 822
Public Order and Safety									
Police Services	125 272	129 186	145 239	161 334	161 334	153 068	172 347	180 482	187 627
Community Safety and Liaison	125 272	129 186	145 239	161 334	161 334	153 068	172 347	180 482	187 627
Total: Public Order and Safety	125 272	129 186	145 239	161 334	161 334	153 068	172 347	180 482	187 627
Economic Affairs									
General Economic Affairs	2 588 437	1 625 554	1 547 912	1 701 857	1 838 862	1 838 862	1 941 344	1 976 289	2 046 057
Economic Development and Tourism	2 409 524	1 600 918	1 510 191	1 613 448	1 767 717	1 767 717	1 808 203	1 919 537	1 997 433
Provincial Treasury	178 913	24 636	37 721	88 409	71 145	71 145	133 141	56 752	48 624
Agriculture	1 312 136	1 342 197	1 646 461	1 763 079	1 873 492	1 873 492	1 852 265	1 903 767	1 979 653
Agriculture, Enviro.Affairs and Rural Dev	1 312 136	1 342 197	1 646 461	1 763 079	1 873 492	1 873 492	1 852 265	1 903 767	1 979 653
Transport	4 737 595	5 596 342	6 435 372	7 156 896	7 400 457	7 465 198	7 805 803	8 589 178	9 300 160
Transport	4 737 595	5 596 342	6 435 372	7 156 896	7 400 457	7 465 198	7 805 803	8 589 178	9 300 160
Total: Economic Affairs	8 638 168	8 564 093	9 629 745	10 621 832	11 112 811	11 177 552	11 599 412	12 469 234	13 325 870
Environmental Protection									
Environmental Affairs and Conservation	586 370	634 476	712 613	750 127	829 890	829 890	847 607	870 205	906 986
Total: Environmental Protection	586 370	634 476	712 613	750 127	829 890	829 890	847 607	870 205	906 986
Housing and Community Amenities									
Housing Development	2 492 647	3 089 237	3 042 495	3 300 935	3 377 820	3 377 820	3 550 676	2 012 405	2 015 177
Human Settlements	2 492 647	3 089 237	3 042 495	3 300 935	3 377 820	3 377 820	3 550 676	2 012 405	2 015 177
Total: Housing and Community Amenities	2 492 647	3 089 237	3 042 495	3 300 935	3 377 820	3 377 820	3 550 676	2 012 405	2 015 177
Health									
Outpatient services	5 334 697	5 449 006	6 437 923	7 298 687	7 588 796	7 823 870	7 942 330	8 882 466	9 483 636
Hospital Services	14 304 378	14 512 310	17 536 045	18 306 219	18 774 131	18 870 360	19 752 794	20 581 705	21 741 901
Total: Health	19 639 075	19 961 316	23 973 968	25 604 906	26 362 927	26 694 230	27 695 124	29 464 171	31 225 537
Recreation, Culture and Religion									
Sporting and Recreational Affairs									
Sport and Recreation	237 971	276 740	307 836	377 288	384 163	384 163	381 349	394 155	410 981
Arts and Culture	250 290	339 122	359 530	460 345	469 680	469 680	634 375	685 419	745 556
Office of the Premier	46 989	36 688	41 394	62 235	62 235	62 235	65 026	68 230	70 641
Total: Recreation, Culture and Religion	535 250	652 550	708 760	899 868	916 078	916 078	1 080 750	1 147 804	1 227 178
Education									
Pre-primary & Primary Phases	12 339 880	13 235 940	15 781 155	15 525 281	15 988 779	16 311 259	16 787 178	17 908 939	18 925 381
Secondary Education Phase	8 104 789	8 920 394	10 275 287	11 101 706	11 405 227	11 218 380	12 030 796	12 635 339	13 156 472
Subsidiary Services to Education	4 383 960	5 105 329	5 944 601	6 344 641	6 277 950	6 214 754	6 853 335	7 160 705	8 553 585
Education not defined by level	2 146 732	2 278 424	2 674 955	2 818 649	2 828 087	2 829 180	2 379 375	2 501 058	2 641 669
Total: Education	26 975 361	29 540 087	34 675 998	35 790 277	36 500 043	36 573 573	38 050 684	40 206 041	43 277 107
Social protection									
Social Security Services	1 349 437	1 403 519	1 919 117	2 033 366	2 047 721	2 047 721	2 309 945	2 430 437	2 589 427
Total: Social protection	1 349 437	1 403 519	1 919 117	2 033 366	2 047 721	2 047 721	2 309 945	2 430 437	2 589 427
Total provincial payments and estimates by functional	63 809 284	67 662 724	78 643 854	83 571 460	86 007 002	86 467 069	89 792 204	93 458 978	99 578 731

Overview of Provincial Revenue and Expenditure

Table 1.F(b): Details of function

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

Table 1.G: Donor funding and agency receipts

Name of Donor Organisation	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
R thousand									
Donor funding	95 516	112 101	19 798	17 394	43 873	43 873	28 144	26 829	-
Office of the Premier	-	19 841	9 066	16 079	24 079	24 079	26 829	26 829	-
National Skills Fund	-	19 766	8 991	16 079	16 079	16 079	16 079	16 079	-
MERSETA	-	-	-	-	8 000	8 000	10 750	10 750	-
PSETA	-	75	75	-	-	-	-	-	-
Provincial Legislature	-	-	-	-	-	-	-	-	-
European Union: Legislature Support Prog.	-	-	-	-	-	-	-	-	-
Agriculture, Enviro Affairs and Rural Development	19 474	14 588	1 315	1 315	19 342	19 342	1 315	-	-
Danida	-	1 305	-	-	-	-	-	-	-
Dutch funding (NUFFIC)	812	-	-	-	-	-	-	-	-
Flemish government	16 402	13 283	-	-	18 027	18 027	-	-	-
World Health Organisation (Rabies project)	2 049	-	1 315	1 315	1 315	1 315	1 315	-	-
EU - Gijima project	211	-	-	-	-	-	-	-	-
Economic Development and Tourism	31 291	42 626	-	-	-	-	-	-	-
European Union - Gijima	31 291	42 626	-	-	-	-	-	-	-
Education	-	31 709	4 616	-	-	-	-	-	-
Royal Netherlands Embassy	-	31 709	4 616	-	-	-	-	-	-
Health	36 072	1 294	4 231	-	-	-	-	-	-
Atlantic Philanthropies	6 000	-	-	-	-	-	-	-	-
Ben Booysen	-	1	-	-	-	-	-	-	-
CMC DI Ravenna	-	150	-	-	-	-	-	-	-
Comrades Marathon	-	-	10	-	-	-	-	-	-
European Union PHC	9 318	101	-	-	-	-	-	-	-
HWSETA Learnership - Bethesda sub-campus	-	-	121	-	-	-	-	-	-
HWSETA Learnership - Pharmacy	-	75	-	-	-	-	-	-	-
HWSETA Learnership - St Aiden's	263	63	323	-	-	-	-	-	-
HWSETA Learnership - Unemployed Graduates	-	700	-	-	-	-	-	-	-
UNICEF: Ilembe District	3 000	-	-	-	-	-	-	-	-
Co-operative Governance and Traditional Affairs	8 679	2 043	570	-	452	452	-	-	-
Development Bank of SA	8 679	2 043	570	-	452	452	-	-	-
Agency receipt	44 835	17 454	8 517	7 858	7 858	7 858	8 290	8 500	8 800
Office of the Premier	38 639	10 034	-	-	-	-	-	-	-
Department of Labour - Literacy Programme	38 639	10 034	-	-	-	-	-	-	-
Transport	6 196	7 420	8 517	7 858	7 858	7 858	8 290	8 500	8 800
Bus Subsidies (NDOT)	6 196	7 420	8 517	7 858	7 858	7 858	8 290	8 500	8 800
Total	140 351	129 555	28 315	25 252	51 731	51 731	36 434	35 329	8 800

Overview of Provincial Revenue and Expenditure

Table 1.H(i): 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	14.1	15.1	15.2	15.3	15.4	16.1	
eThekweni	-	-	-	-	122 500	100 000	8 666	52 000	3 326	-	-	-	205 056	15 000	3 865	139 980	-	2 216	652 609
Ugu Municipalities	-	-	-	-	-	-	55	-	-	1 000	200	-	8 560	1 194	286	11 460	-	2 469	25 224
Vulamehlo	-	-	-	-	-	-	-	-	-	-	-	-	1 382	-	-	-	-	-	1 382
Umdoni	-	-	-	-	-	-	45	-	-	-	-	-	323	360	-	4 116	-	-	4 844
Umzumbe	-	-	-	-	-	-	-	-	-	-	-	-	1 502	-	-	-	-	-	1 502
uMuziwabantu	-	-	-	-	-	-	-	-	-	-	200	-	2 039	120	-	514	-	-	2 873
Ezingqoleni	-	-	-	-	-	-	-	-	-	-	-	-	114	120	-	514	-	-	748
Hibiscus Coast	-	-	-	-	-	-	10	-	-	-	-	-	3 200	594	286	6 316	-	-	10 406
Ugu District Municipality	-	-	-	-	-	-	-	-	-	1 000	-	-	-	-	-	-	-	2 469	3 469
uMgungundlovu Municipalities	-	-	-	-	-	-	3 857	-	-	1 000	-	-	69 732	1 137	629	26 476	-	2 469	105 500
uMshwathi	-	-	-	-	-	-	-	-	-	-	-	-	9 131	-	-	657	-	-	9 788
uMngeni	-	-	-	-	-	-	5	-	-	-	-	-	9 780	240	143	2 461	-	-	12 629
Mpofana	-	-	-	-	-	-	-	-	-	-	-	-	752	120	143	705	-	-	1 720
Impendle	-	-	-	-	-	-	-	-	-	-	200	-	155	120	-	514	-	-	989
Msunduzi	-	-	-	-	-	-	3 842	-	-	-	-	-	49 161	398	343	20 968	-	-	74 712
Mkhambathini	-	-	-	-	-	-	-	-	-	-	-	-	748	139	-	514	-	-	1 401
Richmond	-	-	-	-	-	-	10	-	-	-	-	-	5	120	-	657	-	-	792
uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-	1 000	-	-	-	-	-	-	-	2 469	3 469
Uthukela Municipalities	-	-	-	-	-	-	62	-	-	-	200	-	21 286	897	572	6 909	-	2 468	32 394
Emnambithi/Ladysmith	-	-	-	-	-	-	60	-	-	-	-	-	13 971	259	143	3 192	-	-	17 625
Indaka	-	-	-	-	-	-	-	-	-	-	-	-	1 446	139	-	514	-	-	2 099
Umtshezi	-	-	-	-	-	-	2	-	-	-	-	-	3 784	240	286	1 878	-	-	6 190
Okhahlamba	-	-	-	-	-	-	-	-	-	-	-	-	876	139	143	668	-	-	1 826
Imbabazane	-	-	-	-	-	-	-	-	-	-	200	-	1 209	120	-	657	-	-	2 186
Uthukela District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 468	2 468
Umqinyathi Municipalities	-	-	-	-	-	-	-	-	-	-	200	-	22 740	777	486	4 932	-	253	29 388
Endumeni	-	-	-	-	-	-	-	-	-	-	-	-	10 182	240	343	2 590	-	-	13 355
Nqutu	-	-	-	-	-	-	-	278	-	-	200	-	7 552	278	-	1 028	-	-	9 058
Msinga	-	-	-	-	-	-	-	-	-	-	-	-	1 999	139	-	514	-	-	2 652
Umvoti	-	-	-	-	-	-	-	-	-	-	-	-	3 007	120	143	800	-	-	4 070
Umqinyathi District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	253	253
Amajuba Municipalities	-	-	-	-	-	-	-	-	-	-	200	-	8 629	600	1 286	5 744	-	253	16 712
Newcastle	-	-	-	-	-	-	-	-	-	-	-	-	6 199	360	1 286	4 716	-	-	12 561
eMadlangeni	-	-	-	-	-	-	-	-	-	-	200	-	1 382	120	-	514	-	-	2 216
Dannhauser	-	-	-	-	-	-	-	-	-	-	-	-	1 048	120	-	514	-	-	1 682
Amajuba District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	253	253
Zululand Municipalities	-	-	-	-	-	-	10	-	-	-	200	-	13 326	777	143	5 498	1 639	2 469	24 062
eDumbe	-	-	-	-	-	-	-	-	-	-	-	-	4 111	139	-	800	-	-	5 050
uPhongolo	-	-	-	-	-	-	-	-	-	-	200	-	3 065	139	-	886	-	-	4 290
Abaqulusi	-	-	-	-	-	-	-	-	-	-	-	-	5 141	240	143	2 592	-	-	8 116
Nongoma	-	-	-	-	-	-	-	-	-	-	-	-	378	120	-	514	-	-	1 012
Ulundi	-	-	-	-	-	-	10	-	-	-	-	-	631	139	-	706	-	-	1 486
Zululand District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 639	2 469	4 108
Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-	-	200	-	9 546	619	-	5 677	-	3 798	19 840
Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	4 446	120	-	1 300	-	-	5 866
Jozini	-	-	-	-	-	-	-	-	-	-	-	-	1 946	120	-	766	-	-	2 832
The Big 5 False Bay	-	-	-	-	-	-	-	-	-	-	200	-	923	-	-	630	-	-	1 753
Hlabisa	-	-	-	-	-	-	-	-	-	-	-	-	837	139	-	766	-	-	1 742
Mtubatuba	-	-	-	-	-	-	-	-	-	-	-	-	1 394	240	-	2 215	-	-	3 849
Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 798	3 798

Table 1.H(i): 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	14.1	15.1	15.2	15.3	15.4	16.1	
uThungulu Municipalities	-	1 235	-	-	21 000	-	150	-	-	-	200	-	64 346	1 363	286	10 486	-	253	99 319
Umfolazi	-	-	-	-	-	-	-	-	-	-	-	-	3 589	-	-	372	-	-	3 961
uMhlathuze	-	-	-	-	21 000	-	135	-	-	-	-	-	7 030	720	143	5 846	-	-	34 874
Ntambanana	-	-	-	-	-	-	-	-	-	-	-	-	293	120	-	514	-	-	927
uMlalazi	-	-	-	-	-	-	15	-	-	-	200	-	34 872	259	143	2 726	-	-	38 215
Mthonjaneni	-	1 235	-	-	-	-	-	-	-	-	-	-	17 022	120	-	514	-	-	18 891
Nkandla	-	-	-	-	-	-	-	-	-	-	-	-	1 540	144	-	514	-	-	2 198
uThungulu District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	253	253
Ilembe Municipalities	-	1 149	-	-	-	-	-	-	-	-	200	-	28 006	619	1 243	4 566	-	2 469	38 252
Mandeni	-	1 149	-	-	-	-	-	-	-	-	200	-	11 225	240	-	1 362	-	-	14 176
KwaDukuza	-	-	-	-	-	-	-	-	-	-	-	-	10 044	240	1 243	2 690	-	-	14 217
Ndwedwe	-	-	-	-	-	-	-	-	-	-	-	-	335	139	-	514	-	-	988
Maphumulo	-	-	-	-	-	-	-	-	-	-	-	-	6 402	-	-	-	-	-	6 402
Ilembe District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 469	2 469
Sisonke Municipalities	-	-	7 000	13 677	-	-	-	-	-	-	200	-	13 568	758	-	3 383	-	253	38 839
Ingwe	-	-	-	-	-	-	-	-	-	-	-	-	949	139	-	800	-	-	1 888
Kwa Sani	-	-	-	-	-	-	-	-	-	-	-	-	426	120	-	334	-	-	880
Greater Kokstad	-	-	7 000	13 677	-	-	-	-	-	-	-	-	7 941	240	-	1 221	-	-	30 079
Ubuhlebezwe	-	-	-	-	-	-	-	-	-	-	-	-	643	120	-	514	-	-	1 277
Umkhulu	-	-	-	-	-	-	-	-	-	-	200	-	3 609	139	-	514	-	-	4 462
Sisonke District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	253	253
Unallocated/unclassified	1 000	-	-	-	-	-	-	-	-	-	-	2 000	256	-	-	-	-	-	3 256
Total	1 000	2 384	7 000	13 677	143 500	100 000	12 800	52 000	3 326	2 000	1 800	2 000	465 051	23 741	8 796	225 111	1 639	19 370	1 085 395

Key	Grant Name	Key	Grant Name
3.1	Greenest Municipality Competition	11.2	Community Participation in IDPs (LAPs)
4.1	Joint Project Funding	11.3	Operational support for Thusong Service Centres
6.1	Development of Light Industrial Park	14.1	Property Rates
6.2	Shayamoya Eco-Complex	15.1	Community Library Services grant
7.1	Subsidy: Municipal Clinics	15.2	Museum subsidies
8.1	CRU Programme	15.3	Provincialisation of libraries
8.2	Municipal Rates and Taxes	15.4	Art Centres (Operational cost)
8.3	Transfer of R293 staff	16.1	Infrastructure
11.1	Development Planning Shared Services		

Overview of Provincial Revenue and Expenditure

Table 1.H(ii): 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	14.1	15.1	15.2	15.3	15.4	16.1	
eThekweni	-	-	-	-	142 100	157 800	10 232	68 117	-	-	-	-	213 175	15 750	4 133	147 680	-	2 348	761 335
Ugu Municipalities	-	-	-	-	-	-	65	-	-	-	300	-	8 987	1 254	302	12 089	-	2 617	25 614
Vulamehlo	-	-	-	-	-	-	-	-	-	-	300	-	1 450	126	-	-	-	-	1 876
Umdoni	-	-	-	-	-	-	50	-	-	-	-	-	339	378	-	4 342	-	-	5 109
Umqumbi	-	-	-	-	-	-	-	-	-	-	-	-	1 577	-	-	-	-	-	1 577
uMuziwabantu	-	-	-	-	-	-	-	-	-	-	-	-	2 141	126	-	542	-	-	2 809
Ezinqoleni	-	-	-	-	-	-	-	-	-	-	-	-	120	126	-	542	-	-	788
Hibiscus Coast	-	-	-	-	-	-	15	-	-	-	-	-	3 360	498	302	6 663	-	-	10 838
Ugu District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 617	2 617
uMgungundlovu Municipalities	-	-	-	-	-	-	3 969	-	-	-	300	-	75 678	1 194	664	26 874	-	2 618	111 297
uMshwathi	-	-	-	-	-	-	-	-	-	-	-	-	9 588	-	-	693	-	-	10 281
uMngeni	-	-	-	-	-	-	5	-	-	-	-	-	10 269	252	151	2 584	-	-	13 261
Mpofana	-	-	-	-	-	-	-	-	-	-	300	-	790	126	151	744	-	-	2 111
Impendle	-	-	-	-	-	-	-	-	-	-	-	-	163	126	-	542	-	-	831
Msunduzi	-	-	-	-	-	-	3 949	-	-	-	-	-	54 077	418	362	21 076	-	-	79 882
Mkhambathini	-	-	-	-	-	-	-	-	-	-	-	-	785	146	-	542	-	-	1 473
Richmond	-	-	-	-	-	-	15	-	-	-	-	-	6	126	-	693	-	-	840
uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 618	2 618
Uthukela Municipalities	-	-	-	-	-	-	74	-	-	-	300	-	22 539	942	604	7 288	-	2 617	34 364
Emnambithi/Ladysmith	-	-	-	-	-	-	66	-	-	-	-	-	14 670	272	151	3 367	-	-	18 526
Indaka	-	-	-	-	-	-	-	-	-	-	300	-	1 518	146	-	542	-	-	2 506
Umtshezi	-	-	-	-	-	-	8	-	-	-	-	-	4 162	252	302	1 981	-	-	6 705
Okhahlamba	-	-	-	-	-	-	-	-	-	-	-	-	920	146	151	705	-	-	1 922
Imbabazane	-	-	-	-	-	-	1 269	-	-	-	-	-	1 269	126	-	693	-	-	2 088
Uthukela District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 617	2 617
Umgungundlovu District Municipality	-	-	-	-	-	-	-	-	-	-	300	-	23 877	816	513	5 202	-	268	30 976
Endumeni	-	-	-	-	-	-	-	-	-	-	-	-	10 691	252	362	2 732	-	-	14 037
Nqutu	-	-	-	-	-	-	-	-	-	-	-	-	7 930	292	-	1 084	-	-	9 306
Msinga	-	-	-	-	-	-	-	-	-	-	-	-	2 099	146	-	542	-	-	2 787
Umvoti	-	-	-	-	-	-	-	-	-	-	300	-	3 157	126	151	844	-	-	4 578
Umgungundlovu District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	268	268
Amajuba Municipalities	-	-	-	-	-	-	-	-	-	1 200	300	-	9 184	630	1 302	6 059	-	268	18 943
Newcastle	-	-	-	-	-	-	6 633	-	-	-	300	-	6 633	378	1 302	4 975	-	-	13 588
eMadlangeni	-	-	-	-	-	-	-	-	-	-	-	-	1 451	126	-	542	-	-	2 119
Dannhauser	-	-	-	-	-	-	-	-	-	-	-	-	1 100	126	-	542	-	-	1 768
Amajuba District Municipality	-	-	-	-	-	-	-	-	-	1 200	-	-	-	-	-	-	-	268	1 468
Zululand Municipalities	-	-	-	-	-	-	10	-	-	-	300	-	14 117	816	151	5 799	1 729	2 617	25 539
eDumbe	-	-	-	-	-	-	-	-	-	-	-	-	4 317	146	-	844	-	-	5 307
uPhongolo	-	-	-	-	-	-	-	-	-	-	-	-	3 218	146	-	934	-	-	4 298
Abaqulusi	-	-	-	-	-	-	5 552	-	-	-	-	-	5 552	252	151	2 734	-	-	8 689
Nongoma	-	-	-	-	-	-	-	-	-	-	300	-	386	126	-	542	-	-	1 354
Ulundi	-	-	-	-	-	-	10	-	-	-	-	-	644	146	-	745	-	-	1 545
Zululand District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 729	2 617	4 346
Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-	-	300	-	9 998	650	-	5 988	-	4 026	20 962
Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	4 668	126	-	1 370	-	-	6 164
Jozini	-	-	-	-	-	-	-	-	-	-	-	-	2 043	126	-	808	-	-	2 977
The Big 5 False Bay	-	-	-	-	-	-	969	-	-	-	-	-	969	-	-	665	-	-	1 634
Hlabisa	-	-	-	-	-	-	-	-	-	-	300	-	854	146	-	808	-	-	2 108
Mtubatuba	-	-	-	-	-	-	1 464	-	-	-	-	-	1 464	252	-	2 337	-	-	4 053
Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4 026	4 026

Table 1.H(ii): 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	14.1	15.1	15.2	15.3	15.4	16.1	
uThungulu Municipalities	-	1 296	-	-	24 500	-	150	-	-	1 200	300	-	68 384	1 430	302	11 061	-	268	108 891
Umfolozi	-	-	-	-	-	-	-	-	-	-	-	-	3 768	-	-	392	-	-	4 160
uMhlathuze	-	-	-	-	24 500	-	135	-	-	-	-	-	7 382	756	151	6 167	-	-	39 091
Ntambanana	-	-	-	-	-	-	-	-	-	-	300	-	308	126	-	542	-	-	1 276
uMlalazi	-	-	-	-	-	-	15	-	-	-	-	-	36 616	272	151	2 876	-	-	39 930
Mthonjaneni	-	1 296	-	-	-	-	-	-	-	-	-	-	18 724	126	-	542	-	-	20 688
Nkandla	-	-	-	-	-	-	-	-	-	-	-	-	1 586	150	-	542	-	-	2 278
uThungulu District Municipality	-	-	-	-	-	-	-	-	-	1 200	-	-	-	-	-	-	-	268	1 468
Ilembe Municipalities	-	1 207	-	-	-	-	-	-	-	1 200	300	-	30 510	650	2 424	4 805	-	2 617	43 713
Mandeni	-	1 207	-	-	-	-	-	-	-	-	-	-	12 122	252	-	1 425	-	-	15 006
KwaDukuza	-	-	-	-	-	-	-	-	-	-	300	-	11 048	252	2 424	2 838	-	-	16 862
Ndwedwe	-	-	-	-	-	-	-	-	-	-	-	-	362	146	-	542	-	-	1 050
Maphumulo	-	-	-	-	-	-	-	-	-	-	-	-	6 978	-	-	-	-	-	6 978
Ilembe District Municipality	-	-	-	-	-	-	-	-	-	1 200	-	-	-	-	-	-	-	2 617	3 817
Sisonke Municipalities	-	-	8 000	-	-	-	-	-	-	-	300	-	14 846	796	-	3 557	-	268	27 767
Ingwe	-	-	-	-	-	-	-	-	-	-	300	-	996	146	-	844	-	-	2 286
Kwa Sani	-	-	-	-	-	-	-	-	-	-	-	-	447	126	-	341	-	-	914
Greater Kokstad	-	-	8 000	-	-	-	-	-	-	-	-	-	8 758	252	-	1 288	-	-	18 298
Ubuhlebezwe	-	-	-	-	-	-	-	-	-	-	-	-	675	126	-	542	-	-	1 343
Umkhumbi	-	-	-	-	-	-	-	-	-	-	-	-	3 970	146	-	542	-	-	4 658
Sisonke District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	268	268
Unallocated/unclassified	1 000	-	-	-	-	-	-	-	-	-	-	2 000	282	-	-	-	-	-	3 282
Total	1 000	2 503	8 000	-	166 600	157 800	14 500	68 117	-	3 600	3 000	2 000	491 577	24 928	10 395	236 402	1 729	20 532	1 212 683

Key	Grant Name	Key	Grant Name
3.1	Greenest Municipality Competition	11.2	Community Participation in IDPs (LAPs)
4.1	Joint Project Funding	11.3	Operational support for Thusong Service Centres
6.1	Development of Light Industrial Park	14.1	Property Rates
6.2	Shayamoya Eco-Complex	15.1	Community Library Services grant
7.1	Subsidy: Municipal Clinics	15.2	Museum subsidies
8.1	CRU Programme	15.3	Provincialisation of libraries
8.2	Municipal Rates and Taxes	15.4	Art Centres (Operational cost)
8.3	Transfer of R293 staff	16.1	Infrastructure
11.1	Development Planning Shared Services		

Overview of Provincial Revenue and Expenditure

Table 1.H(iii): Details of transfers to local government: 2015/16

Municipality R thousand	Vote 3 3.1	Vote 4 4.1	Vote 6 6.1 6.2		Vote 7 7.1	Vote 8 8.1 8.2 8.3 8.4				Vote 11 11.1 11.2 11.3			Vote 14 14.1	Vote 15 15.1 15.2 15.3 15.4				Vote 16 16.1	Total
eThekweni	-	-	-	-	152 500	69 200	13 615	72 467	-	-	-	-	211 449	5 750	4 390	154 488	-	2 466	686 325
Ugu Municipalities	-	-	-	-	-	-	75	-	-	-	300	-	9 261	1 315	317	12 645	-	2 748	26 661
Vulamehlo	-	-	-	-	-	-	-	-	-	-	-	-	1 508	132	-	-	-	-	1 640
Umdoni	-	-	-	-	-	-	55	-	-	-	-	-	356	397	-	4 542	-	-	5 350
Umzumbe	-	-	-	-	-	-	-	-	-	-	300	-	1 609	-	-	-	-	-	1 909
uMuziwabantu	-	-	-	-	-	-	-	-	-	-	-	-	2 205	132	-	567	-	-	2 904
Ezinqoleni	-	-	-	-	-	-	-	-	-	-	-	-	122	132	-	567	-	-	821
Hibiscus Coast	-	-	-	-	-	-	20	-	-	-	-	-	3 461	522	317	6 969	-	-	11 289
Ugu District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 748	2 748
uMgungundlovu Municipalities	-	-	-	-	-	-	5 969	-	-	-	300	-	106 779	1 253	712	28 109	-	2 746	145 868
uMshwathi	-	-	-	-	-	-	-	-	-	-	300	-	10 067	-	-	725	-	-	11 092
uMngeni	-	-	-	-	-	-	5	-	-	-	-	-	11 090	265	166	2 703	-	-	14 229
Mpfana	-	-	-	-	-	-	-	-	-	-	-	-	830	132	166	778	-	-	1 906
Impendle	-	-	-	-	-	-	-	-	-	-	-	-	171	132	-	567	-	-	870
Msunduzi	-	-	-	-	-	-	5 944	-	-	-	-	-	83 814	439	380	22 044	-	-	112 621
Mkhambathini	-	-	-	-	-	-	-	-	-	-	-	-	801	153	-	567	-	-	1 521
Richmond	-	-	-	-	-	-	20	-	-	-	-	-	6	132	-	725	-	-	883
uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 746	2 746
Uthukela Municipalities	-	-	-	-	-	-	72	-	-	-	300	-	22 990	988	649	7 623	-	2 748	35 370
Emnambithi/Ladysmith	-	-	-	-	-	-	70	-	-	-	-	-	14 965	285	166	3 522	-	-	19 008
Indaka	-	-	-	-	-	-	-	-	-	-	-	-	1 548	153	-	567	-	-	2 268
Umtshezi	-	-	-	-	-	-	2	-	-	-	300	-	4 245	265	317	2 072	-	-	7 201
Okahlamba	-	-	-	-	-	-	-	-	-	-	-	-	938	153	166	737	-	-	1 994
Imbabazane	-	-	-	-	-	-	-	-	-	-	-	-	1 294	132	-	725	-	-	2 151
Uthukela District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 748	2 748
Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-	-	300	-	24 630	857	546	5 442	-	282	32 057
Endumeni	-	-	-	-	-	-	-	-	-	-	300	-	11 180	265	380	2 858	-	-	14 983
Nqutu	-	-	-	-	-	-	-	-	-	-	-	-	8 089	307	-	1 134	-	-	9 530
Msinga	-	-	-	-	-	-	-	-	-	-	-	-	2 141	153	-	567	-	-	2 861

Table 1.H(iii): Details of transfers to local government: 2015/16 (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	14.1	15.1	15.2	15.3	15.4	16.1	
uThungulu Municipalities	-	1 356	-	-	27 000	-	150	-	-	-	300	-	54 464	1 500	332	11 569	-	282	96 953
Umfolozo	-	-	-	-	-	-	-	-	-	-	-	-	3 956	-	-	410	-	-	4 366
uMhlathuze	-	-	-	-	27 000	-	135	-	-	-	-	-	7 751	794	166	6 450	-	-	42 296
Ntambanana	-	-	-	-	-	-	-	-	-	-	-	-	323	132	-	567	-	-	1 022
uMlalazi	-	-	-	-	-	-	15	-	-	-	-	-	37 969	286	166	3 008	-	-	41 444
Mthonjaneni	-	1 356	-	-	-	-	-	-	-	-	-	-	2 767	132	-	567	-	-	4 822
Nkandla	-	-	-	-	-	-	-	-	-	-	300	-	1 698	156	-	567	-	-	2 721
uThungulu District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	282	282
Ilembe Municipalities	-	1 262	-	-	-	-	-	-	-	-	300	-	34 219	683	166	5 026	-	2 748	44 404
Mandeni	-	1 262	-	-	-	-	-	-	-	-	-	-	13 581	265	-	1 491	-	-	16 599
KwaDukuza	-	-	-	-	-	-	-	-	-	-	-	-	12 153	265	166	2 968	-	-	15 552
Ndwedwe	-	-	-	-	-	-	-	-	-	-	-	-	387	153	-	567	-	-	1 107
Maphumulo	-	-	-	-	-	-	-	-	-	-	300	-	8 098	-	-	-	-	-	8 398
Ilembe District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 748	2 748
Sisonke Municipalities	-	-	-	-	-	-	-	-	-	1 100	300	-	15 979	835	-	3 721	-	282	22 217
Ingwe	-	-	-	-	-	-	-	-	-	-	-	-	1 015	153	-	883	-	-	2 051
Kwa Sani	-	-	-	-	-	-	-	-	-	-	300	-	478	132	-	357	-	-	1 267
Greater Kokstad	-	-	-	-	-	-	-	-	-	-	-	-	9 609	265	-	1 347	-	-	11 221
Ubuhlebezwe	-	-	-	-	-	-	-	-	-	-	-	-	709	132	-	567	-	-	1 408
Umkhumbi	-	-	-	-	-	-	-	-	-	-	-	-	4 168	153	-	567	-	-	4 888
Sisonke District Municipality	-	-	-	-	-	-	-	-	-	1 100	-	-	-	-	-	-	-	282	1 382
Unallocated/unclassified	1 000	-	-	-	-	-	-	-	-	-	-	4 000	310	-	-	-	-	-	5 310
Total	1 000	2 618	-	-	179 500	69 200	19 896	72 467	-	2 200	3 000	4 000	514 428	15 380	7 595	247 291	1 815	21 476	1 161 866

Key	Grant Name	Key	Grant Name
3.1	Greenest Municipality Competition	11.2	Community Participation in IDPs (LAPs)
4.1	Joint Project Funding	11.3	Operational support for Thusong Service Centres
6.1	Development of Light Industrial Park	14.1	Property Rates
6.2	Shayamoya Eco-Complex	15.1	Community Library Services grant
7.1	Subsidy: Municipal Clinics	15.2	Museum subsidies
8.1	CRU Programme	15.3	Provincialisation of libraries
8.2	Municipal Rates and Taxes	15.4	Art Centres (Operational cost)
8.3	Transfer of R293 staff	16.1	Infrastructure
11.1	Development Planning Shared Services		

**ESTIMATES
OF
PROVINCIAL REVENUE
AND
EXPENDITURE**

VOTE 1

Office of the Premier

Operational budget	R 618 966 127
Remuneration of the Premier	R 1 887 873
Total amount to be appropriated	R 620 854 000
Responsible Executive Authority	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, and 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 the 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 2012/13 financial year

Section 2 provides a review of 2012/13, 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 are unemployed, and empower them to be agents of change among the youth in their communities. This is achieved by encouraging the youth to stay away from social ills and creating activities that will keep young people off the streets. The youth ambassadors continued to populate 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. They also encourage the youth to create job opportunities for themselves and other people around them. There were 3 024 youth ambassadors employed by the department in 2012/13.

Provincial Planning Commission (PPC)

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. The aim is to ensure coherence in policy development and planning across the provincial government, and strengthen performance monitoring and evaluation to enable assessment of the pace required to deliver on the desired outcomes.

The first task of the PPC was to review the PGDS and to develop a PGDP. The 2030 PGDS and PGDP, which are fully aligned to the National Development Plan, were presented to and approved at the September 2012 Cabinet *Lekgotla*. The first implementation report on the PGDP was also presented, to indicate progress made with the implementation and alignment of departmental APPs and budgets.

Provincial Information Communication Technology (PICT)

The Provincial Nerve Centre currently provides a complete and comprehensive view of service delivery performance and effectiveness of public sector services. Since its inception, the Nerve Centre has generated a number of critical dashboards for assessing the Medium Term Strategic Framework (MTSF), 12 national outcomes' provincial performance, as well as the PGDP target performance. The Provincial AIDS Council's indicators are being monitored and district leadership supported to have realistic and attainable targets monitoring HIV and AIDS, TB and associated poverty indicators. Inequality and unemployment per district is being assessed.

International relations

The OTP was involved in strengthening international relations by promoting KZN as a preferred destination for trade, investment and tourism with the intention of leveraging KZN as the gateway to Africa and the world. Extensive liaison was carried out in collaboration with provincial departments, national departments and South African embassies abroad to promote KZN in the international arena.

As part of the campaign to showcase KZN as the preferred international destination and economic hub, the Premier in his State of the Province Address indicated that all foreign representation based in South Africa will receive a presentation on KZN's key strategic development infrastructure, trade investment and tourism strengths. The following diplomatic corps were hosted:

- GRULAC (Latin American and Caribbean countries) – July 2012.
- African countries – November 2012.
- European countries – November 2012.
- Asian countries – November 2012.

The Premier and the Executive Council hosted various international delegations in KZN with the view to strengthen relations with international partners – e.g. the Cross Border Crime Summit, Foreign Affairs and Foreign Trade, the President's Emergency Plan For AIDS Relief (PEPFAR) funded health programmes in KZN, the Rainbow Push African Economic Expansion symposiums, as well as the launch of the South African German Chamber of Business in Durban.

The department successfully facilitated the international engagement and co-ordination of the Africa Cup of Nations (AFCON) Soccer Tournament, jointly with eThekweni Metro. KZN hosted five countries during the AFCON tournament, namely Angola, Cape Verde, Morocco, Democratic Republic of Congo and Mali.

The fifth Brazil, Russia, India, China and South Africa (BRICS) Summit was hosted in Durban, where the five Heads of States visited KZN to engage on the strategic interventions required for the development of member countries into the world economy.

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, including programmes on food security, greening of the environment, active ageing, behavioural change and inter-generational dialogue.

Public service transformation

A total of 4 121 public servants were capacitated on generic, transversal, leadership and management development training programmes by mid-year at the Public Service Training Academy (hereafter referred to as Training Academy). This included training on the mandatory Public Service Induction programme and transversal programmes such as PAJA, PAIA, and financial literacy, among others.

KZN successfully hosted the Public Service Induction Trainers' Learning Network, which was attended by 140 delegates from KZN, Free State and Mpumalanga. The aim of the network was to share lessons learnt and identify best practices in implementing the Public Service Induction programme.

Training of senior and middle managers was undertaken on leadership and management development, and the nomination of 41 participants for the Indian Technical Economic Co-operation programme was facilitated and co-ordinated. A Woman in Management seminar was hosted.

A MOA was signed with the Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA) to develop, train and skill 200 artisans, and a Career exhibition was hosted at KwaMsane, Mtubatuba. Over 10 000 in-school and out-of-school youth attended the exhibition. The first KZN Public Service Scarce and Critical Skills Career Guide was published and was launched at the Career exhibition. The awarding of 619 bursaries was facilitated and managed.

The Training Academy facilitated the appointment of 1 045 interns in 14 departments. The hand-over of the Training Academy facility to the Department of Education (DOE) took place during 2012/13. The OTP, through the Department of Public Works (DOPW), is in the process of sourcing another building for the Training Academy.

Identity of the province and heritage

The OTP continued its efforts to manage and promote awareness of cultural heritage resources. These are some of the notable achievements:

- The last plaque, commemorating the arrival of the Indian indentured labourers in South Africa in 1860, was erected.
- Two monuments were unveiled, one of *Inkosi* Zihlandlo Mkhize and that of Prince Mgidlalana KaMpande.
- A monument was created in honour of game ranger par excellence, Magqubu Ntombela of Mtubatuba.
- Tombstones were erected on 24 Royal graves at KwaDlamahlahla and 74 graves of victims of various conflicts in the province, such as the Shobashobane and Nquthu conflicts.
- 12 wax statues and 12 busts for the presidents of the African National Congress (ANC) were completed.
- 11 statues of struggle stalwarts of the past, such as Griffith and Victoria Mxenge, Harry Gwala, Ndlovu, etc., are under construction.

Operation Sukuma Sakhe (OSS)

The roll-out of the Integrated Community Care Givers Foundation Course in uThungulu and Ugu Districts was undertaken. With the war-room roll-out implementation plan, 595 war-rooms were established.

KwaZulu-Natal Gaming and Betting Board (KZNGBB)

The KZNGBB redefined its strategic objectives after the appointment of the board. One area which received increased focus was the transformation of the gaming industry, in particular the horse racing and betting sector, in terms of which the entity developed and issued guidelines during 2012/13. The entity also engaged with stakeholders to amend the tax rates for the industry, and is in the process of reviewing the fees applicable as per the Act.

Amafa aKwaZulu-Natali (Amafa)

During 2012/13, the Premier appointed the new Amafa Council in terms of the KZN Heritage Act. Amafa delivered in terms of its compliance mandate by assessing and issuing permits in respect of alterations, repairs and maintenance to historically significant sites. The entity conducted school outreach programmes to create awareness among children on the significance and value of cultural heritage resources. Highlights for 2012/13 include the erection of new memorials at the Nelson Mandela Capture site and Tshrengula (Anglo-Boer War battle site of January 1900). The Azaria Mbatha Room at the historical site in Shiyane (Rorke's Drift) had display materials installed (including ceramic material, water colours, photographs, etc.) and is now open to the public.

Surveys currently being undertaken include the struggle site's survey, 1860 settler heritage site's survey, Emakhosini Ophathe Heritage Park survey, among others. The purpose of these surveys is to identify and determine the feasibility of expanding the heritage base by collecting information on persons, places, events, etc., of historical significance. The entity was also involved in restoring rock art that has been damaged through vandalism and graffiti, while a programme is underway to train rock art monitors, whose function it is to accompany visitors to, and ensure appropriate behavior, for the protection of the 21 rock art sites which are open to the public.

3. Outlook for the 2013/14 financial year

Section 3 looks at the key focus areas of 2013/14, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

In 2013/14 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 and programmes against social ills faced by the youth. 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. Due to the baseline cuts (explained in Section 5.2), the department has effected part of its cut against this programme, meaning that only 1 966 youth ambassadors are affordable over the MTEF.

Provincial Planning Commission (PPC)

Key focus areas of the PPC will be on the implementation of the PGDP. This will be done by providing support to departments and state-owned enterprises in the development of their APPs and budgets for 2013/14. The PPC will also be pursuing key interventions with departments such as the formalisation of rural settlements, the establishment of community service centres, the completion of the provincial Human Resource Development Strategy, the KZN Maritime Cluster, renewable energy opportunities, to name a few. The PPC will give assistance to the Department of Co-operative Governance and Traditional Affairs (COGTA) to support districts in the preparation of District Growth and Development Plans.

Provincial Information Communication Technology (PICT)

The optimisation process of the Provincial Nerve Centre is at a crucial stage, having taken all users through change management and business re-engineering processes in performance management.

During 2013/14, more advanced analytics in respect of shaping the PGDP and its implementation, costing of targets, establishing demand for services, and forecasting will be given more attention. The second generation performance management system will be developed further to be used by departments for self-assessment and to develop corrective measures. The HODs' Assessment Tool will consolidate all departmental assessments into a consolidated report. Service delivery optimisation at district level is a key component of this iteration, with an expanded data warehouse serving all war-rooms.

International relations

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

Enormous strides have already been made in fostering business relations with India and China. 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. The recent visit by the Premier to India opened the doors to further strengthen the relationship with India in the fields of agriculture, health, economic development and trade. Through OSS, KZN will also look at areas such as women co-operatives and empowerment of the youth. Although co-operation and strong relations have been established with India and China, these co-operation arrangements will be enhanced.

In Brazil and Argentina, KZN will be pursuing areas of trade and investment, agriculture, economic development, infrastructure development, tourism and sport development. In Russia, the areas of interest will include agriculture and environmental affairs, infrastructure development, trade and investment, education and tourism.

While the international relations strategy emphasises the African Agenda and the BRICS block, co-operation with 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.

The State of Maryland in the USA has expressed interest in twinning with KZN in areas such as port development, health/medical research and development in particular HIV and AIDS and TB, agri-development, environmental development, tourism, trade and investment.

Identity of the province and heritage

The OTP intends adopting a multi-pronged strategy in the fulfilment of its mandate of co-ordinating the transformation of the heritage industry. The department further intends co-ordinating, among others, the following: the celebration of heritage events, the erection of monuments, memorials and walls of remembrance, heritage-oriented research, an integrated system of heritage management, as well as the Heroes Acre project and the Isandlwana Museum project.

Protection of human rights

The 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. Gender forums, as well as forums relating to rights of persons with disabilities, will be established at district and local municipalities and wards to *isigodi* (village) level. Women 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.

Public service transformation

The Training Academy will focus on ensuring that provincial departments comply with human resource and skills development legislation and prescripts. One of the key priorities will be to train 7 000 public servants on generic transversal courses, as well as leadership and management courses. The Training Academy will continue with the roll-out of mandatory programmes, namely PAJA, PAIA and Public Service Induction.

In order to strengthen leadership and management development training, the Training Academy will finalise the leadership and management strategy and develop or source programmes based on the needs and learning framework recommended by the strategy. Delivery capacity will be strengthened by mobilising experts from within the public sector and by seeking strategic partnerships with Further Education and Higher Education institutions.

Tutors will be capacitated for the ABET programme. An Artisan Development programme will be co-ordinated and monitored in the Umzinyathi District. Co-operatives in six district municipalities will be capacitated in financial literacy. The Training Academy will monitor capacity building/empowerment of rural women through the Zimele Developing Community Self-Reliance project.

The provincial roll-out for training of community care givers (CCGs) on the Integrated Foundation Course is being planned for 2013/14. Approximately 8 000 CCGs require training. Funds are being sourced via donor agencies.

With the handing over of the Training Academy facility to DOE, new accommodation will be sought during 2013/14 for the Training Academy.

Operation Sukuma Sakhe (OSS)

The 2013/14 priorities and focus will include capacity building for war-room stakeholders by strengthening field worker teams and committees and improving war-room functionality and tools in 80 per cent of war-rooms. Plans are underway to establish and maintain strategic partnerships for spatial distribution and integration of government services, which includes marketing, communication, strategic programmes in food security, women and youth empowerment and healthy lifestyle programmes.

KwaZulu-Natal Gaming and Betting Board (KZNGBB)

The entity will pursue its mandate by ensuring that all gambling authorised under the 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 tourism, employment, economic and social development objectives of the province.

The KZNGBB will continue operations, 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 KZN. The entity envisages streamlining processes of the amalgamated entity and finalising and implementing new gaming and betting regulations, while continuing its efforts to eradicate illegal gambling and transform the KZN horse racing and betting industry. The entity will proceed with the implementation of current initiatives, as well as new gaming initiatives, such as the roll-out of additional licences for Limited Payout Machines, as it strives to grow the industry in a responsible and socially acceptable manner.

Amafa aKwaZulu-Natali (Amafa)

It is envisaged that the new CEO will be appointed before the start of 2013/14, and that this will resolve many of the strategic and operational challenges which the entity has faced. The focus areas include, among others, further improvements and maintenance to various heritage sites, implementation of water storage projects at Rorke's Drift and Spioenkop, repairs to 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 (indentured Indian labourer) settlers. New survey work, such as the Emakhosini-Ophathe Heritage Park survey and survey of Sisonke District, will be undertaken to expand the provincial historical knowledge base.

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 2009/10 to 2015/16. 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Provincial allocation	454 010	419 284	471 105	586 600	607 600	607 600	603 434	639 058	665 078
Total receipts	454 010	419 284	471 105	586 600	607 600	607 600	603 434	639 058	665 078
Total payments	429 103	423 807	485 600	594 600	687 539	687 539	620 854	639 058	665 078
Surplus/(Deficit) before financing	24 907	(4 523)	(14 495)	(8 000)	(79 939)	(79 939)	(17 420)	-	-
Financing									
of which									
Provincial roll-overs	-	5 326	8 000	-	267	267	4 865	-	-
Provincial cash resources	(18 292)	26 751	12 000	8 000	79 672	79 672	12 555	-	-
Surplus/(deficit) after financing	6 615	27 554	5 505	-	-	-	-	-	-

In 2009/10, the budget allocation for the department was reduced by R18.292 million, as a result of function shifts and other adjustments to other departments, such as a function shift to Vote 15: Arts and Culture in respect of Museum Services, and other adjustments to COGTA in respect of the 2010 Infrastructure Development programme, Disaster Management programme and the unveiling of the 2010 stadia. The department under-spent its 2009/10 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 Soccer 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 with regard to the 2010 Soccer World Cup 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 follows:

- R10 million for the commemoration of 150 years of the arrival of Indian indentured labourers.
- R20 million for the roll-out of the Youth Ambassadors programme.
- This increase was offset by a reduction of R3.249 million in respect of the in-year take-up of Policy on Incapacity Leave 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, as a result of savings because of the moratorium on the filling of non-critical vacant posts, as well as cost-cutting. The amount of R10 million for Indian indentured labourers was received late during 2010/11 and these funds could therefore not be fully utilised.

In 2011/12, the department's allocation increased by R20 million 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, 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 2011/12 budget was under-spent by R5.505 million, largely due to delays in the finalisation of the site for monuments relating to the commemoration of the arrival of Indian indentured labourers, as the department, eThekweni Metro and the Indian community could not reach consensus on the site where the monuments would be erected.

In the 2012/13 Main Appropriation, the department received the second tranche of the LIV Orphanage additional funding (R8 million), as per the provincial partnership agreement. The department's budget allocation was increased by R79.939 million in the 2012/13 Adjusted Appropriation, which was allocated across all programmes for the following purposes:

- R267 000 was rolled over from 2011/12, in respect of office furniture and equipment ordered during 2011/12 but not be delivered before year-end.
- R1.500 million for the *Amadelakufa* Awards ceremony to honour and commemorate struggle stalwarts of the past.
- R300 000 for the state funeral that was undertaken for Reverend K.M.E. Mgojo, who was the National Chairperson of the Senior Citizens' Forum.
- R5.701 million for essential rehabilitation and refurbishments at the Premier's Parkside Residence.
- R2.500 million for the establishment of the Rural Development Co-ordination unit within the department in line with the Premier's pronouncement in the 2012 State of the Province Address.
- R34.080 million to fund pressures such as stipends in the Youth Ambassadors programme.
- R3.012 million for the capital requirements of the Integrity Management unit.
- R8.485 million for the Zimele Developing Community Self-Reliance project, which aims to provide women in KZN with knowledge, skills and resources to be successful family and community leaders.
- R2.193 million for the higher than budgeted 2012 wage agreement.
- R680 000 for the establishment of the KZN Climate Change Council, which aims to educate our communities about practical mitigation, adaptation measures, cleaner and greener practices.
- R5 million for training and development costs for various OSS projects, whose key focus is to create a model on sharing resources and integrating departmental programmes to ensure a stronger impact on fighting poverty and strengthening service delivery.

- R250 000 for the once-off establishment costs of the Human Resource Development Council, which aims to establish technical working groups in priority areas.
- R671 000 for the 2012 Career Exhibition, which seeks to promote the public service as an employer of choice, and promote attention to critical and scarce skills, as well as to create awareness for training opportunities and careers in the public service.
- R5 million for the African Renaissance project, aimed at social cohesion, democracy, economic rebuilding and growth, and the establishment of Africa as a significant player in geo-political affairs.
- R1.300 million for the hosting of a Provincial Prayer Day.
- In line with Cabinet resolutions, the department was allocated funds from the Strategic Cabinet Initiatives fund held under Vote 6: Provincial Treasury for the following:
 - R2 million for the hosting of the Presidential *Imbizo* in Umzimkulu.
 - R15 million for the hosting of the AFCON.
 - R5 million for the Choral Music Awards. The National Choir Festival is a national choral music competition conducted at district and regional/provincial level culminating in a National Final.

The above-mentioned additional funds were largely once-off, and this accounts for the substantial reduction from 2012/13 to 2013/14.

The department receives additional funding in 2013/14 for Zimele Developing Community Self-Reliance project (R7.555 million), and R5 million for the African Renaissance project. These are explained in detail under Section 5.2. The department also receives a roll-over of R4.865 million for the 150-year commemoration of Indian indentured labourers, which was rolled over from 2011/12 due to the ongoing difficulty experienced in identifying a site in the eThekweni Metro for the erection of the monument.

4.2 Departmental receipts

Table 1.2 below reflects details of departmental receipts per main category over the seven-year period: 2009/10 to 2015/16. 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* and *Horse racing taxes*.

Table 1.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tax receipts	325 541	351 440	405 857	403 924	403 924	446 926	453 682	478 634	502 566
Casino taxes	283 970	305 583	337 435	336 827	336 827	383 835	385 479	406 680	427 014
Horse racing taxes	41 571	45 857	68 422	67 097	67 097	63 091	68 203	71 954	75 552
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	268	223	68	186	186	75	72	76	80
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	14	6	-	-	-	1	-	-	-
Sale of capital assets	582	-	688	-	-	180	-	-	-
Transactions in financial assets and liabilities	78	943	49	-	-	696	-	-	-
Total	326 483	352 612	406 662	404 110	404 110	447 878	453 754	478 710	502 646

Tax receipts combines revenue from both *Casino taxes* and *Horse racing taxes*. *Casino taxes* depicts revenue collected in accordance with the KZN Gaming and Betting Act. The upward trend of *Casino taxes* from the 2012/13 Revised Estimate was due to an amendment of casino tariffs in the KZN Gaming and Betting Tax Act, 2010, effective from November 2012, and should result in more *Casino taxes* collected over the MTEF. The continued effort of the KZNGBB to deal with illegal gambling operators has continued to yield positive results with respect to collections against this category. The increased revenue collection since 2009/10 can be attributed to the increased focus on 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, 2010. 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.

Horse racing taxes increases significantly from 2012/13 onward due to the merger of the horse racing regulator into the KZNGBB. This meant that the tax earned from licences, which was previously collected by the Bookmakers' Control Committee, is now reflected against *Horse racing taxes* under the department. The 2012/13 Revised Estimate for *Horse racing taxes* is lower than budgeted due to constrained global economic circumstances. The budget over the 2013/14 MTEF shows steady growth.

The low revenue collected in 2011/12 relates to the fact that certain bookmakers licence fees are retained by the KZNGBB since the enactment of the new Act. The low revenue collected against *Sale of goods and services other than capital assets* in 2012/13 Revised Estimate relates to the fact that this category includes bookmakers' licences, commission, publications and rentals received. While all of these were budgeted for, only commission revenue will be collected, as the other categories were erroneously budgeted for. The MTEF budget has been adjusted accordingly.

Sale of capital assets reflects high revenue collection in 2009/10 and 2011/12 due to the auction of redundant motor vehicles. No sales in this regard are anticipated over the MTEF.

The amounts reflected against *Transactions in financial assets and liabilities* relate to recoveries of staff debts from the previous financial years, and is not budgeted for due to the difficulty in predicting the amount that will be collected in this regard.

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 2009/10 to 2015/16.

Table 1.3: Details of donor funding and agency receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Donor funding	-	19 841	9 066	16 079	24 079	24 079	26 829	26 829	-
National Skills Fund	-	19 766	8 991	16 079	16 079	16 079	16 079	16 079	-
MERSETA	-	-	-	-	8 000	8 000	10 750	10 750	-
PSETA	-	75	75	-	-	-	-	-	-
Agency receipt	38 639	10 034	-	-	-	-	-	-	-
Department of Labour - Literacy Programme	38 639	10 034	-	-	-	-	-	-	-
Total	38 639	29 875	9 066	16 079	24 079	24 079	26 829	26 829	-

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Donor funding	-	19 841	9 066	24 079	24 079	24 079	26 829	26 829	-
National Skills Fund	-	19 766	8 991	16 079	16 079	16 079	16 079	16 079	-
MERSETA	-	-	-	8 000	8 000	8 000	10 750	10 750	-
PSETA	-	75	75	-	-	-	-	-	-
Agency receipt	38 639	10 034	-	-	-	-	-	-	-
Department of Labour - Literacy Programme	38 639	10 034	-	-	-	-	-	-	-
Total	38 639	29 875	9 066	24 079	24 079	24 079	26 829	26 829	-

The OTP, through the Training Academy, submitted a revised provincial funding proposal to the National Skills Fund (NSF). An amount of R76.994 million was allocated from 2010/11 to 2014/15 to fund the following learning programmes:

- Learnerships in the construction sector.
- Automotive apprenticeships.
- Manufacturing and engineering apprenticeships and learnerships.
- National Youth Service (NYS) skills programmes implemented by the DOPW.
- EPWP learnerships.

The department will also be receiving funding from 2012/13 to 2014/15 from the MERSETA for an Artisan Development Project that targets the training of 200 artisans in occupations in the manufacturing and engineering sector, and for the KZN Short Skills Training project in 2010/11 and 2011/12.

In addition, the department received donor funding of R150 000 from PSETA for the development of a policy on accreditation.

The department received agency receipts over the period 2009/10 and 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 on construction skills programmes on the NYS, manufacturing and engineering apprenticeships and professional driver learnerships.

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 2013/14 budget:

- All inflation related increases are based on CPI projections.
- Through reprioritisation within the department's budget, provision has been made for the carry-through costs of the 2012 wage agreement and an inflationary wage adjustment of 6.3 per cent, 6.1 per cent and 5.9 per cent for each of the three years of the 2013/14 MTEF, respectively, as well as the annual 1.5 per cent pay progression.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2013/14, will be adhered to over the 2013/14 MTEF.
- Provision was made for the filling of vacant posts in terms of the revised organisational structure (pending its approval), taking into account the moratorium on the filling of non-critical vacant posts.

5.2 Additional allocations for the 2011/12 to 2013/14 MTEF

Table 1.5 shows additional funding received by the department over the three MTEF periods: 2011/12, 2012/13 and 2013/14. 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 2011/12 and 2012/13 MTEF periods (i.e. for the financial year 2015/16) are based on the incremental percentage used in the 2013/14 MTEF.

Table 1.5: Summary of additional provincial allocations for the 2011/12 to 2013/14 MTEF

R thousand	2011/12	2012/13	2013/14	2014/15	2015/16
2011/12 MTEF period	65 960	65 463	76 129	80 697	84 409
Provincial Planning Commission	9 000	10 000	11 000	11 660	12 196
Provincial Nerve Centre	30 000	24 500	31 700	33 602	35 148
Amafa - Heritage projects	2 505	3 830	3 998	4 238	4 433
Bursaries for disadvantaged students who excelled in matric (Bursary Programme)	2 000	2 000	2 000	2 120	2 218
Carry-through of 2010/11 Adjustments Estimate	22 702	25 449	27 833	29 503	30 860
2010 wage agreement	702	1 249	1 213	1 286	1 345
Youth ambassadors	22 000	24 200	26 620	28 217	29 515
National Cabinet decision to cut provinces by 0.3 per cent	(247)	(316)	(402)	(426)	(446)
2012/13 MTEF period		103 831	86 927	100 109	104 714
Carry-through of 2011 wage agreement		1 260	1 323	1 389	1 453
LIV Orphanage		8 000	-	-	-
Provincial Public Service Training Academy (refurbish and renovate)		10 000	12 000	15 000	15 690
Merger of horse racing regulator into KZNGBB		17 571	18 604	19 720	20 627
Youth ambassadors		15 000	17 000	20 000	20 920
Youth ambassador training by SANDF		20 000	-	-	-
Ntambanana - provision for piped water and proper roads to Luwamba Clinic		20 000	25 000	30 000	31 380
Operation <i>Sukuma Sakhe</i> - equipping of war rooms		12 000	13 000	14 000	14 644
2013/14 MTEF period			9 100	(17 368)	(21 544)
Census data update and 1%, 2% and 3% baseline cuts			(8 320)	(17 368)	(21 544)
Zimele Developing Community Self-Reliance			7 555	-	-
Roll-over: 150-year commemoration of Indian indentured labourers			4 865	-	-
African Renaissance project			5 000	-	-
Total	65 960	169 294	172 156	163 438	167 579

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 OSS for the equipping of war-rooms throughout the province, as mentioned above.

The department receives once-off additional funding in the 2013/14 MTEF amounting to R7.555 million for the Zimele Developing Community Self-Reliance project, which is the carry-through allocation from the 2012/13 Adjustments Estimate, as well as a roll-over of R4.865 million for the 150-year commemoration of Indian indentured labourers, and R5 million for the African Renaissance project which is also a carry-through from the 2012/13 Adjustments Estimate.

Also in the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the

2011 Census data results. The effect of this on OTP was a substantial reduction in the budget over the entire period. The department effected these baseline cuts as follows:

- By enforcing efficiency savings, particularly in areas such as *Compensation of employees*, *Goods and services* and *Machinery and equipment*. The OTP will reduce the MTEF budget in respect of youth ambassador appointments, external venues for meetings, catering, travel expenses (including air travel and overseas trips), accommodation, and will adopt a phased-in approach with regard to the purchasing of machinery and equipment.
- By proportionately reducing the MTEF baselines of the two public entities that fall under the department's auspices, namely Amafa and KZNGBB. Details as to how these two entities will effect the baseline cuts are given in Section 5.8 below.

5.3 Summary by programme and economic classification

Tables 1.6 and 1.7 below summarise 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 Sports, Arts and Culture sector.

Table 1.6: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
1. Administration	99 859	101 738	110 761	149 228	163 748	163 748	156 954	164 372	175 128
2. Institutional Development	105 321	95 275	105 504	130 278	139 566	139 566	145 209	145 938	152 652
3. Policy and Governance	223 923	226 794	269 335	315 094	384 225	384 225	318 691	328 748	337 298
Total	429 103	423 807	485 600	594 600	687 539	687 539	620 854	639 058	665 078

Note: Programme 1 includes Premier's remuneration: Salary: R1 887 873

Table 1.7: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	363 005	374 345	412 292	508 407	563 591	563 591	539 712	559 607	582 697
Compensation of employees	110 668	112 663	155 307	197 767	217 544	217 544	207 417	223 710	233 694
Goods and services	252 337	261 682	256 985	310 640	346 047	346 047	332 295	335 897	349 003
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	52 954	42 035	61 362	73 523	93 553	93 553	73 319	76 986	79 800
Provinces and municipalities	4 840	18	21	10	15 026	15 026	12	13	14
Departmental agencies and accounts	46 989	36 688	41 394	62 235	62 235	62 235	65 026	68 230	70 641
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	30	-	12 000	8 000	8 030	8 030	-	-	-
Households	1 095	5 329	7 947	3 278	8 262	8 262	8 281	8 743	9 145
Payments for capital assets	11 323	7 365	11 939	12 670	30 387	30 387	7 823	2 465	2 581
Buildings and other fixed structures	4 305	-	-	1 000	6 701	6 701	-	-	-
Machinery and equipment	7 009	6 714	3 949	11 170	8 766	8 766	2 708	2 215	2 319
Heritage assets	-	323	1 722	-	8 000	8 000	4 865	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	9	328	6 268	500	6 920	6 920	250	250	262
Payments for financial assets	1 821	62	7	-	8	8	-	-	-
Total	429 103	423 807	485 600	594 600	687 539	687 539	620 854	639 058	665 078

The substantial increase from 2012/13 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 OSS. The decrease between 2012/13 and the 2013/14 MTEF relates to the substantial once-off funding given to the department in the 2012/13 Adjustments Estimate, as well as the baseline cuts effected over the 2013/14 MTEF.

The spending against Programme 1: Administration increased from 2010/11 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 significant increase from 2012/13 Main Appropriation to 2013/14 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 in the 2012/13 Adjusted Appropriation is due to additional funding of R15 million for the hosting of the AFCON tournament. Most additional funds in the 2012/13 Adjusted Appropriation were largely once-off, which account for the reduction in 2013/14.

Programme 2: Institutional Development decreased from 2009/10 to 2010/11 due to significant cost-cutting being effected in 2010/11. The increase in the 2012/13 Adjusted Appropriation is because of the additional funding received for the refurbishment and renovations of the Training Academy. This has been carried through over the 2013/14 MTEF. There has also been significant reprioritisation within this programme, which grows steadily over the 2013/14 MTEF.

Programme 3: Policy and Governance increased in 2010/11 due to additional funding for the Youth Ambassadors programme. The substantial increase from 2011/12 onward is attributable to additional funding for the operational costs of the Emakhosini Multi-Media Centre, the PPC and the Nerve Centre. The increase was also largely a result of additional funding of R12 million for the LIV Orphanage. In 2012/13, various projects received additional funding, such as the Youth Ambassadors programme, OSS, African Renaissance, AFCON, etc. Most additional funds in the 2012/13 Adjusted Appropriation were largely once-off, which account for the reduction in 2013/14.

Compensation of employees reflects a significant increase from 2011/12 onward as a result of additional funds received for the Youth Ambassadors programme. The reason for the decrease from 2012/13 Adjusted Appropriation to 2013/14 Main Appropriation is the anticipated decrease in the appointment of youth ambassadors from 3 024 in 2012/13 to 1 966 over the 2013/14 MTEF, as well as the moratorium on the filling of non-critical vacant posts.

The increase in 2010/11 against *Goods and services* is due to once-off additional funds received for the roll-out of the Youth Ambassadors programme. This accounts for the decrease from 2010/11 to 2011/12. The substantial increase in 2012/13 relates to additional funding received for *Amadelakufa* awards, once-off set-up costs of the Integrity Management unit, Zimele Developing Community Self-Reliance project, once-off establishment costs of the HRD Council, 2012 Career Exhibition, Choral Music Awards, Presidential *Imbizo*, establishment of the Rural Development Co-ordination function, establishment of the KZN Climate Change Council, OSS projects, African Renaissance, as well as for the Provincial Prayer day, as mentioned previously. Most additional funds in the 2012/13 Adjusted Appropriation were largely once-off, which account for the reduction in 2013/14.

The category *Transfers and subsidies* decreases from 2009/10 to 2010/11 and also from 2012/13 to 2013/14 and stays at a lower level over the MTEF period, as follows:

- *Provinces and municipalities* generally caters for the payment of motor vehicle licences. The high amount reflected in 2009/10 includes the transfer of management of the Ulundi Airport to the Zululand District Municipality, with this being the final payment made. The high 2012/13 Adjusted Appropriation is due to the once-off additional funding received for hosting AFCON in KZN, with this being undertaken jointly with the eThekweni Metro.
- The increase in the 2012/13 Main Appropriation against *Departmental agencies and accounts*, which caters for transfers to KZNGBB and Amafa, is in respect of additional funding that was allocated as a result of the merger of the horse racing regulator into the KZNGBB, as explained above. Despite the baseline cuts to both KZNGBB and Amafa's baseline, as mentioned previously, the 2013/14 MTEF shows steady growth because of the additional funding allocated in previous MTEF periods, as explained in Section 5.2.
- With regard to *Non-profit institutions*, amounts of R12 million in 2011/12 and R8 million in 2012/13 were allocated for the LIV Orphanage. This is 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. The increase of R30 000 in the Adjusted Appropriation relates to the donation to Khulani Production Artist Theatre for a graduation ceremony to honour their students that completed the Arts and Skills courses.

- *Households* reflects fluctuations due to staff exit costs. The department also provides for payments in respect of medical aid contributions for ex-parliamentarians (PARMED). The increase in 2011/12 and the 2012/13 Adjusted Appropriation is as a result of savings identified from the funds for PILIR and allocated to the Provincial Bursary Programme. This category reflects a steady increase over the 2013/14 MTEF.

The 2009/10 spending against *Buildings and other fixed structures* includes payments to DOPW in respect of prior year inter-departmental accounts relating to infrastructure work done on the Moses Mabhida Building (former Telkom Building). No capital renovations or projects were undertaken in 2010/11 and 2011/12. The allocation in the 2012/13 Main Appropriation relates to additional funds for the refurbishment of the Training Academy and the increase in the Adjusted Appropriation is due to the additional funding for the renovations to the Premier's Parkside Residence. However, since the DOE has claimed the Training Academy, the department is still to decide where the funds for the 2013/14 MTEF will be allocated, as the department, together with DOPW, is in the process of undertaking a study whether to build or lease a site for the Training Academy. As such, the funds are housed under *Goods and services* for the time being.

Machinery and equipment is high 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 decrease in the 2012/13 Adjusted Appropriation is as a result of funds reprioritised within *Payments for capital assets* for the Nerve Centre, as indicated below. The low amount over the 2013/14 MTEF is a result of cost-cutting and a phased-in approach with regard to the purchasing of machinery and equipment, as a result of the baseline cuts.

The 2010/11 and 2011/12 amounts against *Heritage assets* relate to the erection of monuments and plaques, as well as Royal graves and graves of victims of conflict. The 2012/13 Adjusted Appropriation relates to savings reprioritised from *Goods and services* for the building of wax statues and busts to honour former Presidents of the ANC and King Shaka in various sites in KZN. The roll-over from 2011/12 to 2013/14 of R4.865 million for the 150-year commemoration of Indian indentured labourers has been allocated to *Heritage assets* and is for the erection of plaques and monuments.

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 and the 2012/13 Adjusted Appropriation is a result of further implementation of the Nerve Centre.

5.4 Summary of payments and estimates by district municipal area

Table 1.8 summarises payments and estimates by district municipal area, and reflects the full budget including the department's administration costs due to the fact that its activities are centrally administered from its head office which is situated in uMgungundlovu.

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 uMgungundlovu, where the bulk of the provincial departments' head offices are located.

The spending in the eThekweni Metro is mainly due to the fact that the Training Academy and the LIV Orphanage are situated in the area, while 2012/13 includes the transfer to the Metro relating to AFCON.

The spending from 2012/13 to 2015/16 against the uThungulu district municipal area relates to the provision of piped water and proper roads to the Luwamba Clinic in the Ntambanana area.

Table 1.8: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15	2015/16
eThekweni	45 102	44 260	54 695	49 935	52 236
Ugu					
uMgungundlovu	446 003	623 279	541 159	559 123	581 462
Uthukela					
Umkhanyathi					
Amajuba					
Zululand					
Umkhanyakude					
uThungulu	-	20 000	25 000	30 000	31 380
Ilembe					
Sisonke					
Total	491 105	687 539	620 854	639 058	665 078

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
New and replacement assets									
Existing infrastructure assets	6 698	2 403	1 905	11 000	16 701	16 701	13 300	16 400	17 154
Upgrades and additions									
Rehabilitation, renovations and refurbishments	4 305	-	-	1 000	6 701	6 701	-	-	-
Maintenance and repairs	2 393	2 403	1 905	10 000	10 000	10 000	13 300	16 400	17 154
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Current									
Capital									
<i>Capital infrastructure</i>	4 305	-	-	1 000	6 701	6 701	-	-	-
<i>Current infrastructure</i>	2 393	2 403	1 905	10 000	10 000	10 000	13 300	16 400	17 154
Total	6 698	2 403	1 905	11 000	16 701	16 701	13 300	16 400	17 154

The spending against *Rehabilitation, renovations and refurbishments* in 2009/10 relates to payments made to the DOPW in respect of prior year inter-departmental accounts for infrastructure work done on administrative buildings. The high amount in the 2012/13 Adjusted Appropriation relates to the additional funding received for the renovations to Parkside residence, which is the Premier's official residence.

Current infrastructure relates to ongoing provision for infrastructure maintenance. 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. The allocations in 2011/12, 2012/13 and over the 2013/14 MTEF relate to routine maintenance work to be done at the Training Academy and administration offices. As mentioned, however, the Training Academy was transferred back to DOE in 2012/13 to assist educators with continuous professional development. The Training Academy will continue to function from its current location until alternative accommodation has been secured by DOPW, who is currently reviewing the option of either leasing or building a new facility. In the meantime, though, all planned maintenance work at the existing Training Academy has been put on hold. The bulk of the MTEF allocations reflected against *Maintenance and repairs* are therefore set aside for the new Training Academy, once the new facility has been identified.

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 OTP exercises oversight over two public entities, namely the KZNGBB and Amafa. Table 1.10 illustrates transfers made to the public entities over the seven years under review. Financial summaries received from the KZNGBB and Amafa are given 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		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
KwaZulu-Natal Gaming and Betting Board	14 148	16 356	17 337	35 775	35 775	35 775	37 431	39 276	40 664
Amafa aKwaZulu-Natali	32 841	20 332	24 057	26 460	26 460	26 460	27 595	28 954	29 977
Total	46 989	36 688	41 394	62 235	62 235	62 235	65 026	68 230	70 641

The main objective of the KZNGBB is to ensure that all gambling authorised in terms of the KZN 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.

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. As mentioned previously, KZNGBB's 2013/14 MTEF allocations were affected by the baseline cuts, which the entity has indicated will be achieved through cost-cutting, as well as containing travel and subsistence expenditure under its Compliance unit.

Amafa is responsible for administering heritage conservation on behalf of the provincial government. The entity's main objective 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 KZN. 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 from 2011/12 for various heritage projects, such as fencing in Emakhosini and heritage markers at Anglo-Zulu sites, as well as the operational costs of the Emakhosini Multi-Media Centre. As mentioned previously, Amafa's 2013/14 MTEF allocations were affected by the baseline cuts, which the entity has indicated will be achieved through cost-cutting and a phased-in approach with regard to project implementation.

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		
		2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Cecil Nurse (Pty) Ltd	3.1 Special Programmes	30	-	-	-	-	-	-	-	-
LIV Orphanage	3.1 Special Programmes	-	-	12 000	8 000	8 000	8 000	-	-	-
Khulani Production Artist Theatre	3.1 Special Programmes	-	-	-	-	30	30	-	-	-
Total		30	-	12 000	8 000	8 030	8 030	-	-	-

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 were the suppliers of the chairs.

In 2011/12 and in 2012/13, R12 million and R8 million, respectively, were transferred to the LIV Orphanage, as previously explained.

In 2012/13, a donation of R30 000 was made to Khulani Production Artist Theatre for a graduation ceremony to honour their students that completed the Arts and Skills courses.

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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Category A	-	-	-	-	15 000	15 000	-	-	-
Category B	-	-	-	-	-	-	-	-	-
Category C	4 823	-	-	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
Total	4 823	-	-	-	15 000	15 000	-	-	-

The R15 million in the 2012/13 Adjusted Appropriation against Category A relates to the transfer to the eThekweni Metro, being the province's contribution to hosting AFCON. These funds were spent on public viewing/fan parks, marketing of the event, volunteers, as well as various city and provincial initiatives.

The transfer amounts reflected in 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 noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, 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 summarises 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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
1. Administration	736	5 148	891	1 288	16 281	16 281	1 290	1 333	1 395
Provinces and municipalities	17	18	21	10	15 026	15 026	12	13	14
Motor vehicle licences	17	18	21	10	26	26	12	13	14
Municipal agencies and funds	-	-	-	-	15 000	15 000	-	-	-
Households	719	5 130	870	1 278	1 255	1 255	1 278	1 320	1 381
Social benefits	719	5 130	870	1 278	1 255	1 255	1 278	1 320	1 381
2. Institutional Development	247	93	7 077	2 000	7 001	7 001	7 003	7 423	7 764
Households	247	93	7 077	2 000	7 001	7 001	7 003	7 423	7 764
Social benefits	247	93	-	-	-	-	3	3	3
Bursary Programme	-	-	7 077	2 000	7 001	7 001	7 000	7 420	7 761
3. Policy and Governance	51 971	36 794	53 394	70 235	70 271	70 271	65 026	68 230	70 641
Provinces and municipalities	4 823	-	-	-	-	-	-	-	-
Zululand District Municipality - Ulundi Airport	4 823	-	-	-	-	-	-	-	-
Departmental agencies and accounts	46 989	36 688	41 394	62 235	62 235	62 235	65 026	68 230	70 641
KZNGBB	32 841	16 356	17 337	35 775	35 775	35 775	37 431	39 276	40 664
Amafa	14 148	20 332	24 057	26 460	26 460	26 460	27 595	28 954	29 977
Non-profit institutions	30	-	12 000	8 000	8 030	8 030	-	-	-
Cecil Nurse (Pty) Ltd	30	-	-	-	-	-	-	-	-
LIV Orphanage	-	-	12 000	8 000	8 000	8 000	-	-	-
Khulani Production Artist Theatre	-	-	-	-	30	30	-	-	-
Households	129	106	-	-	6	6	-	-	-
Social benefits	129	106	-	-	6	6	-	-	-
Total	52 954	42 035	61 362	73 523	93 553	93 553	73 319	76 986	79 800

Programme 1 reflects transfers in respect of social benefits relating to payments in respect of medical aid contributions for ex-parliamentarians (PARMED), staff exit costs, as well as for motor vehicle licences. The R15 million against the 2012/13 Adjusted Appropriation relates to the transfer to eThekweni Metro, being the province's contribution to hosting AFCON.

Programme 2 reflects transfers in respect of social benefits and the Bursary Programme. The bursaries are paid directly to the students who are receiving a monthly stipend and transport funds.

Programme 3 houses the bulk of the transfers' budget:

- The amount reflected against *Provinces and municipalities* in 2009/10 relates to the transfer of the management of the Ulundi Airport to the Zululand District Municipality. The final transfer payment in this regard was made in that year.
- *Departmental agencies and accounts* relates to the payments made to Amafa and the KZNGBB.
- The amounts reflected against *Non-profit institutions* relate to funding of non-profit organisations and donations made to other organisations, such as Cecil Nurse (Pty) Ltd and Khulani Production Artist Theatre, 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 2009/10 to 2015/16.

Table 1.14: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Premier Support	19 855	21 317	27 416	28 519	26 250	26 250	30 099	31 916	33 383
Executive Council Support	9 544	6 943	7 852	9 073	9 073	9 073	8 432	8 918	9 329
Director-General	15 646	23 051	18 470	21 708	17 822	17 822	21 806	23 151	24 220
Financial Management	54 814	50 427	57 023	89 928	110 603	110 603	96 617	100 387	108 196
Total	99 859	101 738	110 761	149 228	163 748	163 748	156 954	164 372	175 128

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	90 840	92 926	108 039	146 447	138 041	138 041	154 078	161 824	172 461
Compensation of employees	35 894	43 270	50 837	64 524	57 216	57 216	62 052	67 141	69 919
Goods and services	54 946	49 656	57 202	81 923	80 825	80 825	92 026	94 683	102 542
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	736	5 148	891	1 288	16 281	16 281	1 290	1 333	1 395
Provinces and municipalities	17	18	21	10	15 026	15 026	12	13	14
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	719	5 130	870	1 278	1 255	1 255	1 278	1 320	1 381
Payments for capital assets	6 497	3 656	1 825	1 493	9 426	9 426	1 586	1 215	1 272
Buildings and other fixed structures	3 932	-	-	-	5 701	5 701	-	-	-
Machinery and equipment	2 565	3 654	1 825	993	3 225	3 225	1 336	965	1 010
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	2	-	500	500	500	250	250	262
Payments for financial assets	1 786	8	6	-	-	-	-	-	-
Total	99 859	101 738	110 761	149 228	163 748	163 748	156 954	164 372	175 128

The increase in the sub-programme: Premier Support from 2010/11 is due to the newly created Security and Protocol Services unit. The substantial increase from 2011/12 onward is to cater for the establishment of a unit to manage the Premier's special projects.

The high amount in 2009/10 against the Executive Council Support sub-programme is attributed to inter-departmental accounts that were paid to the DOPW relating to the previous financial year. The decrease in 2010/11 is due to cost-cutting. The decrease from 2012/13 to 2013/14 is attributed to the reprioritisation of funds from this sub-programme to Programme 3 to cater for OSS spending pressures. There is a steady increase in 2014/15 and 2015/16.

The budget for the Director-General sub-programme fluctuates from 2009/10 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, accounting for the decrease from 2010/11 to 2011/12. The decrease in 2011/12 is also as a result of cost-cutting. There is consistent growth over the 2013/14 MTEF.

The Financial Management sub-programme is high in 2009/10 due to the centralisation of administrative costs and lease commitments. This increase also relates to the vacant posts funding for the department, which was centralised in Programme 1. This accounts for the decrease in 2010/11. The substantial increase from 2011/12 onward is to cater for the newly created Integrity Management unit, in line with the organisational structure of the department. The increase in the 2012/13 Adjusted Appropriation is due to additional funding of R15 million, being the province's contribution to hosting the AFCON tournament. The significant increase from 2012/13 is a result of additional funding for the provision of piped water and proper roads to the Luwamba Clinic in the Ntambanana Municipality. The additional funding relating to AFCON was once-off, which therefore accounts for the reduction from the 2012/13 Adjusted Appropriation to 2013/14. There is steady growth from 2014/15 onward.

The increase against *Compensation of employees* from 2009/10 to 2010/11 is a result of the filling of critical vacant posts in 2010/11. It is envisaged that further key positions will be filled from 2012/13 and over the 2013/14 MTEF, while taking cognisance of the moratorium on the filling of non-critical posts.

The amount reflected against *Goods and services* in 2009/10 is due to the creation of the Security and Protocol Services unit. The decrease in 2010/11 was a result of the centralisation of administrative costs, as mentioned above. The significant increase from 2011/12 to 2012/13 is due to additional funding for the Luwamba Clinic, and the additional funds for the Integrity Management unit, as well as the creation of the Integrity Management unit and the Premier's Special Projects unit. *Goods and services* reflects steady growth over the 2013/14 MTEF due to additional funding for the Luwamba Clinic.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences, as well as funds transferred to the eThekweni Metro, being the province's contribution to hosting AFCON in the 2012/13 Adjusted Appropriation.

The 2009/10 expenditure against *Transfers and subsidies to: Households* caters for staff exit costs. The department also provides for payments in respect of medical aid contributions for ex-parliamentarians (PARMED).

The amount against *Buildings and other fixed structures* in 2009/10 is attributed to outstanding payments, from prior years, made to the DOPW for work done at the Moses Mabhida Building. The amount in the 2012/13 Adjusted Appropriation is attributed to the additional funding received in respect of urgent repairs and maintenance to the Parkside residence, such as roof leaks.

The amount reflected 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 decrease in 2011/12 is due to cost-cutting. The increase in the 2012/13 Main Appropriation is a result of the purchase of official vehicles. The decrease from the 2012/13 Adjusted Appropriation to the 2013/14 MTEF is a result of the baseline cuts, whereby only essential machinery and equipment will be purchased.

The amounts reflected in 2012/13 and over the 2013/14 MTEF against *Software and other intangible assets* mainly relate to the purchase and licences of software for the Nerve Centre and other related systems.

Payments for financial assets mainly relate to the write-off of debt.

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-focuses to the PGDP of the department. Note that only a few main measures are reflected below, and the full set of measures is detailed in the department's APP.

Table 1.16: Service delivery measures - Programme 1: Administration

Outputs		Performance indicators	Estimated performance		Medium-term targets	
			2012/13	2013/14	2014/15	2015/16
1. Financial Management						
1.1	To provide efficient and effective financial management services OTP	<ul style="list-style-type: none">% compliance w.r.t. submission of financial management reports in terms of financial prescripts	100%	100%	100%	100%
2. Financial Management: Integrity Management						
2.1	To manage the case management system on fraud in the province and report monthly	<ul style="list-style-type: none">% of provincial depts. and all public entities comply with the KZN anti-fraud and anti-corruption strategy	Ensure all provincial depts. and all public entities comply with the KZN anti-fraud and anti-corruption strategy by March 2013	80%	90%	Full implementation of case management system
2.2	To implement the Fraud Prevention Plan for OTP daily	<ul style="list-style-type: none">No. of citizens' complaints reports	To prevent, detect and investigate fraud on a daily basis	To prevent, detect and investigate fraud on a daily basis	To prevent, detect and investigate fraud on a daily basis	To prevent, detect and investigate fraud on a daily basis
2.3	To compile and report on citizen's complaints on poor service delivery monthly	<ul style="list-style-type: none">No. of report on citizens' complaints on poor service delivery monthly	All submitted complaints cases of poor service delivery and corruption recorded and reported by 31 March 2013	Implementing citizen's complaints monitoring system	Fully functional service delivery complaints system	Maintenance of service delivery complaints 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 2009/10 to 2015/16.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Strategic Human Resources	53 805	51 811	59 308	79 102	88 374	88 374	90 881	88 308	92 373
Information Communication Technology	21 489	21 016	20 393	25 174	24 694	24 694	25 729	27 266	28 522
Legal Services	8 772	8 512	8 594	10 846	10 836	10 836	11 456	12 156	12 714
Communication Services	21 255	13 936	17 209	15 156	15 662	15 662	17 143	18 208	19 043
Total	105 321	95 275	105 504	130 278	139 566	139 566	145 209	145 938	152 652

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	101 313	92 629	97 525	125 002	127 573	127 573	136 874	137 325	143 641
Compensation of employees	48 668	43 171	48 156	57 355	56 580	56 580	60 644	64 330	67 292
Goods and services	52 645	49 458	49 369	67 647	70 993	70 993	76 230	72 995	76 349
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	247	93	7 077	2 000	7 001	7 001	7 003	7 423	7 764
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	247	93	7 077	2 000	7 001	7 001	7 003	7 423	7 764
Payments for capital assets	3 758	2 533	901	3 276	4 987	4 987	1 332	1 190	1 247
Buildings and other fixed structures	-	-	-	1 000	1 000	1 000	-	-	-
Machinery and equipment	3 749	2 207	901	2 276	3 987	3 987	1 332	1 190	1 247
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	9	326	-	-	-	-	-	-	-
Payments for financial assets	3	20	1	-	5	5	-	-	-
Total	105 321	95 275	105 504	130 278	139 566	139 566	145 209	145 938	152 652

The decrease in the Strategic Human Resources sub-programme in 2010/11 was a result of the movement of the Service Delivery unit to Programme 3. The reduction was also in respect of the lower in-year take-up of PILIR related funds, 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 (although a portion of it was redirected to the Provincial Bursary Programme) and funding allocated for the filling of various vacant posts. The substantial increase from 2012/13 is attributed to additional funding for the refurbishment and renovations to the Training Academy. The department receives a once-off R7.555 million in 2013/14 for the Zimele Developing Community Self-Reliance project, explaining the decrease from 2013/14 to 2014/15.

Information Communication Technology (ICT) decreased in 2010/11 due to the movement of funds for the Nerve Centre to Programme 3 as part of the restructuring process. The decrease in 2011/12 can be ascribed to reprioritisation of funds to other areas, as a result of spending pressures. The budget for this sub-programme grows steadily over the MTEF.

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 costs relating to the OSD for legal practitioners. The slight decrease in the 2012/13 Adjusted Appropriation is due to reprioritisation to Programme 3 to assist with the operational costs of the KZN Climate Change Council.

The substantial decrease in the Communication Services sub-programme 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 from 2011/12 onward relates to the increased demand for communication publications, such as *Simama*.

The substantial decrease against *Compensation of employees* in 2010/11 is due to the movement of the Community Liaison unit to Programme 3, in line with the realignment process that was undertaken. Due to lack of records, the department could not adjust the prior year's figures accordingly. The increase from 2011/12 onward relates to the filling of critical vacant posts in line with the moratorium on the filling of non-critical posts. The decrease from the 2012/13 Main to Adjusted Appropriation was due to savings from vacant posts that were moved to *Goods and services* in Programme 3 to cover costs related to the KZN Climate Change Council. There is steady growth in the 2013/14 MTEF.

Goods and services reflects fluctuations from 2009/10 to 2012/13. 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 from 2012/13 onward is largely because of additional funding received for renovations of the Training Academy which, as previously mentioned, are on hold until the new facility has been identified.

The amounts against *Transfers and subsidies to: Households* from 2011/12 cater for the high demand of the Bursary Programme. The 2013/14 MTEF allocations continue to provide for the Bursary Programme.

Spending against *Buildings and other fixed structures* in 2012/13 relates to the refurbishment of the Training Academy. As previously explained, the Training Academy will continue to function from its current location until alternative accommodation has been secured by the DOPW, who is currently reviewing the option of either renting or building a new facility. In the meantime, though, all planned maintenance work at the existing Training Academy has been put on hold.

The high spending against *Machinery and equipment* in 2009/10 and 2010/11 can be ascribed to the acquisition of office furniture and equipment in line with the recruitment plan. The high amount in 2009/10 is also a result of the purchase of office furniture and equipment for newly leased office space in the Invesco Centre. The department is planning to spend less on *Machinery and equipment* over the 2013/14 MTEF, due to the phasing in of the purchase of office furniture and equipment, in line with the moratorium on the filling of non-critical vacant posts.

The spending reflected against *Software and other intangible assets* in 2010/11 relates to the purchase of software for the Nerve Centre. Although the Nerve Centre is housed under Programme 1, in 2010/11 part of the Nerve Centre funding was included under the Information Communication Technology sub-programme for the purchasing of software and other assets.

The department wrote off various losses against *Payments for financial assets* from 2009/10 to 2012/13.

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 to the PGDP. Note that only a few main measures are reflected below, and the full set of measures is detailed in the department's APP.

Table 1.19: Service delivery measures - Programme 2: Institutional Development

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2012/13	2013/14	2014/15	2015/16
1. Strategic Human Resources					
1.1 Enhance compliance with prescribed policy directives and determinations and improve the quality of HR information in compliance with the National Minimum Information Requirements by submitting quarterly reports to G&A and COHOD	<ul style="list-style-type: none"> % disciplinary cases finalised within given 90-day period 	60%	60%	80%	90%
2. Information Communication Technology					
2.1 To provide ICT co-ordination services for provincial government monthly and quarterly	<ul style="list-style-type: none"> No. of ICT co-ordination and support services weekly, monthly and quarterly 	Ongoing maintenance and support of ICT requirements for the nerve centre	Co-ordinated information and technology advisory services will be provided to the provincial govt.	Co-ordinated information and technology advisory services will be provided to the provincial govt.	Co-ordinated information and technology advisory services will be provided to the provincial govt.
3. Legal Services					
3.1 To ensure 10 provincial laws comply with the Constitution and reflect policy provisions annually	<ul style="list-style-type: none"> No. of provincial laws (Bills, Regulations and Proclamations) certified for introduction in the Provincial Legislature 	10	10	10	10
4. Communications Services					
4.1 To communicate PGDP long-term developmental perspective and strategic interventions into KZN communities through electronic media and press by 31 March 2013	<ul style="list-style-type: none"> No. of press releases, media statements and media conferences on PDGP by 31 March 2013 	3 speeches 2 Cabinet statements 4 press releases 6 media alerts	3 speeches 2 Cabinet statements 4 press releases 6 media alerts	3 speeches 2 Cabinet statements 4 press releases 6 media alerts	3 speeches 2 Cabinet statements 4 press releases 6 media alerts
4.2 To co-ordinate provincial communication services through convening 10 communication forum meetings	<ul style="list-style-type: none"> No. of provincial communication forum meetings held 	7	10	10	10
4.3 To promote corporate image and provide communication logistics for the dept monthly	<ul style="list-style-type: none"> No. of exhibitions, pamphlets and community interactions 	25 Simama publications 9 exhibitions	Promotion of corporate image and provision of logistics	Promotion of corporate image and provision of logistics	Promotion of corporate image and provision of logistics

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 2013/14 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 2009/10 to 2015/16.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Special Programmes	42 067	70 486	76 611	73 923	72 435	72 435	75 349	79 118	78 495
Intergovernmental Relations	5 266	4 628	8 444	5 264	12 432	12 432	6 218	6 636	6 945
Provincial Policy Management	17 742	27 983	43 834	55 120	55 114	55 114	57 049	60 188	62 948
Premier's Priority Programmes	43 045	23 565	86 596	114 091	177 548	177 548	112 796	116 994	122 377
Heritage	61 738	52 504	53 850	66 696	66 696	66 696	67 279	65 812	66 533
Provincial 2010 Co-ordination	54 065	47 628	-	-	-	-	-	-	-
Total	223 923	226 794	269 335	315 094	384 225	384 225	318 691	328 748	337 298

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	170 852	188 790	206 728	236 958	297 977	297 977	248 760	260 458	266 595
Compensation of employees	26 106	26 222	56 314	75 888	103 748	103 748	84 721	92 239	96 483
Goods and services	144 746	162 568	150 414	161 070	194 229	194 229	164 039	168 219	170 112
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	51 971	36 794	53 394	70 235	70 271	70 271	65 026	68 230	70 641
Provinces and municipalities	4 823	-	-	-	-	-	-	-	-
Departmental agencies and accounts	46 989	36 688	41 394	62 235	62 235	62 235	65 026	68 230	70 641
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	30	-	12 000	8 000	8 030	8 030	-	-	-
Households	129	106	-	-	6	6	-	-	-
Payments for capital assets	1 068	1 176	9 213	7 901	15 974	15 974	4 905	60	62
Buildings and other fixed structures	373	-	-	-	-	-	-	-	-
Machinery and equipment	695	853	1 223	7 901	1 554	1 554	40	60	62
Heritage assets	-	323	1 722	-	8 000	8 000	4 865	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	6 268	-	6 420	6 420	-	-	-
Payments for financial assets	32	34	-	-	3	3	-	-	-
Total	223 923	226 794	269 335	315 094	384 225	384 225	318 691	328 748	337 298

The low spending against the Special Programmes sub-programme 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 from 2011/12 is as a result of additional funding received for the LIV Orphanage, as mentioned. OSS was previously included in the sub-programme: Special Programmes, but moved to the Premier's Priority Programmes sub-programme, hence the decrease in the 2012/13 Adjusted Appropriation.

The increase in the Intergovernmental Relations sub-programme in 2011/12 was due to an increase in international visits that were undertaken by the Premier to promote KZN as an investment destination. The significant growth in the 2012/13 Adjusted Appropriation is mainly attributed to the once-off additional funding for the establishment of the KZN Climate Change Council. This therefore accounts for the decrease over the 2013/14 MTEF.

The growth against the Provincial Policy Management sub-programme relates to the phasing in of the implementation of the Nerve Centre and additional funding for the PPC, as mentioned above.

The sub-programme: Premier's Priority Programmes included the allocation for transfer to the Zululand District Municipality in respect of the Ulundi Airport that ended in 2009/10, contributing to the decline in 2010/11. The decrease in 2010/11 also 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. This explains the lower allocation in 2013/14. The substantial increase in the 2012/13 Adjusted Appropriation is as a result of additional funding of R5 million for OSS projects, R5 million for the African Renaissance project, and R34.080 million for the stipends of the youth ambassadors. The department received an additional R5 million in 2013/14 for the African Renaissance project, which is a carry-through from the 2012/13 Adjustments Estimate.

The spending against the sub-programme: Heritage in 2009/10 and 2010/11 includes a once-off additional allocation of R18.885 million for the construction and operational costs of the Emakhosini Multi-Media Centre. In 2011/12, the department reprioritised substantial funding to the sub-programme: Premier's Priority Programmes for OSS projects, resulting in the substantial increase from 2011/12 to 2012/13 in respect of the Heritage sub-programme.

The 2009/10 spending against the sub-programme: Provincial 2010 Co-ordination relates to the marketing of the 2010 Soccer 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.

The substantial increase in *Compensation of employees* from 2011/12 onward is due to the additional funding received for the Youth Ambassadors programme. The decrease from 2012/13 to 2013/14 is as a result of the reduction in the appointment of youth ambassadors, which will see their number being brought down from 3 024 in 2012/13 to 1 966 over the MTEF when the current contracts end, to remain within budget.

The lower spending in *Goods and services* in 2009/10 can be ascribed to the shifting of soccer development funds and Museum Services funds to the Departments of Sport and Recreation and Arts and Culture, respectively. The allocation from 2011/12 onward 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 decrease in 2011/12 was a result of cost-cutting. The increase in the 2012/13 Adjusted Appropriation is a result of additional funding for the youth ambassadors' training by SANDF. No further additional funding is allocated beyond 2012/13, and the department will therefore have to manage the youth ambassador appointments carefully to remain within budget.

The 2009/10 spending against *Transfers and subsidies to: Provinces and municipalities* relates to transfers 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 amounts against *Transfers and subsidies to: Departmental agencies and accounts* from 2009/10 onward. The 2009/10 amount includes once-off additional funds for the completion of the Emakhosini Multi-Media Centre. From 2012/13 onward, the budget includes additional funding for 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 2009/10 against *Transfers and subsidies to: Non-profit institutions* relates to a donation to Nyonini Emnyama Catholic Church in Zion for chairs purchased from Cecil Nurse. The transfers of R12 million in 2011/12 and R8 million in 2012/13 relate to funding of the LIV Orphanage. Also in 2012/13, a donation of R30 000 was made to Khulani Production Artist Theatre for a graduation ceremony, as previously explained.

The amount against *Machinery and equipment* from 2009/10 onward is attributable to the purchase of office furniture and computer equipment for newly appointed staff. The decrease in the 2012/13 Adjusted

Appropriation is as a result of funds reprioritised within *Payment for capital assets* for the Nerve Centre, as explained below. The substantial decrease over the 2013/14 MTEF is due to the phased-in approach of the department with regard to purchasing machinery and equipment.

The amount in 2010/11 against *Heritage assets* relates to the erection of a memorial of *Inkosi Dingiswayo*, the erection of a memorial commemorating the arrival of the Indian indentured labourers in KZN, the erection of a tombstone and the reburial of the remains of Johny Makhathini, as well as the erection of a wall of remembrance and a tombstone for the victims of the Donnybrook Massacre. The amount in 2011/12 relates to the erection of 10 plaques in all districts in KZN commemorating the arrival of the Indian indentured labourers in KZN, and the erection of a wall of remembrance and tombstones for the victims of the Mahhehle Massacre. The increase in the 2012/13 Adjusted Appropriation is a result of savings reprioritised from *Goods and services* for the building of wax statues to honour former ANC Presidents and King Shaka in various sites in KZN. The amount in 2013/14 caters for the erection of 18 historical graves and the building of six memorials or monuments.

The 2011/12 amount and the 2012/13 Adjusted Appropriation against *Software and other intangible assets* relates to funds allocated for the Nerve Centre. No funds have been allocated over the MTEF because, at this stage, all the required software has been purchased for the Nerve Centre. The necessary adjustments will be made in-year should any further purchases be required.

Payments for financial assets relates to losses written-off.

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. Note that only a few main measures are reflected below, and the full set of measures is detailed in the department's APP.

Table 1.22: Service delivery measures – Programme 3: Policy and Governance

Outputs	Performance indicators	Estimated performance		Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	
1 Special Programmes						
1.1 To compile monthly and 4 quarterly report on implementation of multi-sectoral response to HIV and AIDS, TB and STI by 31 March 2014	<ul style="list-style-type: none"> No. of partnerships, on multi-sectoral response to HIV and AIDS, TB and STI 	Development and approval of new strategy plan for HIV and AIDS, STI and TB 2012-2016 based on reviews done by 30 August 2011	1 annual report 4 quarterly reports	1 annual report 4 quarterly reports	1 annual report 4 quarterly reports	
1.2 To co-ordinate and provide secretariat services for 4 Provincial Councils on AIDS meetings by 31 March 2014	<ul style="list-style-type: none"> No. of reports on secretariat services and AIDS committee trained 	3 PCA resolution reports 120 Wards AIDS Committee trained	3 PCA resolution reports 240 Wards AIDS Committees trained	3 PCA resolution reports 250 Wards AIDS Committees trained	3 PCA resolution reports 50 Wards AIDS Committees trained	
1.3 To amend the Gaming and Betting Act of 2010 by 31 March 2014	<ul style="list-style-type: none"> Certification of Amendment Bill by the State Law Advisory Services Submission of certified Amendment Bill to the Premier (document) 	KZN Gaming and Betting Regulations 2012 were promulgated on 14/6/12 First draft of Bill amending KZN Gaming and Betting Act, 2010 legally certified by end of 3rd quarter and lodged with Legislature by end of 4th quarter	KZN Gaming and Betting Amendment Act, 2013 passed in the 3rd quarter Amendments to KZN Gaming and Betting Regulations, 2012 promulgated in 4th quarter	Policy / framework law on person-to-person Internet gambling published for public comment	Review of KZN Gaming and Betting Act, 2010 and KZN Gaming and Betting Regulations, 2012	
1.4 To monitor activities of Gambling Board and gambling industry, on a quarterly basis to ensure compliance with applicable legislation	<ul style="list-style-type: none"> No. of quarterly reports submitted by the Board to the Gaming and Betting unit 	4	4	4	4	

Table 1.22: Service delivery measures – Programme 3: Policy and Governance

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2012/13	2013/14	2014/15	2015/16
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"> No. of IGR forum meetings. All support secretariat support services to COHOD No. of Premier's meeting with district and local municipalities through PCF and TPCF 	Macro alignment processes through feedback reports from national forums: 4 PCFs 3 TPCFs 12 COHOD	Macro alignment processes through feedback reports from national and provincial forums: 4 PCFs 3 TPCFs 12 COHOD 4 IGR provincial forums	Monitoring and evaluation reports of implementation of IGR Act through feedback reports from provincial forums: 4 PCFs 3 TPCFs 12 COHOD 4 IGR provincial forums	Monitoring and evaluation reports of implementation of IGR Act through feedback reports from provincial forums: 4 PCFs 3 TPCFs 12 COHOD 4 IGR provincial forums
3	Provincial Policy Management				
3.1	Macro Policy Development and Co-ordination				
3.1.1	To conduct policy analysis of all policy proposals submitted to the unit by depts. by 31 March 2014 <ul style="list-style-type: none"> % of policy proposals analysed and reviewed 	100%	100%	100%	100%
3.2	Planning Commission				
3.2.1	To provide all secretarial and administrative support services to the PPC weekly <ul style="list-style-type: none"> Acceptable and informative planning support services to PPC 	Provided technical planning and secretariat support services to all PPC meetings	Provided technical planning and secretariat support services to all PPC meetings	Provided technical planning and secretariat support services to all PPC meetings	Provided technical planning and secretariat support services to all PPC meetings
3.2.2	To monitor the implementation of the PGDS, PSEDs and PGDP quarterly <ul style="list-style-type: none"> Usable and aligned APPs of depts. with PGDS and PGDP 	12 catalytic development progs. are facilitated	Monitor the implementation of catalytic progs.	Monitor the implementation of catalytic progs.	Monitor the implementation of catalytic progs.
3.2.3	To facilitate co-ordination of the 12 catalytic development progs. for the provincial govt. by 31 March 2014 <ul style="list-style-type: none"> No. of co-ordinated development progs. for provincial govt quarterly 	12 catalytic development progs. facilitated	Monitor the implementation of catalytic progs.	Monitor the implementation of catalytic progs.	Monitor the implementation of catalytic progs.
3.3	Rural Development				
3.3.1	To facilitate expanded access to social services by people in rural communities by 20% by 31 March 2014 <ul style="list-style-type: none"> No. of households and people in rural communities with access to social services, water, electricity, and sanitation 	Transferring rural development function	Ensure expansion of access to social services in rural areas	Monitor provision of social services to rural areas	Monitor provision of social services to rural areas
3.4	KZN Climate Change				
3.4.1	To develop and adopt the KZN Climate Change and Sustainable Development Response Strategy and Action Plan by 31 July 2013 <ul style="list-style-type: none"> Level of compliance with the strategy and action plan quarterly 	Strategy and action plan for the Council developed and approved	Annual report on the implementation of KZN Climate Change Action Plan	Annual report on the implementation of KZN Climate Change Action Plan	Annual report on the implementation of KZN Climate Change Action Plan
4	Premier's Priority Programmes				
4.1	Stakeholder Co-ordination				
4.1.1	To develop and implement the provincial governmental Stakeholder Engagement and Management Strategy by March 2014 <ul style="list-style-type: none"> Adopted Stakeholder Engagement and Management Strategy by March 2014 	Devised Stakeholder Engagement and Management Strategy	Devised Stakeholder Engagement and Management Strategy	Devised Stakeholder Engagement and Management Strategy	Devised Stakeholder Engagement and Management Strategy
4.2	Youth				
4.2.1	Enhance youth skills development through effective implementation of the Youth Ambassadors prog. annually <ul style="list-style-type: none"> No. of implemented Youth Ambassadors prog. annually 	4 600	Enhanced Youth Ambassadors prog.	Enhanced Youth Ambassadors prog.	Enhanced Youth Ambassadors prog.
4.2.2	To co-ordinate and manage the household profiling process and impact of service interventions annually <ul style="list-style-type: none"> Report on household profiling process and impact of service interventions annually 	Fast-track access to service delivery at community level through inter-sectoral integration	Fast-track access to service delivery at community level through inter-sectoral integration	Fast-track access to service delivery at community level through inter-sectoral integration	Fast-track access to service delivery at community level through inter-sectoral integration
5	Heritage				
5.1	To profile heritage resources through holding heritage events by 31 March 2014 <ul style="list-style-type: none"> No. of heritage events co-ordinated and heritage profiled previously marginalised 	12	12	12	12
5.2	To profile 6 previously marginalised heritage resources through memorials and monuments by 31 March 2014 <ul style="list-style-type: none"> No. of monuments or memorials erected 	4	6	8	10

7. Other programme information

7.1 Personnel numbers and costs

Tables 1.23 and 1.24 reflect the personnel estimates for OTP, per programme, as well as a further breakdown of categories of personnel, as at 31 March 2010 to 31 March 2016.

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 2012/13 and the 2013/14 MTEF show a department that is better capacitated, through the anticipated recruitment of key vacant positions for the 2013/14 MTEF.

Table 1.23: Personnel numbers and costs per programme

	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	As at 31 March 2016
Personnel numbers							
1. Administration	125	127	125	140	125	125	125
2. Institutional Development	123	123	149	161	149	149	149
3. Policy and Governance	80	79	1 773	3 151	2 134	2 134	2 134
of which							
Youth ambassadors	-	-	1 607	3 024	1 966	1 966	1 966
Total	328	329	2 047	3 452	2 408	2 408	2 408
Total personnel cost (R thousand)	110 668	112 663	155 307	217 544	207 417	223 710	233 694
Unit cost (R thousand)	337	342	76	63	86	93	97

Table 1.24: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Total for department									
Personnel numbers (head count)	328	329	2 047	2 343	3 452	3 452	2 408	2 408	2 408
Personnel cost (R thousand)	110 668	112 663	155 307	197 767	217 544	217 544	207 417	223 710	233 694
Human resources component									
Personnel numbers (head count)	23	26	27	28	28	19	29	29	29
Personnel cost (R thousand)	3 543	4 805	4 805	5 646	5 646	4 474	6 107	6 458	6 829
Head count as % of total for department	7.01	7.90	1.32	1.20	0.81	0.55	1.20	1.20	1.20
Personnel cost as % of total for department	3.20	4.26	3.09	2.85	2.60	2.06	2.94	2.89	2.92
Finance component									
Personnel numbers (head count)	91	99	101	104	104	265	105	105	105
Personnel cost (R thousand)	17 818	20 781	22 926	25 047	25 047	62 725	26 295	27 741	29 266
Head count as % of total for department	27.74	30.09	4.93	4.44	3.01	7.68	4.36	4.36	4.36
Personnel cost as % of total for department	16.10	18.45	14.76	12.66	11.51	28.83	12.68	12.40	12.52
Full time workers									
Personnel numbers (head count)	328	329	1 332	736	1 845	315	442	442	442
Personnel cost (R thousand)	110 668	112 663	142 445	159 964	179 741	142 699	164 960	176 569	184 783
Head count as % of total for department	100.00	100.00	65.07	31.41	53.45	9.13	18.36	18.36	18.36
Personnel cost as % of total for department	100.00	100.00	91.72	80.89	82.62	65.60	79.53	78.93	79.07
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)	-	-	715	1 607	1 607	3 137	1 966	1 966	1 966
Personnel cost (R thousand)	-	-	12 862	37 803	37 803	74 845	42 457	47 141	48 911
Head count as % of total for department	-	-	34.93	68.59	46.55	90.87	81.64	81.64	81.64
Personnel cost as % of total for department	-	-	8.28	19.11	17.38	34.40	20.47	21.07	20.93

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 2011/12, the youth ambassadors are also included under contract workers.

The department anticipates filling vacant posts over the 2012/13 and 2013/14 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 low unit cost when compared to other provincial departments from 2011/12 onward.

It must be noted that the number of youth ambassadors will decrease drastically over 2013/14 MTEF from 3 024 to 1 966, to remain within budget.

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 2009/10 to 2012/13 and budgeted expenditure for the period 2013/14 to 2015/16. 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 one 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.

The budget increases steadily over the 2013/14 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 2010/11 is due to cost-cutting. The increase reflected in 2012/13 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	138	102	53	207	207	207	200	262	274
2. Institutional Development	982	996	639	1 535	1 535	1 535	1 825	1 946	2 036
3. Policy and Governance	148	89	181	20 740	20 740	20 740	1 110	1 125	1 177
Total	1 268	1 187	873	22 482	22 482	22 482	3 135	3 333	3 487

Table 1.26: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Number of staff	328	329	2 047	2 343	3 452	3 452	2 408	2 408	2 408
Number of personnel trained	178	178	225	165	140	130	180	160	150
of which									
Male	69	69	90	56	45	35	80	55	45
Female	109	109	135	109	95	95	100	105	105
Number of training opportunities	192	192	212	17	20	18	19	20	22
of which									
Tertiary									
Workshops	12	12	12	12	12	12	14	14	14
Seminars	8	8	15	5	8	6	5	6	8
Other	172	172	185	-	-	-	-	-	-
Number of bursaries offered	45	45	30	-	-	-	-	-	-
External									
Internal	45	45	30	-	-	-	-	-	-
Number of interns appointed	22	22	24	38	-	-	36	36	38
Number of learnerships appointed									
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 2009/10 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 2013/14 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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Tax receipts	325 541	351 440	405 857	403 924	403 924	446 926	453 682	478 634	502 566
Casino taxes	283 970	305 583	337 435	336 827	336 827	383 835	385 479	406 680	427 014
Horse racing taxes	41 571	45 857	68 422	67 097	67 097	63 091	68 203	71 954	75 552
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	268	223	68	186	186	75	72	76	80
Sale of goods and services produced by dept. (excl. capital assets)	268	223	68	186	186	75	72	76	80
Sales by market establishments	-	-	1	-	-	-	-	-	-
Administrative fees									
Other sales	268	223	67	186	186	75	72	76	80
of which									
Bookmakers licences	12	19	-	24	24	-	-	-	-
Housing rent recoveries	141	147	8	49	49	-	-	-	-
Serv rend: Commission Insurance	70	20	59	85	85	75	72	76	80
Sales: Dept publications	45	37	-	28	28	-	-	-	-
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	6	-	-	-	1	-	-	-
Interest	14	6	-	-	-	1	-	-	-
Dividends									
Rent on land									
Sale of capital assets	582	-	688	-	-	180	-	-	-
Land and subsoil assets									
Other capital assets	582	-	688	-	-	180	-	-	-
Transactions in financial assets and liabilities	78	943	49	-	-	696	-	-	-
Total	326 483	352 612	406 662	404 110	404 110	447 878	453 754	478 710	502 646

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	363 005	374 345	412 292	508 407	563 591	563 591	539 712	559 607	582 697
Compensation of employees	110 668	112 663	155 307	197 767	217 544	217 544	207 417	223 710	233 694
Salaries and wages	98 884	95 763	136 439	180 922	198 860	198 860	190 789	205 721	215 006
Social contributions	11 784	16 900	18 868	16 845	18 684	18 684	16 628	17 989	18 688
Goods and services	252 337	261 682	256 985	310 640	346 047	346 047	332 295	335 897	349 003
of which									
Administrative fees	2 642	2 028	1 664	2 158	2 304	2 304	1 669	1 725	1 794
Advertising	29 424	18 492	20 889	14 762	13 080	13 080	13 331	14 283	14 500
Assets <R5000	795	866	957	9 843	9 655	9 655	12 333	12 726	13 550
Audit cost: External	2 420	2 683	2 667	2 950	2 600	2 600	3 000	3 863	3 933
Bursaries (employees)	382	391	288	287	250	250	290	382	401
Catering: Departmental activities	13 254	15 944	7 605	7 374	6 964	6 964	6 721	7 226	7 023
Communication	11 173	8 815	8 388	11 969	10 666	10 666	16 224	16 551	17 577
Computer services	8 488	20 493	24 794	43 382	45 367	45 367	52 058	53 905	56 269
Cons/prof: Business & advisory services	34 889	19 486	25 554	47 319	52 847	52 847	66 800	61 971	67 044
Cons/prof: Infrastructure & planning	-	-	-	4 500	2 603	2 603	4 700	4 985	5 211
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	713	992	358	1 596	1 596	1 596	1 771	1 543	1 615
Contractors	71 690	88 490	35 545	25 936	25 258	25 258	26 502	22 858	23 929
Agency & support/outourced services	481	176	21 376	6 201	16 100	16 100	11 506	12 233	9 888
Entertainment	3	-	-	381	376	376	304	429	450
Fleet services (incl. GMT)	-	11	2 288	2 000	2 000	2 000	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	776	995	1 273	2 026	2 258	2 258	1 765	1 914	2 019
Inventory: Fuel, oil and gas	24	23	6	40	90	90	144	170	160
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	387	199	217	476	512	512	1 954	1 972	2 062
Inventory: Medical supplies	14	5	4	230	235	235	259	272	279
Inventory: Medicine	-	-	55	5	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	268	253	1 965	664	930	930	736	727	801
Inventory: Stationery and printing	7 483	6 988	7 935	17 243	20 934	20 934	16 742	17 221	19 055
Operating leases	12 377	13 613	13 805	14 167	12 378	12 378	9 609	10 365	10 772
Property payments	11 456	10 330	11 437	17 403	15 421	15 421	21 030	24 514	25 726
Transport provided: Departmental activity	3 878	6 677	8 924	9 542	9 512	9 512	10 151	10 802	11 238
Travel and subsistence	22 854	26 419	33 427	32 339	34 124	34 124	38 046	39 277	39 077
Training and development	1 268	1 187	873	22 532	32 726	32 726	3 135	3 334	3 487
Operating expenditure	603	1 025	1 957	2 579	1 489	1 489	1 860	1 588	1 660
Venues and facilities	14 595	15 101	22 676	10 736	23 695	23 695	9 655	9 061	9 483
Rental and hiring	-	-	58	-	77	77	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	52 954	42 035	61 362	73 523	93 553	93 553	73 319	76 986	79 800
Provinces and municipalities	4 840	18	21	10	15 026	15 026	12	13	14
Provinces	17	18	21	10	26	26	12	13	14
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	17	18	21	10	26	26	12	13	14
Municipalities	4 823	-	-	-	15 000	15 000	-	-	-
Municipalities	4 823	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	15 000	15 000	-	-	-
Departmental agencies and accounts	46 989	36 688	41 394	62 235	62 235	62 235	65 026	68 230	70 641
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	46 989	36 688	41 394	62 235	62 235	62 235	65 026	68 230	70 641
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	30	-	12 000	8 000	8 030	8 030	-	-	-
Households	1 095	5 329	7 947	3 278	8 262	8 262	8 281	8 743	9 145
Social benefits	-	-	-	-	-	-	3	3	3
Other transfers to households	1 095	5 329	7 947	3 278	8 262	8 262	8 278	8 740	9 142
Payments for capital assets	11 323	7 365	11 939	12 670	30 387	30 387	7 823	2 465	2 581
Buildings and other fixed structures	4 305	-	-	1 000	6 701	6 701	-	-	-
Buildings	4 305	-	-	1 000	6 701	6 701	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	7 009	6 714	3 949	11 170	8 766	8 766	2 708	2 215	2 319
Transport equipment	1 120	-	-	-	-	-	-	-	-
Other machinery and equipment	5 889	6 714	3 949	11 170	8 766	8 766	2 708	2 215	2 319
Heritage assets	-	323	1 722	-	8 000	8 000	4 865	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	9	328	6 268	500	6 920	6 920	250	250	262
Payments for financial assets	1 821	62	7	-	8	8	-	-	-
Total	429 103	423 807	485 600	594 600	687 539	687 539	620 854	639 058	665 078

Table 1.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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	90 840	92 926	108 039	146 447	138 041	138 041	154 078	161 824	172 461
Compensation of employees	35 894	43 270	50 837	64 524	57 216	57 216	62 052	67 141	69 919
Salaries and wages	31 946	36 779	43 686	58 207	52 230	52 230	55 954	60 776	63 387
Social contributions	3 948	6 491	7 151	6 317	4 986	4 986	6 098	6 365	6 532
Goods and services	54 946	49 656	57 202	81 923	80 825	80 825	92 026	94 683	102 542
of which									
Administrative fees	1 103	661	598	486	496	496	463	490	501
Advertising	3 785	582	1 354	1 230	1 570	1 570	1 203	1 292	1 257
Assets <R5000	233	437	374	1 208	1 218	1 218	1 181	1 023	1 315
Audit cost: External	2 420	2 683	2 667	2 950	2 600	2 600	3 000	3 863	3 933
Bursaries (employees)									
Catering: Departmental activities	1 975	3 284	1 918	2 420	2 406	2 406	2 340	2 495	2 574
Communication	3 423	3 919	4 804	2 629	2 603	2 603	5 867	5 647	6 173
Computer services	45	491	34	65	1 866	1 866	1 102	151	39
Cons/prof: Business & advisory services	8 614	864	1 455	27 339	21 910	21 910	32 690	33 021	36 762
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	3	-
Cons/prof: Laboratory services									
Cons/prof: Legal cost	(26)	983	333	1 362	1 362	1 362	1 372	1 111	1 163
Contractors	7 034	8 057	5 861	3 168	3 466	3 466	1 841	2 136	2 254
Agency & support/outourced services	144	-	2 172	2 106	1 618	1 618	3 339	3 498	3 750
Entertainment	3	-	-	111	106	106	154	169	177
Fleet services (incl. GMT)	-	11	2 288	2 000	2 000	2 000	-	-	-
Housing									
Inventory: Food and food supplies	153	285	370	712	706	706	777	870	928
Inventory: Fuel, oil and gas	24	23	6	40	40	40	44	64	49
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	281	68	54	51	52	52	70	67	72
Inventory: Medical supplies	14	-	2	12	17	17	28	31	27
Inventory: Medicine	-	-	-	5	-	-	-	-	-
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	230	156	64	491	450	450	476	476	540
Inventory: Stationery and printing	2 820	1 687	1 726	4 967	4 811	4 811	3 194	3 278	4 468
Operating leases	7 326	7 736	8 371	8 081	8 061	8 061	8 058	8 705	9 035
Property payments	8 190	5 891	7 784	4 909	6 900	6 900	6 729	7 213	7 629
Transport provided: Departmental activity	119	816	135	206	456	456	300	368	324
Travel and subsistence	4 660	9 397	10 006	13 072	13 347	13 347	13 145	13 770	14 400
Training and development	138	102	53	207	207	207	200	263	274
Operating expenditure	27	133	329	247	349	349	143	155	161
Venues and facilities	2 211	1 390	4 392	1 849	2 188	2 188	4 310	4 524	4 737
Rental and hiring	-	-	52	-	20	20	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	736	5 148	891	1 288	16 281	16 281	1 290	1 333	1 395
Provinces and municipalities	17	18	21	10	15 026	15 026	12	13	14
Provinces	17	18	21	10	26	26	12	13	14
Provincial Revenue Funds									
Provincial agencies and funds	17	18	21	10	26	26	12	13	14
Municipalities	-	-	-	-	15 000	15 000	-	-	-
Municipalities									
Municipal agencies and funds	-	-	-	-	15 000	15 000	-	-	-
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	719	5 130	870	1 278	1 255	1 255	1 278	1 320	1 381
Social benefits									
Other transfers to households	719	5 130	870	1 278	1 255	1 255	1 278	1 320	1 381
Payments for capital assets	6 497	3 656	1 825	1 493	9 426	9 426	1 586	1 215	1 272
Buildings and other fixed structures	3 932	-	-	-	5 701	5 701	-	-	-
Buildings	3 932	-	-	-	5 701	5 701	-	-	-
Other fixed structures									
Machinery and equipment	2 565	3 654	1 825	993	3 225	3 225	1 336	965	1 010
Transport equipment	1 120	-	-	-	-	-	-	-	-
Other machinery and equipment	1 445	3 654	1 825	993	3 225	3 225	1 336	965	1 010
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	2	-	500	500	500	250	250	262
Payments for financial assets	1 786	8	6	-	-	-	-	-	-
Total	99 859	101 738	110 761	149 228	163 748	163 748	156 954	164 372	175 128

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	101 313	92 629	97 525	125 002	127 573	127 573	136 874	137 325	143 641
Compensation of employees	48 668	43 171	48 156	57 355	56 580	56 580	60 644	64 330	67 292
Salaries and wages	43 509	36 695	41 092	50 621	50 151	50 151	55 003	58 295	60 980
Social contributions	5 159	6 476	7 064	6 734	6 429	6 429	5 641	6 035	6 312
Goods and services	52 645	49 458	49 369	67 647	70 993	70 993	76 230	72 995	76 349
of which									
Administrative fees	517	264	207	279	349	349	259	190	201
Advertising	5 082	5 038	12 423	4 197	4 330	4 330	4 591	4 888	5 112
Assets <R5000	487	270	408	1 329	1 238	1 238	958	955	994
Audit cost: External									
Bursaries (employees)	380	391	286	237	200	200	220	250	263
Catering: Departmental activities	2 021	714	722	559	1 415	1 415	893	934	977
Communication	5 921	4 770	3 578	5 174	5 492	5 492	6 044	6 332	6 623
Computer services	8 374	9 356	7 417	13 604	13 454	13 454	17 917	18 787	19 654
Cons/prof: Business & advisory services	5 221	4 167	2 489	5 380	4 083	4 083	12 556	5 001	5 231
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	148	9	25	234	234	234	249	262	274
Contractors	6 502	5 559	2 528	7 913	7 298	7 298	4 102	4 077	4 264
Agency & support/outourced services	158	2	480	105	2 405	2 405	135	140	146
Entertainment									
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	108	79	66	142	165	165	145	147	153
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	24	96	163	104	134	134	64	37	37
Inventory: Medical supplies	-	5	-	17	17	17	19	16	17
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	38	55	155	82	423	423	135	130	136
Inventory: Stationery and printing	1 714	3 307	2 959	2 658	3 701	3 701	2 962	2 567	2 683
Operating leases	4 642	5 454	4 944	5 424	3 644	3 644	738	769	804
Property payments	3 000	4 410	3 653	12 494	8 521	8 521	14 301	17 301	18 097
Transport provided: Departmental activity	707	-	6	-	-	-	-	-	-
Travel and subsistence	3 787	3 400	4 617	5 340	4 962	4 962	7 150	7 348	7 687
Training and development	982	996	639	1 535	1 470	1 470	1 825	1 946	2 036
Operating expenditure	130	127	746	400	265	265	187	175	183
Venues and facilities	2 702	989	858	440	7 176	7 176	780	743	777
Rental and hiring	-	-	-	-	17	17	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	247	93	7 077	2 000	7 001	7 001	7 003	7 423	7 764
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	247	93	7 077	2 000	7 001	7 001	7 003	7 423	7 764
Social benefits	-	-	-	-	-	-	3	3	3
Other transfers to households	247	93	7 077	2 000	7 001	7 001	7 000	7 420	7 761
Payments for capital assets	3 758	2 533	901	3 276	4 987	4 987	1 332	1 190	1 247
Buildings and other fixed structures	-	-	-	1 000	1 000	1 000	-	-	-
Buildings	-	-	-	1 000	1 000	1 000	-	-	-
Other fixed structures									
Machinery and equipment	3 749	2 207	901	2 276	3 987	3 987	1 332	1 190	1 247
Transport equipment									
Other machinery and equipment	3 749	2 207	901	2 276	3 987	3 987	1 332	1 190	1 247
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	9	326	-	-	-	-	-	-	-
Payments for financial assets	3	20	1	-	5	5	-	-	-
Total	105 321	95 275	105 504	130 278	139 566	139 566	145 209	145 938	152 652

Table 1.E: Details 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	170 852	188 790	206 728	236 958	297 977	297 977	248 760	260 458	266 595
Compensation of employees	26 106	26 222	56 314	75 888	103 748	103 748	84 721	92 239	96 483
Salaries and wages	23 429	22 289	51 661	72 094	96 479	96 479	79 832	86 650	90 639
Social contributions	2 677	3 933	4 653	3 794	7 269	7 269	4 889	5 589	5 844
Goods and services	144 746	162 568	150 414	161 070	194 229	194 229	164 039	168 219	170 112
of which									
Administrative fees	1 022	1 103	859	1 393	1 459	1 459	947	1 045	1 092
Advertising	20 557	12 872	7 112	9 335	7 180	7 180	7 537	8 103	8 131
Assets <R5000	75	159	175	7 306	7 199	7 199	10 194	10 748	11 241
Audit cost: External									
Bursaries (employees)	2	-	2	50	50	50	70	132	138
Catering: Departmental activities	9 258	11 946	4 965	4 395	3 143	3 143	3 488	3 797	3 472
Communication	1 829	126	6	4 166	2 571	2 571	4 313	4 572	4 781
Computer services	69	10 646	17 343	29 713	30 047	30 047	33 039	34 967	36 576
Cons/prof: Business & advisory services	21 054	14 455	21 610	14 600	26 854	26 854	21 554	23 949	25 051
Cons/prof: Infrastructure & planning	-	-	-	4 500	2 603	2 603	4 700	4 982	5 211
Cons/prof: Laboratory services									
Cons/prof: Legal cost	591	-	-	-	-	-	150	170	178
Contractors	58 154	74 874	27 156	14 855	14 494	14 494	20 559	16 645	17 411
Agency & support/outourced services	179	174	18 724	3 990	12 077	12 077	8 032	8 595	5 992
Entertainment	-	-	-	270	270	270	150	260	273
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	515	631	837	1 172	1 387	1 387	843	897	938
Inventory: Fuel, oil and gas	-	-	-	-	50	50	100	106	111
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	82	35	-	321	326	326	1 820	1 868	1 953
Inventory: Medical supplies	-	-	2	201	201	201	212	225	235
Inventory: Medicine	-	-	55	-	-	-	-	-	-
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	42	1 746	91	57	57	125	121	125
Inventory: Stationery and printing	2 949	1 994	3 250	9 618	12 422	12 422	10 586	11 376	11 904
Operating leases	409	423	490	662	673	673	813	891	933
Property payments	266	29	-	-	-	-	-	-	-
Transport provided: Departmental activity	3 052	5 861	8 783	9 336	9 056	9 056	9 851	10 434	10 914
Travel and subsistence	14 407	13 622	18 804	13 927	15 815	15 815	17 751	18 159	16 990
Training and development	148	89	181	20 790	31 049	31 049	1 110	1 125	1 177
Operating expenditure	446	765	882	1 932	875	875	1 530	1 258	1 316
Venues and facilities	9 682	12 722	17 426	8 447	14 331	14 331	4 565	3 794	3 969
Rental and hiring	-	-	6	-	40	40	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	51 971	36 794	53 394	70 235	70 271	70 271	65 026	68 230	70 641
Provinces and municipalities	4 823	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	4 823	-	-	-	-	-	-	-	-
Municipalities	4 823	-	-	-	-	-	-	-	-
Municipal agencies and funds									
Departmental agencies and accounts	46 989	36 688	41 394	62 235	62 235	62 235	65 026	68 230	70 641
Social security funds									
Entities receiving funds	46 989	36 688	41 394	62 235	62 235	62 235	65 026	68 230	70 641
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	30	-	12 000	8 000	8 030	8 030	-	-	-
Households	129	106	-	-	6	6	-	-	-
Social benefits									
Other transfers to households	129	106	-	-	6	6	-	-	-
Payments for capital assets	1 068	1 176	9 213	7 901	15 974	15 974	4 905	60	62
Buildings and other fixed structures	373	-	-	-	-	-	-	-	-
Buildings	373	-	-	-	-	-	-	-	-
Other fixed structures									
Machinery and equipment	695	853	1 223	7 901	1 554	1 554	40	60	62
Transport equipment									
Other machinery and equipment	695	853	1 223	7 901	1 554	1 554	40	60	62
Heritage assets	-	323	1 722	-	8 000	8 000	4 865	-	-
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	-	6 268	-	6 420	6 420	-	-	-
Payments for financial assets	32	34	-	-	3	3	-	-	-
Total	223 923	226 794	269 335	315 094	384 225	384 225	318 691	328 748	337 298

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						2013/14	2014/15	2015/16
R thousand														
New and replacement assets								-	-	-	-	-	-	-
Upgrades and additions								-	-	-	-	-	-	-
Rehabilitation, renovations and refurbishments								-	-	-	-	-	-	-
Maintenance and repairs														
1.	Provincial Public Service Training Academy	eThekweni	Project/admin block	1	01 Apr 2011	01 Mar 2016	Equitable share	Programme 2	-	89 550	-	12 000	15 000	15 690
2.	Moses Mabhida Building	uMgungundlovu	Maintenance and Repairs	3	01 Apr 2011	01 Mar 2016	Equitable share	Programme 1	-	4 164	-	1 300	1 400	1 464
Total Maintenance and repairs									-	93 714	-	13 300	16 400	17 154
Infrastructure transfers - current									-	-	-	-	-	-
Infrastructure transfers - capital									-	-	-	-	-	-
Total Infrastructure									-	93 714	-	13 300	16 400	17 154

Table 1.G: Summary of transfers to local government (Ulundi Airport transfer to Zululand DM; AFCON to eThekweni)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni	-	-	-	-	15 000	15 000	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	-	-	-	-	-	-	-	-	-
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezingoleni	-	-	-	-	-	-	-	-	-
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 Urmtshezi	-	-	-	-	-	-	-	-	-
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	4 823	-	-	-	-	-	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	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	4 823	-	-	-	15 000	15 000	-	-	-

Table 1.H: Financial summary for KZN Gaming and Betting Board (KZNGBB)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	9 919	12 969	13 251	13 848	12 805	13 045	13 184
Sale of goods and services other than capital assets	9 877	11 396	11 397	12 408	11 305	11 395	11 458
Fines penalties and forfeits	-	-	1 854	1 440	1 500	1 650	1 726
Interest, dividends and rent on land	42	1 573	-	-	-	-	-
Other non-tax revenue	-	-	-	-	-	-	-
Transfers received *	19 238	16 356	17 337	35 775	37 809	40 077	41 922
Sale of capital assets	-	-	379	-	-	-	-
Total revenue	29 157	29 325	30 967	49 623	50 614	53 122	55 106
Expenses							
Current expense	28 415	29 462	35 143	48 040	49 614	51 873	53 851
Compensation of employees	15 659	18 158	21 579	27 750	33 283	35 059	36 672
Use of goods and services	12 021	11 137	12 480	19 340	15 119	15 687	16 003
Depreciation	735	167	1 084	950	1 212	1 127	1 176
Unauthorised expenditure	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	28 415	29 462	35 143	48 040	49 614	51 873	53 851
Surplus / (Deficit)	742	(137)	(4 176)	1 583	1 000	1 249	1 255
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	(848)	(1 229)	757	950	1 212	1 127	1 176
Adjustments for:							
Depreciation	779	299	1 084	950	1 212	1 127	1 176
Interest	(1 669)	(1 573)	-	-	-	-	-
Net (profit) / loss on disposal of fixed assets	-	-	(380)	-	-	-	-
Other	42	45	53	-	-	-	-
Operating surplus / (deficit) before changes in working capital	(106)	(1 366)	(3 419)	2 533	2 212	2 376	2 431
Changes in working capital	1 188	537	4 509	310	(462)	(370)	(246)
(Decrease) / increase in accounts payable	1 592	186	3 121	(96)	(480)	(350)	(219)
Decrease / (increase) in accounts receivable	(418)	117	1 696	128	(120)	(95)	(108)
(Decrease) / increase in provisions	14	234	(308)	278	138	75	81
Cash flow from operating activities	1 082	(829)	1 090	2 843	1 750	2 006	2 185
Transfers from government	-	-	-	-	-	-	-
Cash flow from investing activities	(650)	(1 713)	42 764	(14 672)	(1 654)	(1 937)	(1 976)
Acquisition of assets	(650)	(1 713)	(979)	(1 584)	(1 000)	(1 250)	(1 255)
Computer equipment	(650)	(1 713)	(235)	(1 284)	(875)	(1 100)	(1 100)
Furniture and office equipment	-	-	(30)	(300)	(125)	(150)	(155)
Transport assets	-	-	(361)	-	-	-	-
Computer software	-	-	(353)	-	-	-	-
Other flows from investing activities	-	-	43 743	(13 088)	(654)	(687)	(721)
Cash flow from financing activities	-	-	(9 782)	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	432	(2 542)	34 072	(11 829)	96	69	209
Balance sheet data							
Carrying value of assets	299	379	2 396	3 029	2 817	2 941	3 019
Computer equipment	130	99	839	1 858	1 990	2 294	2 476
Furniture and office equipment	84	94	550	444	391	385	386
Transport assets	-	-	451	350	210	126	76
Computer software	85	186	556	377	226	136	81
Investments	-	-	-	13 088	13 742	14 429	15 150
Cash and cash equivalents	29 176	37 090	34 072	22 243	22 339	22 408	22 617
Bank	29 176	37 090	34 071	22 239	22 335	22 404	22 613
Cash on Hand	-	-	1	4	4	4	4
Receivables and prepayments	710	594	723	595	715	810	918
Trade receivables	710	594	100	150	225	270	324
Other receivables	-	-	504	350	385	424	466
Prepaid expenses	-	-	119	95	105	116	128
Inventory	-	-	-	-	-	-	-
Total assets	30 185	38 063	37 191	38 955	39 613	40 588	41 704
Capital and reserves	19 101	25 680	20 906	22 489	23 489	24 738	25 993
Share capital and premium	-	-	-	-	-	-	-
Accumulated reserves	18 359	25 817	25 082	20 906	22 489	23 489	24 738
Surplus / (Deficit)	742	(137)	(4 176)	1 583	1 000	1 249	1 255
Borrowings	-	-	-	-	-	-	-
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	2 783	2 797	1 868	1 650	1 770	1 900	2 065
Trade payables	638	682	972	950	1 045	1 150	1 265
Other	2 145	2 115	896	700	725	750	800
Deferred income	7 981	8 153	13 310	13 432	12 832	12 352	11 968
Provisions	1 062	1 296	1 107	1 384	1 522	1 598	1 678
Leave pay provision	1 062	1 296	1 107	1 384	1 522	1 598	1 678
Funds managed (e.g. Poverty Alleviation Fund)	-	-	-	-	-	-	-
Contingent liabilities	(742)	137	-	-	-	-	-
Total equity and liabilities	30 185	38 063	37 191	38 955	39 613	40 588	41 704

*Note: Some of the amounts reflected as Transfers received do not equal the amounts reflected in Table 1.10, as portion of the transfers is reflected against other Balance Sheet items.

Table 1.I: Financial summary for Amafa aKwaZulu-Natali (Amafa)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	2 379	2 663	3 087	1 040	1 085	1 149	1 220
Sale of goods and services other than capital assets	1 158	1 519	1 950	690	710	749	780
Interest, dividends and rent on land	1 221	1 144	1 137	350	375	400	440
Transfers received	32 841	20 332	24 057	26 460	27 595	28 954	29 977
Sale of capital assets	-	-	-	-	-	-	-
Total revenue	35 220	22 995	27 144	27 500	28 680	30 103	31 197
Expenses							
Current expense	21 758	25 399	25 543	28 850	30 030	31 453	32 547
Compensation of employees	14 166	15 611	17 168	19 697	20 741	21 986	23 159
Use of goods and services	6 329	7 960	6 839	7 803	7 939	8 117	8 038
Depreciation	1 263	1 828	1 536	1 350	1 350	1 350	1 350
Unauthorised expenditure	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	21 758	25 399	25 543	28 850	30 030	31 453	32 547
Surplus / (Deficit)	13 462	(2 404)	1 601	(1 350)	(1 350)	(1 350)	(1 350)
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	1 189	1 846	1 546	1 350	1 350	1 350	1 350
Adjustments for:							
Depreciation	1 263	1 828	1 536	1 350	1 350	1 350	1 350
Net (profit) / loss on disposal of fixed assets	(74)	18	10	-	-	-	-
Operating surplus / (deficit) before changes in working capital	14 651	(558)	3 147	-	-	-	-
Changes in working capital	(329)	160	(223)	(122)	-	-	-
(Decrease) / increase in accounts payable	(881)	(135)	33	(83)	-	-	-
Decrease / (increase) in accounts receivable	(49)	256	(302)	(39)	-	-	-
(Decrease) / increase in provisions	601	39	46	-	-	-	-
Cash flow from operating activities	14 322	(398)	2 924	(122)	-	-	-
Transfers from government	-	-	-	-	-	-	-
Cash flow from investing activities	(11 441)	(1 972)	(823)	(105)	(105)	(105)	(105)
Acquisition of Assets	(11 441)	(1 972)	(823)	(105)	(105)	(105)	(105)
Non-residential buildings	(7 689)	(894)	(122)	-	-	-	-
Computer equipment	(52)	(18)	(106)	(20)	(20)	(20)	(20)
Furniture and office equipment	(2 974)	(840)	(595)	(85)	(85)	(85)	(85)
Transport assets	(726)	(220)	-	-	-	-	-
Other flows from investing activities	-	-	-	-	-	-	-
Cash flow from financing activities	184	74	8	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	3 065	(2 296)	2 109	(227)	(105)	(105)	(105)
Balance sheet data							
Carrying value of assets	33 717	33 201	32 470	31 116	29 761	28 406	27 051
Non-residential buildings	24 966	24 772	24 371	23 871	23 371	22 871	22 371
Computer equipment	46	28	74	70	65	60	55
Furniture and office equipment	6 634	6 422	6 281	5 681	5 081	4 481	3 881
Transport assets	2 071	1 979	1 744	1 494	1 244	994	744
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	18 540	16 243	18 352	18 580	18 585	18 590	18 595
Bank	18 540	16 243	18 352	18 580	18 585	18 590	18 595
Cash on Hand	-	-	-	-	-	-	-
Receivables and prepayments	803	384	346	-	-	-	-
Trade receivables	226	105	113	-	-	-	-
Other receivables	183	-	-	-	-	-	-
Prepaid expenses	187	182	233	-	-	-	-
Accrued income	207	97	-	-	-	-	-
Inventory	807	971	1 311	1 350	1 350	1 350	1 350
Total assets	53 867	50 799	52 479	51 046	49 696	48 346	46 996
Capital and reserves	52 393	49 421	51 022	49 672	48 322	46 972	45 622
Share capital and premium	-	-	-	-	-	-	-
Accumulated reserves	38 931	52 393	49 421	51 022	49 672	48 322	46 972
Surplus / (Deficit)	13 462	(2 404)	1 601	(1 350)	(1 350)	(1 350)	(1 350)
Other	-	(568)	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	185	49	83	-	-	-	-
Deferred income	-	-	-	-	-	-	-
Provisions	1 289	1 329	1 374	1 374	1 374	1 374	1 374
Leave pay provision	932	944	963	963	963	963	963
Other	357	385	411	411	411	411	411
Funds managed (e.g. Poverty Alleviation Fund)	-	-	-	-	-	-	-
Contingent liabilities	-	-	-	-	-	-	-
Total equity and liabilities	53 867	50 799	52 479	51 046	49 696	48 346	46 996

Table 1.J: Personnel summary for KZNGBB

	Audited Outcome			Revised Estimate	Medium-term Estimates		
R thousand	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Details of personnel numbers, compensation of employees and unit cost							
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	-	-	21 580	27 750	33 283	35 059	36 672
Personnel numbers (head count)	-	-	58	71	76	76	76
Unit cost	-	-	372	391	438	461	483
B. Part-time and temporary contract employees							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost	-	-	-	-	-	-	-
Total for entity							
Personnel cost (R thousand)	-	-	21 580	27 750	33 283	35 059	36 672
Personnel numbers (head count)	-	-	58	71	76	76	76
Unit cost	-	-	372	391	438	461	483
Details of personnel numbers according to salary level							
Salary Level							
Board Members	-	-	8	9	9	9	9
Executive Management	-	-	1	1	1	1	1
Senior Management	-	-	3	4	5	5	5
Middle Management	-	-	7	10	10	10	10
Professionals	-	-	37	46	48	48	48
Semi-skilled	-	-	9	9	11	11	11
Very low skilled	-	-	1	1	1	1	1
Total	-	-	66	80	85	85	85

Table 1.K: Personnel summary for Amafa

	Audited Outcome			Revised Estimate	Medium-term Estimates		
R thousand	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Details of personnel numbers, compensation of employees and unit cost							
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	14 166	15 611	16 468	18 957	19 953	21 085	22 237
Personnel numbers (head count)	100	100	100	105	105	105	105
Unit cost	142	156	165	181	190	201	212
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	660	680	700	740	788	901	922
Personnel numbers (head count)	150	150	150	150	150	150	150
Unit cost	4	5	5	5	5	6	6
Total for entity							
Personnel cost (R thousand)	14 826	16 291	17 168	19 697	20 741	21 986	23 159
Personnel numbers (head count)	250	250	250	255	255	255	255
Unit cost	59	65	69	77	81	86	91
Details of personnel numbers according to salary level							
Salary Level							
Board Members							
Executive Management	614	651	716	766	806	850	897
Senior Management	1 430	1 512	1 750	2 320	2 437	2 565	2 705
Middle Management	2 974	3 448	3 616	4 101	4 315	4 563	4 810
Professionals							
Semi-skilled	5 952	6 462	6 664	7 747	8 150	8 617	9 087
Very low skilled	3 856	4 218	4 422	4 763	5 033	5 391	5 660
Total	14 826	16 291	17 168	19 697	20 741	21 986	23 159

VOTE 2

Provincial Legislature

Operational budget	R 338 059 000
Remuneration of the Speaker and Deputy Speaker	R 3 011 000
Statutory amount (Members' remuneration)	R 76 050 000
Total budget	R 417 120 000
Total to be appropriated (excl. Members' remuneration)	R 341 070 000
Responsible MEC	Ms. N. P. Nkonyeni, Speaker of the Provincial Legislature
Administering department	Provincial Legislature
Accounting officer	Secretary: Provincial Legislature

1. Overview

As a result of a mid-term strategic plan review workshop held in January 2012, the Provincial Legislature (hereafter referred to as the Legislature) tabled a Reviewed 2010 – 2014 Strategic Plan in February 2012. The purpose of the mid-term review was to assess the progress of the Legislature in terms of its strategic plan, in order to determine what its focus would be in the last two years of the current political term. The vision and mission of the Legislature remained unchanged after the review, but the Legislature adopted an additional strategic goal on co-operative governance and inter-governmental relations, and merged several closely related strategic objectives to enhance resource planning and allocation. The revised strategic objectives, as per the Reviewed 2010 – 2014 Strategic Plan, are reflected below.

Vision

The vision of 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 strengthening 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.

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 Council through:

- Improved oversight over governance within departments and agencies (organs of state).
- Improved oversight over the implementation and impact of passed legislation and conventions.
- Improved oversight over service delivery by provincial organs of state.
- 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 and oversight processes.
- Improved mechanisms of engagement with the public.
- Improved public education.

Leadership and governance

To ensure improved leadership and governance of the Legislature through:

- Enhanced performance of the Legislature.
- Increasing efficiency and effectiveness of administrative services.
- Improved internal and external stakeholder services and relations of the Legislature.

Co-operative 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 National Council of Provinces (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. Also, it is envisaged that the Legislature's financial management framework, as outlined in Section 2 below, will be implemented in 2013/14.

2. Review of the 2012/13 financial year

Section 2 provides a review of 2012/13, outlining the main achievements and progress made by the Legislature, as well as providing a brief discussion on challenges and new developments.

Financial Management Framework for the Legislature

The issue of enacting separate legislation for the financial management of provincial legislatures is still under review. 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. In the interim, the Legislature commenced drafting its own financial management policies at the end of 2011/12. The Financial Management Framework was accordingly completed and was presented to the Legislature's EXCO in 2012/13. The framework was also under discussion with the Provincial and National Treasuries, specifically on three fundamental issues affecting the implementation of the framework, including the flow of appropriated funds into the Legislature's account, the application of GRAP as an accrual basis of accounting, and the Speaker's role as Treasury. The framework is on course to be approved before 31 March 2013, for implementation in 2013/14.

Organisational structure

The sector oversight model, aimed at strengthening the administrative support provided to the Members of the Legislature, particularly the various portfolio committees, was fully implemented, and the number of filled posts increased from 213 in 2011/12 to 234 in 2012/13 (with a further 10 to be filled in 2013/14).

However, it was acknowledged that the organisational structure no longer talks to the Legislature's Reviewed 2010 – 2014 Strategic Plan in terms of its ability to achieve the objectives contained therein, or the above-mentioned Financial Management Framework. As a result, a process to reconfigure the Legislature's existing organisational structure began in April 2012. After a lengthy review, a revised organisational structure was approved by the Rules Committee in November 2012.

Also in line with the Financial Management Framework, the Legislature appointed an independent Audit Committee which is separate from the committee that currently oversees provincial departments. In addition, the Legislature is in the process of building capacity for the performance of internal audit functions that are currently performed by the Provincial Treasury. In 2012/13, the Legislature appointed PriceWaterhouseCoopers (PWC) to execute the internal audit function, until the required capacity is developed.

Public participation

The Legislature strengthened its focus on public participation programmes, in an effort to improve the involvement of the citizens of KZN in legislative activities. This included holding several public education and outreach programmes in order to educate members of the public about its roles and functions. During 2012/13, two Taking Legislature to the People (TLTP) sittings were successfully hosted in Zululand and Sisonke in May and October, respectively. In addition, the Legislature successfully held the following main public participation events:

- Interfaith Symposium: uMgungundlovu District Municipality (May 2012).
- Workers' Parliament: Ilembe District Municipality (May 2012).
- Youth Parliament: Umkhanyakude District Municipality (June 2012).
- Women's Parliament: uThungulu District Municipality (August 2012).

- Senior Citizens' Parliament: eThekweni Metro (September 2012).
- Peoples' Assembly: Uthukela District Municipality (September 2012).
- People with Disability Parliament: Ugu District Municipality (December 2012).

Revamping of the Legislature buildings

The Legislature continued with the next phase of the revamping of the existing Legislature buildings. The revamping of the Members' parking in the Tatham Art Gallery grounds commenced in June 2012 and was completed by the end of December 2012, with provision for 50 parking bays for Members.

Most of the other revamping projects which were scheduled to commence in 2012/13 have been rescheduled to 2013/14 due to circumstances beyond the Legislature's control, including delays with the implementing agent, namely the Department of Public Works (DOPW), and Amafa aKwaZulu-Natali (Amafa). These projects include the upgrading of the Legislature's toilets, improvement of the sound system and seating arrangements in the main chamber, and the revamping of the Speaker's office. To try and accelerate progress on these outstanding projects, the Legislature established a departmental Facilities Management Committee, as well as a work group comprising the HODs and officials from both the Legislature and Public Works, in an attempt to ensure that the Legislature projects are prioritised.

Roll-out of the SAP ERP system

The Legislature purchased the Systems, Applications and Products in Data Processing (SAP) Enterprise Resource Planning (ERP) system in March 2012, but delivery and payment was only made in May 2012 (i.e. 2012/13). During the year, the Legislature focussed on various aspects which will streamline the implementation of the SAP ERP system. The Legislature appointed programme/stream leaders and integration managers responsible for streamlining the implementation of the new system, including the customisation of the various modules, data transfer, quality assurance, and project support. Training and change management commenced in 2012/13 and are ongoing to ensure a smooth transition from one system to another. The testing of the new infrastructure/network ahead of data transfer will be conducted in the last quarter of 2012/13, to ensure that problems are identified ahead of the implementation date of 1 April 2013.

3. Outlook for the 2013/14 financial year

Section 3 looks at the key focus areas of 2013/14, outlining what the Legislature is hoping to achieve, as well as briefly looking at challenges and proposed new developments.

Organisational structure

As mentioned previously, the review of the organisational structure was eventually finalised and approved by the Rules Committee in November 2012. This will be followed up by the required review of job descriptions and the job evaluation process during 2013/14. The approved new structure will ensure that the Legislature will have sufficient capacity to implement the SAP ERP system, as well as the new Financial Management Framework. It is envisaged that the implementation of the new structure, which will see the current post establishment of 244 increase by approximately 120 posts, will be phased in over the 2013/14 MTEF. The initial focus will be on filling critical positions, taking into consideration available funds, as well as the provincial moratorium on the filling of non-critical posts.

Public participation

Public participation initiatives will continue to receive greater focus in 2013/14. The public participation unit will actively engage community structures like ward committees, community policing forums, etc., as extensions to its public participation efforts, and greater use will be made of community radio slots to educate members of the public about the Legislature's roles and functions. The following public participation events are scheduled to be held in 2013/14:

- Workers' Parliament.
- Youth Parliament.

- Women's Parliament.
- Peoples' Assembly.
- Senior Citizens' Parliament.
- People with Disability Parliament.
- Two TLTP events.
- Civil Organisations' Symposium (rescheduled from 2012/13).

Revamping of the Legislature buildings

The Legislature will continue with the next phase of the revamping of its buildings. It is anticipated that the following revamping projects, among others, will be undertaken in 2013/14: the upgrading of the Legislature's toilets, improvement of the sound system and seating arrangements in the main chamber, and the revamping of the Speaker's office. However, progress is largely dependent on DOPW, as the implementing agent, as well as Amafa, who has granted preliminary approval at this stage for the projects to proceed.

Roll-out of the SAP ERP system

The aim is that the SAP ERP system will go live in 2013/14, and training and change management will continue, to ensure a smooth transition from one system to another. In view of the risks associated with a project of this nature and magnitude, it is intended that the two systems (i.e. SAP ERP and BAS) will run in parallel for several months, to mitigate the risk when switching over to an entirely new system.

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 2009/10 to 2015/16. 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		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Treasury funding	288 981	321 626	374 732	401 748	401 748	401 748	416 457	435 665	453 399
Provincial allocation	288 981	321 626	374 732	401 748	401 748	401 748	416 457	435 665	453 399
Total: Treasury funding	288 981	321 626	374 732	401 748	401 748	401 748	416 457	435 665	453 399
Departmental receipts									
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	40	68	77	44	44	68	46	49	51
Transfers received	-	1 255	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	296	1 632	920	370	370	460	390	413	432
Sale of capital assets	-	-	437	-	-	564	-	-	-
Transactions in financial assets and liabilities	258	1 121	120	215	215	1 304	227	241	252
Total departmental receipts	594	4 076	1 554	629	629	2 396	663	703	735
Total receipts	289 575	325 702	376 286	402 377	402 377	404 144	417 120	436 368	454 134
Total payments	288 238	310 909	380 588	402 377	431 042	431 042	417 120	471 223	454 134
Surplus/(Deficit) before financing	1 337	14 793	(4 302)	-	(28 665)	(26 898)	-	(34 855)	-
Financing									
of which									
Provincial roll-overs	-	6 657	-	-	-	-	-	-	-
Surplus own revenue surrendered	-	(3 509)	(953)	-	-	-	-	-	-
Surplus own revenue from prior year	1 709	-	3 509	-	953	953	-	-	-
Provincial cash resources	18 612	16 311	22 531	-	27 712	27 712	-	34 855	-
Surplus/(deficit) after financing	21 658	34 252	20 785	-	-	1 767	-	-	-

Summary of departmental receipts

The Legislature collects revenue in the form of interest earned on positive cash balances in the bank against *Interest, dividends and rent on land*, commission on insurance, waste paper in respect of *Sale of goods and services other than capital assets*, as well as recoveries of debts and other miscellaneous items reflected against *Transactions in financial assets and liabilities*.

Section 22(1) of the PFMA states that provincial legislatures are permitted to retain any monies received (i.e. revenue collected). Therefore, in contrast to provincial departments, the Legislature retains its own departmental receipts, and is thus funded from two sources, namely Treasury funding and departmental receipts. 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.

Sale of goods and services other than capital assets comprises revenue collected from items such as the sale of old printer cartridges, the sale of publications and commission on PERSAL deductions such as insurance and garnishees. This revenue is difficult to accurately predict, accounting for the fluctuations over the seven-year period.

The substantial once-off revenue against *Transfers received* in 2010/11 relates to 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 low revenue in 2009/10 against *Interest, dividends and rent on land* 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 2011/12 resulted in more cash in the bank than anticipated, accounting for the fairly high interest reflected in 2011/12 and the 2012/13 Revised Estimate.

Revenue reflected against *Sale of capital assets* in 2011/12 and in the 2012/13 Revised Estimate (against no budget) relates to auction sales of redundant assets (mainly vehicles), which are difficult to budget for.

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 2010/11 amount includes a refund of R1 million, being a deposit/indemnity for the venue in respect of the above-mentioned APAC conference. The amount reflected in the 2012/13 Revised Estimate includes a refund of R1.180 million from the Office of the Premier in respect of shared costs for certain events held in 2011/12, including Women's Parliament, People with Disability Parliament, and the International Day of Disabled Persons.

Summary of receipts and financing

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 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 general 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 enterprise content management system (a document management system aimed at enhancing the Legislature's business operations), and 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 to cater for an outstanding payment for the feasibility study of the proposed new Legislature complex (which was subsequently put on hold). In 2010/11, the Legislature budget 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 continued slow progress in respect of the enterprise content management system, as well as late claims from service providers.

In 2011/12, 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 stated 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 2011/12 budget was again substantially under-spent, by R20.785 million. Of this amount, R3.036 million related to the Members' remuneration, which continued to be slightly over-provided for. The operational budget was under-spent by R17.749 million, largely due to the following:

- Outstanding travel claims were not paid before year-end, pending a full reconciliation thereof.
- There was slow progress on the revamping projects due to delays in approval of plans by Amafa and delays by DOPW in appointing a service provider.
- The SAP ERP system was ordered in 2011/12, but delivery and payment was only made in May 2012.
- Two generators were purchased and installed in the Legislature buildings in February 2012, but could not be paid for by year-end due to late claims submitted by the service provider.
- There were delays in the submission of claims by political parties in respect of the Political Parties' Fund, specifically with regard to the allowances paid to political party researchers.

In 2012/13, the Legislature received provincial cash resources of R27.712 million as follows:

- The operational budget of R17.749 million that was unspent in 2011/12 was allocated back for spending on the above-mentioned commitments in 2012/13. This is in line with a decision taken by Provincial Treasury and the FPC, that the Legislature be allowed to retain its surplus voted funds every year from 2012/13 onward, without having to submit a request for roll-over like provincial departments do (in line with Section 15.8.1 of the TR and Section 22(1) of the PFMA).
- R2.755 million was allocated toward the higher than anticipated 2012 wage agreement for the Legislature staff. It is noted that the amount allocated was based on the 7 per cent wage adjustment applicable to the Public Service, and not the higher increase applicable to the Legislature staff.
- R7.208 million was allocated as a once-off allocation (with no carry-through costs) to assist the Legislature with the roll-out of the implementation of the SAP ERP system.

The surplus of R1.767 million in the 2012/13 Revised Estimate relates to the fact that the Legislature is anticipating to over-collect revenue by this amount in 2012/13, largely due to the above-mentioned refund from the Office of the Premier for certain 2011/12 events, as well as an auction sale of redundant assets.

The Legislature's budget shows a steady increase over the 2013/14 MTEF, with a substantial peak in 2014/15 due to a once-off allocation of R34.855 million reflected against provincial cash resources. This amount consists of R7 million to assist the Legislature with regard to observing and monitoring the 2014 general elections, and R27.855 million to provide for the special allowance to be paid to those Members whose tenure of office may be affected by these elections.

4.2 Donor funding

The Legislature receives funding in respect of the Legislature Support programme, which is funded by the European Union (EU), and is 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. In prior years, this funding was received by the Legislature as donor funding. From 2009/10 onward, the allocation of EU funding and the payment and monitoring thereof is undertaken at a national level on behalf of the nine provinces, hence no table is included here.

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 an inflationary wage adjustment of 6.3 per cent for 2013/14, 6.1 per cent for 2014/15 and 5.9 per cent for 2015/16, as well as an annual 1.5 per cent pay progression.
- All inflation related increases are based on CPI projections.
- Provision was made for the filling of vacant posts in line with the sector oversight model, and taking into account the phasing in of the new organisational structure of the Legislature, as well as bearing in mind the moratorium on the filling of non-critical vacant posts.
- Provision was made for the implementation of the new SAP ERP system, including ongoing training and change management.
- With regard to public participation, two TLTP sittings were catered for, as well as six sectoral parliaments and one symposium. The cost of each of these events will vary slightly, depending on location and the population of the area.
- Although the Legislature has indicated that they are not bound by Cabinet decisions, they have indicated that they will try and follow, as far as possible, the expanded cost-cutting measures, as reissued by Provincial Treasury in 2013/14.

5.2 Additional allocations for the 2011/12 to 2013/14 MTEF

Table 2.2 shows additional funding received by the Legislature over the three MTEF periods: 2011/12, 2012/13 and 2013/14. 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 2011/12 and 2012/13 MTEF periods (i.e. for the financial year 2015/16) are based on the incremental percentage used in the 2013/14 MTEF.

Table 2.2: Summary of additional provincial allocations for the 2011/12 to 2013/14 MTEF

R thousand	2011/12	2012/13	2013/14	2014/15	2015/16
2011/12 MTEF period	21 570	20 147	19 625	20 121	21 047
Implementation of KZN Financial Management Bill	11 445	11 891	12 466	13 214	13 822
Capping of Political Parties Fund at current level i.e. R30m	(5 000)	(6 750)	(7 670)	(8 130)	(8 504)
National Cabinet decision to cut provinces by 0.3 per cent	(197)	(259)	(324)	(343)	(359)
Carry-through of 2010/11 Adjustments Estimate:	15 322	15 265	15 153	15 381	16 089
2010 increase in salaries of Members	11 353	11 353	11 353	11 353	11 875
2010 wage agreement (staff)	3 969	3 912	3 800	4 028	4 213
2012/13 MTEF period		1 546	1 624	1 705	1 783
Carry-through of 2010/11 Adjustments Estimate - 2011 wage agreement (staff)		1 546	1 624	1 705	1 783
2013/14 MTEF period			(5 751)	22 996	(14 711)
Census data update and 1%, 2% and 3% baseline cuts			(5 751)	(11 859)	(14 711)
Observing and monitoring the 2014 elections			-	7 000	-
Exit packages for MPLs			-	27 855	-
	21 570	21 693	15 498	44 822	8 119

In the 2009/10 and 2010/11 MTEF periods (not evident in the table), the Legislature received substantial additional funding for implementing the JE review results (particularly from 2012/13 onward), as well as for the Political Parties' Fund, as explained below.

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 Financial Management Bill of the KZN Legislature (hereafter referred to as 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 from 2011/12 onward. This Fund was established in 2008/09 to assist political parties to carry out their constitutional mandate, in line with the KZN Funding of Political Parties' Act. Provincial Cabinet approved that the amounts released from capping the Political Parties' Fund must be used for implementing the KZN Financial Management Bill.

It is further noted that the amount allocated for the KZN Financial Management Bill was "unringfenced" in the 2011/12 Adjusted Appropriation, in view of the uncertainty surrounding the issue of separate legislation for the financial management of provincial legislatures. The Legislature was permitted to redirect this funding toward other spending pressures, including the acquisition of the SAP ERP system, the revamping projects, as well as the sector oversight model.

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 Legislature staff. Also, although not evident in the table, the MTEF allocations for the KZN Financial Management Bill were also "unringfenced" for redirecting toward other spending pressures facing the Legislature, as mentioned above.

In the 2013/14 MTEF, a once-off allocation of R34.855 million was allocated in 2014/15, comprising R7 million toward observing and monitoring the 2014 general elections, and R27.855 million to provide for the special allowance to Members whose tenure of office may be affected by these elections.

Also in the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the Legislature was a substantial reduction in the budget over the entire period. The Legislature effected these baseline cuts against *Goods and services*, reducing the MTEF budget in respect of catering, travel expenses (including air travel and overseas trips), accommodation and overtime.

5.3 Summary by programme and economic classification

Tables 2.3 and 2.4 below provide a summary of the vote's expenditure and budgeted estimates over the seven-year period, by programme and economic classification, respectively.

The uniform budget and programme structure for all Provincial Legislatures was revised with effect from 2013/14. Previously, the budget was divided into three programmes, namely Programme 1: Administration, Programme 2: Parliamentary Services and Programme 3: Facilities for Members and Political Parties. The newly revised budget structure now consists of only two programmes, namely Programme 1: Administration and Programme 2: Parliamentary Business. Further details of the composition of these two programmes are given in Section 6 below. The information relating to the prior years was adjusted accordingly as far as possible, to facilitate comparison.

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*.

With regard to the Members' remuneration, 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 general elections, accounting for the reduction in 2010/11. As mentioned previously, there was a substantial over-provision in the baseline for the Members' remuneration, largely due to the final increase allocated to Members in 2010/11 being far lower than budgeted for. Although this over-provision was largely corrected in 2011/12, the Members' remuneration continued to be slightly over-provided for. As a result, the 2012/13 Main Appropriation was able to accommodate the annual increase in Members' salaries, and hence no additional funding was allocated in the 2012/13 Adjusted Appropriation for this purpose. The peak in 2014/15 can be ascribed to a once-off allocation R27.855 million to provide for the special allowance to Members whose tenure of office may be affected by the 2014 elections.

Table 2.3: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Programmes	221 803	248 228	314 987	332 078	360 743	360 743	341 070	362 755	369 813
1. Administration	72 232	84 747	123 066	123 607	140 438	140 438	126 153	138 912	136 285
2. Parliamentary Business	149 571	163 481	191 921	208 471	220 305	220 305	214 917	223 843	233 528
Direct charge on the Provincial Revenue Fund	66 435	62 681	65 601	70 299	70 299	70 299	76 050	108 468	84 321
Members' remuneration	66 435	62 681	65 601	70 299	70 299	70 299	76 050	108 468	84 321
Total	288 238	310 909	380 588	402 377	431 042	431 042	417 120	471 223	454 134
of which:									
Departmental receipts not to be surrendered to Provincial Revenue Fund (amount to be financed from revenue collected into S22(1) of the PFMA)	594	4 076	1 554	629	646	2 396	663	703	735

Note: Programme 1 includes the remuneration of the Speaker and Deputy Speaker: R3 011 000

Table 2.4: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	142 784	171 234	227 427	242 329	262 887	262 887	252 874	268 209	274 964
Compensation of employees	61 676	75 053	95 707	129 938	134 036	134 036	136 695	143 317	149 409
Goods and services	81 108	96 181	131 720	112 391	128 851	128 851	116 179	124 892	125 555
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	67 593	73 064	73 872	77 761	77 761	77 761	80 157	83 964	87 872
Provinces and municipalities	25	27	40	30	30	30	32	34	36
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	226	410	173	180	180	180	189	198	207
Public corporations and private enterprises	-	18	-	23	23	23	24	25	26
Non-profit institutions	67 331	72 355	73 028	76 828	76 828	76 828	79 170	82 920	86 780
Households	11	254	631	700	700	700	742	787	823
Payments for capital assets	11 426	3 930	13 688	11 988	20 095	20 095	8 039	10 582	6 977
Buildings and other fixed structures	136	-	138	3 300	3 400	3 400	767	813	850
Machinery and equipment	5 431	3 723	5 150	4 688	11 421	11 421	5 085	7 391	4 639
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	5 859	207	8 400	4 000	5 274	5 274	2 187	2 378	1 488
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	221 803	248 228	314 987	332 078	360 743	360 743	341 070	362 755	369 813
of which:									
Departmental receipts not to be surrendered to Provincial Revenue Fund	594	4 076	1 554	629	646	2 396	663	703	735
Adjusted total	221 803	248 228	314 987	332 078	360 743	360 743	341 070	362 755	369 813
Members' remuneration	66 435	62 681	65 601	70 299	70 299	70 299	76 050	108 468	84 321
Adjusted total (incl. Members' remuneration)	288 238	310 909	380 588	402 377	431 042	431 042	417 120	471 223	454 134

Apart from a peak in the 2012/13 Adjusted Appropriation, the Legislature's operational budget (i.e. the two 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.

The substantial growth in respect of Programme 1: Administration over the seven-year period can largely be ascribed to the implementation of the JE review results, the sector oversight model, the SAP ERP system and the revamping projects. As mentioned, the funding allocated for the KZN Financial Management Bill was "unringfenced" from 2011/12 and was redirected toward the SAP ERP system and

the revamping projects, both of which fall under Programme 1. The 2012/13 Adjusted Appropriation is high as it includes a once-off allocation of R7.208 million for the SAP ERP system, as well as the bulk of the unspent 2011/12 surplus voted funds that were allocated back in the 2012/13 Adjustments Estimate for the SAP ERP system, the revamping projects, the purchase of two generators and outstanding travel claims. This accounts for the reduction from the 2012/13 Revised Estimate to 2013/14. The slight dip in 2015/16 can be ascribed to the above-mentioned baseline cuts.

Programme 2: Parliamentary Business increases markedly over the seven years, largely as a result of the implementation of the JE review results, the sector oversight model, public participation events, overseas study tours undertaken by the various portfolio committees, as well as the Political Parties' Fund. As mentioned, in line with a Cabinet decision, the Political Parties' Fund was capped at its 2010/11 level of R30 million from 2011/12 onward, flattening the trend slightly. The 2012/13 Adjusted Appropriation is fairly high as it includes portion of the unspent 2011/12 surplus voted funds that were allocated back in the 2012/13 Adjustments Estimate to fund the above-mentioned travel claims, outstanding claims from political parties, as well as outstanding commitments relating to public participation events. This accounts for the reduction from the 2012/13 Revised Estimate to 2013/14. The 2014/15 allocation includes additional funding of R7 million toward observing and monitoring the 2014 general elections. Programme 2 shows good growth from 2013/14 onward, largely to cater for support to political parties in the form of constituency and secretarial allowances and the Political Parties' Fund, public participation events, and the continued implementation of the sector oversight model.

Compensation of employees shows healthy growth over the seven-year period as a result of the annual wage adjustments for the Legislature staff, the implementation of the JE review and the sector oversight model (the Legislature commenced implementing the sector oversight model in 2012/13). The category increases substantially from the 2012/13 Main Appropriation onward, taking into account that the roll-out of the sector oversight model will continue, and additional capacity will be needed to cater for the change in operations brought about by the SAP ERP system and the Financial Management Framework. The increase in the 2012/13 Adjusted Appropriation relates to additional funding for the 2012 wage agreement for staff. It is noted that the Legislature experienced delays in filling vacant posts in 2012/13, due to the lengthy processes involved. As such, most budgeted posts were filled at a far later date than anticipated, resulting in the 2012/13 Revised Estimate not being fully spent (not evident in the table). This accounts for the apparent low growth from the 2012/13 Revised Estimate to 2013/14.

Apart from a few fluctuations, *Goods and services* grows steadily over the seven years. The 2009/10 and 2010/11 amounts are fairly low due to cost-cutting, as well as various commitments, particularly relating to public participation events, that could not be paid before year-end. The peak in 2011/12 relates to the subsequent roll-over of funds that were committed in 2010/11. The 2012/13 Adjusted Appropriation is high as it includes the bulk of the unspent 2011/12 surplus voted funds that were allocated back in the 2012/13 Adjustments Estimate to provide for current expenditure pertaining to both the SAP ERP system (such as contractors and consultancy fees relating to the implementation of the system) and the revamping projects, as well as outstanding travel claims and commitments relating to public participation events. This accounts for the reduction from the 2012/13 Revised Estimate to 2013/14. The 2014/15 allocation includes additional funding of R7 million toward observing and monitoring the 2014 general elections. This once-off allocation, as well as the above-mentioned baseline cuts, account for the fairly low growth from 2014/15 to 2015/16.

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.
- *Foreign governments and international organisations* caters for subscription fees in respect of the Commonwealth Parliamentary Association (CPA). The 2010/11 amount includes the once-off cost of hosting a CPA conference in KZN. The MTEF amounts 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.
- *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.

Buildings and other fixed structures, which relates to renovations undertaken to the Legislature buildings, fluctuates depending on the renovations required – i.e. whether the work is current maintenance and repairs, rather than capital renovations. There was no capital infrastructure spending in 2010/11, pending the outcome of the infrastructure needs assessment report being compiled by DOPW. This report was finalised in 2011/12, and the Legislature commenced with the revamping projects in that year. In 2012/13, the focus was on the revamping of the Members' parking. Although the revamping projects 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. At this stage, the bulk of the revamping budget is reflected as current infrastructure under *Goods and services*.

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 amount provides for the purchase of new computers and furniture for the staff appointed in terms of the JE review. The peak in the 2012/13 Adjusted Appropriation can be ascribed to the purchase and installation of the SAP ERP system, as well as the payment for generators that were procured in 2011/12 but could not be paid for due to late claims by the service provider. The high 2014/15 allocation includes provision for the purchase of laptop computers for all new Members, following the 2014 general elections.

The category *Software and other intangible assets* also reflects marked fluctuations in the prior years, mainly due to ongoing delays with the enterprise content management project and other technological improvements. The amounts reflected from 2012/13 onward relate to the continued roll-out of the SAP ERP system, which is anticipated to go live in 2013/14.

5.4 Summary of payments and estimates by district municipal area

Table 2.5 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 2.5: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15	2015/16
eThekweni	-	3 000	-	-	-
Ugu	6 047	3 000	-	-	-
uMgungundlovu	1 000	5 945	-	-	-
Uthukela	-	3 000	-	-	-
Umkhanyathi	3 267	-	-	-	-
Amajuba	1 596	-	-	-	-
Zululand	2 216	3 559	-	-	-
Umkhanyakude	5 771	3 000	-	-	-
uThungulu	3 465	4 002	-	-	-
Ilembe	4 817	3 000	-	-	-
Sisonke	4 585	5 496	-	-	-
Unallocated	-	-	32 960	33 949	35 511
Total	32 764	34 002	32 960	33 949	35 511

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 targeted population is thus predominantly in remote rural areas, and the Legislature is aiming to reach most district municipal areas by hosting public participation events across the province, as explained below.

In 2011/12, two TLTP sittings were held in Umkhanyakude and Ilembe. The Workers' Parliament was held in Ugu, Youth Parliament in Umzinyathi, and 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.

In 2012/13, the two TLTP sittings were held in Zululand and Sisonke. The Workers' Parliament was held in Ilembe, Youth Parliament in Umkhanyakude, and Women's Parliament in uThungulu, Senior Citizens' Parliament in the eThekweni Metro and People with Disability Parliament in Ugu. The People's Assembly was held in Uthukela, while the Interfaith Symposium was again held in uMgungundlovu. The 2012/13 Revised Estimate is fairly high as it includes the payment of outstanding commitments from 2011/12.

It is noted that the anticipated spending over the 2013/14 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 2.6 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 DOPW. Further details are given in *Annexure – Vote 2: Provincial Legislature*.

Table 2.6: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
New and replacement assets									
Existing infrastructure assets	3 735	2 652	1 514	6 917	14 017	14 017	4 419	4 685	4 900
Upgrades and additions	136	-	138	3 300	3 400	3 400	767	813	850
Rehabilitation, renovations and refurbishments									
Maintenance and repairs	3 599	2 652	1 376	3 617	10 617	10 617	3 652	3 872	4 050
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Current									
Capital									
Capital infrastructure	136	-	138	3 300	3 400	3 400	767	813	850
Current infrastructure	3 599	2 652	1 376	3 617	10 617	10 617	3 652	3 872	4 050
Total	3 735	2 652	1 514	6 917	14 017	14 017	4 419	4 685	4 900

Infrastructure spending fluctuates markedly over the seven years, as it is dependent on the nature of the work required to the Legislature buildings. With regard to *Maintenance and repairs*, the fairly high 2009/10 amount relates to unanticipated maintenance that had to be carried out to the Legislature buildings, and this accounts for the low spending against *Upgrades and additions* in that year. There was no *Upgrades and additions* spending in 2010/11, pending the outcome of the infrastructure needs assessment report compiled by DOPW. This needs assessment was necessary in view of the fact that the proposed new Legislature complex was put on hold.

Although the needs assessment report was finalised in 2011/12, there was slow progress on the revamping projects in that year due to delays by Amafa and DOPW, affecting both capital and current spending.

As mentioned, the Legislature's unspent operational budget of R17.749 million from 2011/12 was allocated back for spending in the 2012/13 Adjusted Appropriation to fund, among others, the Legislature's infrastructure needs. Of this amount, R7 million was allocated to *Maintenance and repairs*, and R100 000 was allocated to *Upgrades and additions*. These funds were earmarked for the revamping of the Legislature buildings, specifically the Members' parking, as well as renovations to the Deputy Speaker's office and the foyer area of the Main Chamber. Although the revamping of the Members' parking was completed in 2012/13, most of the other revamping projects which were scheduled to commence in 2012/13 have been rescheduled to 2013/14 due to circumstances beyond the Legislature's control, including delays with the implementing agent (DOPW) and Amafa.

The Legislature will continue with the next phase of the revamping projects, accounting for the MTEF allocations, particularly against *Maintenance and repairs*. It is anticipated that the following projects, among others, will be undertaken in 2013/14, subject to Amafa approval: the upgrading of the Legislature's toilets, improvement of the sound system and the seating arrangements in the main chamber, and the revamping of the Speaker's office.

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 falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence the table reflecting transfers to local government is excluded.

5.11 Transfers and subsidies

Table 2.7 below is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a steady increase from 2009/10 to 2015/16 for the category as a whole, details of which are provided below the table.

Table 2.7: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
1. Administration	262	709	793	933	933	933	987	1 044	1 092
Provinces and municipalities	25	27	40	30	30	30	32	34	36
Motor vehicle licences	25	27	40	30	30	30	32	34	36
Foreign government and international organisations	226	410	173	180	180	180	189	198	207
Commonwealth Parliamentary Association	226	410	173	180	180	180	189	198	207
Public corporations and private enterprises	-	18	-	23	23	23	24	25	26
Insurance companies	-	18	-	23	23	23	24	25	26
Households	11	254	580	700	700	700	742	787	823
Social benefits	11	254	580	700	700	700	742	787	823
2. Parliamentary Business	67 331	72 355	73 079	76 828	76 828	76 828	79 170	82 920	86 780
Non-profit institutions	67 331	72 355	73 028	76 828	76 828	76 828	79 170	82 920	86 780
Funding for political parties (e.g. Const.allow.)	42 331	42 355	43 028	46 828	46 828	46 828	49 170	52 920	56 780
Political Parties Fund	25 000	30 000	30 000	30 000	30 000	30 000	30 000	30 000	30 000
Households	-	-	51	-	-	-	-	-	-
Social benefits	-	-	51	-	-	-	-	-	-
Total	67 593	73 064	73 872	77 761	77 761	77 761	80 157	83 964	87 872

The category *Transfers and subsidies* under Programme 1: Administration includes the following:

- *Provinces and municipalities* reflect the payment of motor vehicle licences.
- *Foreign governments and international organisations* cater for subscription fees in respect of the CPA. The 2010/11 amount is high as it includes the once-off cost of hosting a CPA conference in KZN in that year. 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.
- *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 2: Parliamentary Business includes the following:

- *Non-profit institutions* provides for 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.
- *Households* caters for the staff exit costs, which are difficult to predict.

6. Programme description

As mentioned, the uniform budget and programme structure for all Provincial Legislatures was revised with effect from 2013/14. The newly revised budget structure now consists of only two programmes, namely Programme 1: Administration and Programme 2: Parliamentary Business. While the newly created Programme 2 is largely a combination of the previous Programme 2: Parliamentary Services and Programme 3: Facilities for Members and Political Parties, there are some other adjustments affecting sub-programmes within Programme 1 as well. Such adjustments are difficult to map, but the main ones are summarised below. It is noted that, as far as possible, prior year information was adjusted in the tables, to facilitate comparison.

The payments and budgeted estimates for these two 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

In terms of the reviewed budget structure, Programme 1 consists of four sub-programmes, as follows:

- The sub-programme: Office of the Speaker provides political and administrative leadership to the Legislature, and ensures the provision of protocol services to Members. This sub-programme caters for the running costs of the Office of the Speaker, as well as the Speaker's Responsibility programme. The function of co-operative governance, which previously fell under this sub-programme, is now a sub-programme under Programme 2.
- The sub-programme: Office of the Secretary co-ordinates planning, performance monitoring, evaluation and reporting, and ensures effectiveness of internal control, risk management and governance processes. It is noted that the risk management function previously fell under the Financial Management sub-programme.
- The Financial Management sub-programme aims to provide efficient and effective financial management, and includes the CFO's office, financial management services, as well as SCM services. 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, land line and all current maintenance costs.
- The sub-programme: Corporate Services renders services such as ICT, communication, human resources management and institutional support (i.e. records management, library services, fleet and security services, etc). Capital building renovation costs and other major procurement costs are centralised here, accounting for the size of the budget, as well as the fluctuations in trends. It is noted that the function of library services fell under Programme 2 in terms of the previous budget structure.

Tables 2.8 and 2.9 below summarise payments and estimates for Programme 1: Administration for the financial years 2009/10 to 2015/16.

Table 2.8: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Office of the Speaker	9 074	10 582	19 822	19 882	21 983	21 983	22 020	23 380	22 385
Office of the Secretary	5 636	6 822	9 122	10 982	11 026	11 026	11 140	13 444	13 016
Financial Management	26 664	39 401	47 062	42 938	45 685	45 685	43 032	47 530	47 365
Corporate Services	30 858	27 942	47 060	49 805	61 744	61 744	49 961	54 558	53 519
Total	72 232	84 747	123 066	123 607	140 438	140 438	126 153	138 912	136 285

Table 2.9: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	60 544	80 108	108 585	110 686	119 410	119 410	117 127	127 286	128 216
Compensation of employees	29 810	39 631	49 105	62 060	63 153	63 153	65 359	69 516	72 738
Goods and services	30 734	40 477	59 480	48 626	56 257	56 257	51 768	57 770	55 478
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	262	709	793	933	933	933	987	1 044	1 092
Provinces and municipalities	25	27	40	30	30	30	32	34	36
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	226	410	173	180	180	180	189	198	207
Public corporations and private enterprises	-	18	-	23	23	23	24	25	26
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	11	254	580	700	700	700	742	787	823
Payments for capital assets	11 426	3 930	13 688	11 988	20 095	20 095	8 039	10 582	6 977
Buildings and other fixed structures	136	-	138	3 300	3 400	3 400	767	813	850
Machinery and equipment	5 431	3 723	5 150	4 688	11 421	11 421	5 085	7 391	4 639
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	5 859	207	8 400	4 000	5 274	5 274	2 187	2 378	1 488
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	72 232	84 747	123 066	123 607	140 438	140 438	126 153	138 912	136 285

Apart from a few fluctuations, Programme 1 shows good growth over the seven-year period, largely due to the implementation of the JE review results, the sector oversight model, the SAP ERP system and the revamping projects. The reasons for the fluctuations and the healthy growth are explained below.

With regard to the sub-programme: Office of the Speaker, the substantial increase from 2011/12 onward pertains to the building of capacity in anticipation of the functions that will be allocated to the Office of the Speaker in line with the proposed separate legislation for the financial management of provincial legislatures. Similarly, the Office of the Secretary sub-programme increases fairly steadily over the period under review. The increase in the 2012/13 Adjusted Appropriation in respect of both of these sub-programmes relates to additional funding allocated for the 2012 wage agreement for staff, as well as provision for outstanding commitments from 2011/12. Both sub-programmes show a slight reduction in 2015/16 due to the baseline cuts.

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. Substantial under-spending in prior years in respect of major procurement projects with largely once-off costs, and the subsequent roll-over of these unspent funds, accounts for the fluctuating trends from 2009/10 to the 2012/13 Main Appropriation, particularly in respect of Corporate Services. The substantial increase from the 2012/13 Main to the Adjusted Appropriation in respect of both sub-programmes (again especially Corporate Services), 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 projects and the SAP ERP system. As such, the bulk of the unspent 2011/12 surplus voted funds that were allocated back in the 2012/13 Adjusted Appropriation for the SAP ERP system, the revamping projects and the purchase of two generators was allocated to these two sub-programmes. This accounts for the reduction from the 2012/13 Revised Estimate to 2013/14. Again, both sub-programmes show a slight reduction in 2015/16 due to the baseline cuts.

Compensation of employees increases substantially over the seven-year period, largely due to the annual wage agreements for the Legislature staff, as well as the implementation of the JE review results and the sector oversight model. The slight increase from the 2012/13 Main to the Adjusted Appropriation relates to the 2012 wage agreement for the Legislature staff.

Goods and services shows good growth from 2009/10 to 2010/11, largely due to the once-off roll-over of commitments from previous years. The substantial increase in 2011/12 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 SAP ERP system, as well as for the current revamping projects. This amount was once-off, and hence the reduction in the 2012/13 Main Appropriation. The 2012/13 Adjusted Appropriation includes the bulk of the unspent

2011/12 surplus voted funds that were allocated back in the 2012/13 Adjustments Estimate for the SAP ERP system, the revamping projects and commitments from 2012/13, including outstanding travel claims. This accounts for the decrease from the 2012/13 Revised Estimate to 2013/14. The reduction in 2015/16 relates to the baseline cuts, with *Goods and services* being the main area affected, as mentioned.

The category *Transfers and subsidies* includes the following:

- *Provinces and municipalities* reflects the payment of motor vehicle licences.
- *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.

Buildings and other fixed structures, which relates to capital renovations undertaken to the Legislature buildings, fluctuates depending on the renovations required. There was no capital infrastructure spending in 2010/11, pending the outcome of the infrastructure needs assessment report being compiled by DOPW. Although this report was finalised in 2011/12, there was slow progress on the revamping projects due to delays by Amafa and DOPW. The amounts reflected in 2012/13 and then reducing over the MTEF relate to the revamping projects, as explained previously. Also as mentioned, the MTEF allocations are preliminary, as the extent and nature of the work to be done is still under review. At this stage, the bulk of the revamping budget is reflected as current infrastructure under *Goods and services*.

Machinery and equipment shows a fluctuating trend due to the once-off and cyclical nature of purchases made under this category. As mentioned, the 2009/10 amount includes the purchase of laptop computers for all new Members, following the 2009 general elections. Cost-cutting impacted on the level of spending in 2010/11, while the 2011/12 amount provides for the purchase of new computers and furniture for the staff appointed in terms of the JE review. The peak in the 2012/13 Adjusted Appropriation can be ascribed to the purchase and installation of the SAP ERP system, as well as payment for two generators that were procured in 2011/12. The high 2014/15 allocation includes provision for the purchase of laptop computers for all new Members, following the 2014 general elections.

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 enterprise content management project and other technological improvements. The peak in 2011/12 relates to software purchased in respect of the SAP ERP system. Again, the amounts reflected from the 2012/13 Adjusted Appropriation onward provide for the acquisition and roll-out of the SAP ERP system, which is anticipated to go live in 2013/14.

Service delivery measures – Programme 1: Administration

Table 2.10 illustrates the main service delivery measures pertaining to Programme 1: Administration. Following a comprehensive strategic planning session in January 2013, the Legislature introduced several new performance indicators from 2013/14 onward in line with the Legislature's annual oversight plan. These revised performance indicators are indicated as 'new' in Table 2.10 below.

Table 2.10: Service delivery measures – Programme 1: Administration

Outputs	Performance indicators	Estimated performance	Medium term targets		
		2012/13	2013/14	2014/15	2015/16
1. Improved monitoring of institutional performance and effectiveness as reflected in annual oversight plans and APPs	• No. of meetings with the Speaker on institutional performance	new	4	4	4
	• No. of meetings with branch heads on branch performance	new	4	4	4
	• No. of compliance and feedback reports (on performance planning, monitoring and evaluation prescripts)	4	4	4	4

Table 2.10: Service delivery measures – Programme 1: Administration

Outputs	Performance indicators	Estimated performance	Medium term targets			
		2012/13	2013/14	2014/15	2015/16	
2. Improved institutional transformation	• Approved transformation plan by target date	new	31 March 2014	-	-	
3. Improved operational efficiency (SAP implementation)	• % achievement against the SAP implementation plan	40%	100%	-	-	
4. Improved supply chain management planning	• % implementation of the SCM plan	100% (2012/13 strategy)	100% (2013/14 strategy)	100% (2014/15 strategy)	100% (2015/16 strategy)	
5. Improved asset management planning	• % implementation of the asset management plan	100% (2012/13 strategy)	100% (2013/14 strategy)	100% (2014/15 strategy)	100% (2015/16 strategy)	
6. Improved human resource (HR) management and development	• % implementation of an adopted HR strategy and plan (including filling of approved and funded posts, equity, training and bursary plan and PMDS)	90%	100%	100%	100%	
7. Improved public image and profile of the Legislature	• No. of quarterly reports on initiatives undertaken to improve the image and profile of the Legislature	new	4	4	4	

6.2 Programme 2: Parliamentary Business

In terms of the reviewed budget structure for the Legislature sector, Programme 2 basically combines two programmes of the previous budget structure (i.e. Programme 2: Parliamentary Services and Programme 3: Facilities for Members and Political Parties) into one programme. However, certain functions that previously fell under Programme 1 are also included under the newly formed Programme 2, as summarised below. The expenditure of prior years was adjusted accordingly, to facilitate comparison.

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:

- **Law-making:** To pass effective and relevant laws in the province. This incorporates the functions of House Proceedings and Hansard, which were previously sub-programmes under Programme 2: Parliamentary Services.
- **NCOP:** To facilitate NCOP liaison services. Previously, this function formed part of the sub-programme: Committee Services under Programme 2: Parliamentary Services.
- **Oversight:** To execute and conduct effective oversight of the Executive Committees, and to provide research and legal services. This sub-programme includes the functions of committees, research and legal services, which previously fell under Programme 2: Parliamentary Services.
- **Public Participation:** To address complaints through the petitions' system, and to create awareness of legislative processes through public education and the promotion of public involvement. This new sub-programme combines both staff and sectoral public participation costs, which were previously catered for under Programmes 2 and 3, respectively.
- **Members' Facilities:** To provide benefits and facilities in respect of Members and to offer support to political parties. This sub-programme makes provision for the constituency and secretarial allowances, as well as the Political Parties' Fund, which previously fell under Programme 3.
- **Co-operative Governance:** To strengthen inter-parliamentary relations. This sub-programme previously fell under the Office of the Speaker sub-programme in Programme 1.

Tables 2.11 and 2.12 below summarise payments and estimates for Programme 2: Parliamentary Business for the financial years 2009/10 to 2015/16. Apart from an increase in the 2012/13 Adjusted Appropriation (which is explained below), the programme as a whole shows healthy growth over the seven-year period, with all six sub-programmes showing a generally steady increase. It is noted that the implementation of the sector oversight model impacts mainly on this programme, particularly the sub-programmes: NCOP, Oversight and Members' Facilities.

Table 2.11: Summary of payments and estimates - Programme 2: Parliamentary Business

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Law-making	14 756	15 405	18 961	19 290	20 690	20 690	20 508	22 087	23 287
NCOP	626	767	1 025	1 050	1 058	1 058	1 072	1 700	1 962
Oversight	35 792	41 353	52 086	67 626	74 927	74 927	66 195	66 648	69 825
Public Participation	18 427	23 486	33 843	34 208	36 754	36 754	34 589	35 960	36 552
Members' Facilities	77 842	79 988	81 357	81 612	82 144	82 144	87 811	92 640	97 272
Co-operative Governance	2 128	2 482	4 649	4 685	4 732	4 732	4 742	4 808	4 630
Total	149 571	163 481	191 921	208 471	220 305	220 305	214 917	223 843	233 528

Table 2.12: Summary of payments and estimates by economic classification - Programme 2: Parliamentary Business

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	82 240	91 126	118 842	131 643	143 477	143 477	135 747	140 923	146 748
Compensation of employees	31 866	35 422	46 602	67 878	70 883	70 883	71 336	73 801	76 671
Goods and services	50 374	55 704	72 240	63 765	72 594	72 594	64 411	67 122	70 077
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	67 331	72 355	73 079	76 828	76 828	76 828	79 170	82 920	86 780
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	67 331	72 355	73 028	76 828	76 828	76 828	79 170	82 920	86 780
Households	-	-	51	-	-	-	-	-	-
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	149 571	163 481	191 921	208 471	220 305	220 305	214 917	223 843	233 528

The sub-programmes: Law-making, NCOP and Co-operative Governance show a generally steady increase over the seven-year period. The slight increase in the 2012/13 Adjusted Appropriation and Revised Estimate for all three sub-programmes relates to additional funding allocated toward the higher than budgeted 2012 wage agreement for the Legislature staff. The fairly low growth over the 2013/14 MTEF relates to the previously mentioned baseline cuts.

The sub-programme: Oversight reflects significant increases from 2011/12 onward, and this is in line with the implementation of the sector oversight model, as mentioned above. Also contributing to the high spending in the prior years, continuing into the 2012/13 Adjusted Appropriation, are roll-overs from previous years to fund various public participation commitments and the above-mentioned outstanding travel claims. For instance, the peak in the 2012/13 Adjusted Appropriation includes a portion of the Legislature's unspent 2011/12 surplus which was allocated back to fund outstanding commitments relating to public participation events. This accounts for the reduction in 2013/14 when compared to the 2012/13 Adjusted Appropriation, and apparent low growth over the MTEF period. The baseline cuts also contribute to the fairly low growth over the 2013/14 MTEF.

The sub-programme: Public Participation, which combines both staff and sectoral public participation costs, reflects a healthy increase over the seven years. The 2011/12 and 2012/13 Adjusted Appropriation amounts are fairly high, as they include payment of outstanding public participation commitments relating to prior years. This accounts for the dip in the 2012/13 Main Appropriation when compared to 2011/12, as well as the dip from the 2012/13 Adjusted Appropriation to 2013/14.

The Members' Facilities sub-programme makes provision for the constituency and secretarial allowances, as well as the Political Parties' Fund, accounting for the steady increase over the seven-year period, despite the capping of the Political Parties' Fund at R30 million. The 2014/15 allocation includes additional funding of R7 million toward observing and monitoring the 2014 general elections.

Compensation of employees shows substantial growth, particularly from the 2012/13 Main to the Adjusted Appropriation onward, due to additional funding allocated for the carry-through costs of the

annual wage agreements of prior years, as well as provision for the full implementation of the sector oversight model. As mentioned previously, the Legislature experienced delays in filling vacant posts in 2012/13, due to the lengthy processes involved. As such, most budgeted posts were filled at a far later date than anticipated, resulting in the 2012/13 Revised Estimate not being fully spent (not evident in the table). This accounts for the apparent low growth from the 2012/13 Revised Estimate to 2013/14.

Goods and services shows a generally steady upward trend over the seven-year period. The 2009/10 and 2010/11 amounts are quite low due to cost-cutting and the Legislature's undertaking to cut-back spending in terms of the Provincial Recovery Plan. The 2011/12 amount is quite high due to payment for outstanding commitments from 2011/12, accounting for the reduction from 2012/13 to 2013/14. The 2012/13 Adjusted Appropriation is high as it includes a portion of the unspent 2011/12 surplus allocated back for spending in 2012/13, including outstanding travel claims, as well as outstanding commitments relating to public participation events held at the end of 2011/12. The 2014/15 allocation includes additional funding of R7 million toward observing and monitoring the 2014 general elections.

The category *Transfers and subsidies to: Non-profit institutions* comprises funding for political parties. 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. Also included are transfers to the Political Parties' Fund. The Political Parties' Fund was established in 2008/09, aimed at assisting political parties to carry out their constitutional mandate, in line with the KZN Funding of Political Parties' Act. The Political Parties' Fund was capped at its 2010/11 level of R30 million in 2011/12 and over the 2012/13 MTEF, in line with a Cabinet decision, and this accounts for the fairly low growth over the MTEF.

Transfers and subsidies to: Households caters for staff exits, which are difficult to predict, accounting for the once-off expenditure in this regard.

Service delivery measures – Programme 2: Parliamentary Business

Table 2.13 below illustrates the main service delivery measures relating to Programme 2. As mentioned, following a comprehensive strategic planning session in January 2013, the Legislature introduced several new performance indicators from 2013/14 onward in line with the Legislature's annual oversight plan. These revised performance indicators are indicated as 'new' in Table 2.13 below.

Table 2.13: Service delivery measures – Programme 2: Parliamentary Business

Outputs	Performance indicators	Estimated performance	Medium term targets			
		2012/13	2013/14	2014/15	2015/16	
1. Increased level of awareness and knowledge of the Legislature and its core business	• No. of public education campaigns/workshops	11	13	13	13	
2. Enhanced oversight, law-making and accountability	• No. of sittings facilitated	26	26	26	26	
3. Improved implementation of sector oversight model	• No. of reports on levels of implementation of sector oversight model mechanisms	new	6 reports	6 reports	6 reports	
4. Improved oversight over the departmental planning and budgeting	• No. of feedback reports produced by portfolio committees	5	16	16	16	
	• Interim 2014/15 annual oversight plan developed by target date	new	31 March 2014	-	-	
5. Improved oversight over the departments' performance against their APP and budget	• No. of reports on the departments' performance tabled in the House	10	2	3	3	
6. Improved oversight over departments and public entities in respect of the attainment of clean audit reports	• No. of reports on hearings conducted in relation to the 2012/13 reports of the A-G	16	1	2	2	
7. Improved oversight over financial management and performance of departments and public entities	• No. of reports on hearings conducted	1	3	3	3	
8. Enhanced oversight through focused intervention studies and oversight visits	• No. of focused intervention studies conducted	2	8	8	16	
	• No. of oversight visits conducted	new	16	16	30	

Table 2.13: Service delivery measures – Programme 2: Parliamentary Business

Outputs	Performance indicators	Estimated performance	Medium term targets		
		2012/13	2013/14	2014/15	2015/16
9. Improved levels of committee performance against the annual oversight plan targets	• No. of feedback reports on committee performance	new	6	6	6
10. Improved processing of Bills	• No. of Bills processed	new	3	3	3

7. Other programme information

7.1 Personnel numbers and costs

Tables 2.14 and 2.15 reflect personnel information pertaining to the Legislature for the seven-year period.

Table 2.14: Personnel numbers and costs per programme

	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	As at 31 March 2016
Personnel numbers							
1. Administration	85	93	125	130	131	131	131
2. Parliamentary Business	59	62	88	104	113	113	113
Total	144	155	213	234	244	244	244
Total personnel cost (R thousand)	61 676	75 053	95 707	134 036	136 695	143 317	149 409
Unit cost (R thousand)	428	484	449	573	560	587	612

Table 2.15: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Total for department									
Personnel numbers (head count)	144	155	213	244	234	234	244	244	244
Personnel cost (R thousand)	61 676	75 053	95 707	129 938	134 036	134 036	136 695	143 317	149 409
Human resources component									
Personnel numbers (head count)	5	5	7	8	8	8	10	10	10
Personnel cost (R thousand)	2 085	2 779	3 983	3 386	4 917	4 917	5 335	5 628	5 887
Head count as % of total for department	3.47	3.23	3.29	3.28	3.42	3.42	4.10	4.10	4.10
Personnel cost as % of total for department	3.38	3.70	4.16	2.61	3.67	3.67	3.90	3.93	3.94
Finance component									
Personnel numbers (head count)	20	18	19	23	23	23	24	24	25
Personnel cost (R thousand)	10 052	9 146	9 139	11 816	14 238	14 238	15 448	16 298	17 047
Head count as % of total for department	13.89	11.61	8.92	9.43	9.83	9.83	9.84	9.84	10.25
Personnel cost as % of total for department	16.30	12.19	9.55	9.09	10.62	10.62	11.30	11.37	11.41
Full time workers									
Personnel numbers (head count)	134	141	199	223	194	194	223	223	222
Personnel cost (R thousand)	59 156	68 241	83 318	116 129	120 227	120 227	121 712	127 510	132 875
Head count as % of total for department	93.06	90.97	93.43	91.39	82.91	82.91	91.39	91.39	90.98
Personnel cost as % of total for department	95.91	90.92	87.06	89.37	89.70	89.70	89.04	88.97	88.93
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	14	14	21	40	40	21	21	22
Personnel cost (R thousand)	2 520	6 812	12 389	13 809	13 809	13 809	14 983	15 807	16 534
Head count as % of total for department	6.94	9.03	6.57	8.61	17.09	17.09	8.61	8.61	9.02
Personnel cost as % of total for department	4.09	9.08	12.94	10.63	10.30	10.30	10.96	11.03	11.07

There is a substantial increase in personnel numbers from 2011/12 onward, due to the full implementation of the JE review results, the ongoing review of the organisational structure and the implementation of the sector oversight model, coupled with the allocation of additional resources.

It is noted that, although the recently reviewed structure makes provision for a further 120 posts (in addition to the 244 reflected over the MTEF), only those posts that are deemed to be critical will be filled, in a phased-in process, over the 2013/14 MTEF. The required budget adjustments will be made in-year to

fund the filling of these critical posts, pending the finalisation of the prerequisite job descriptions, as well as the job evaluation review.

It is noted that the unit cost in 2010/11 is higher than the outer years, due to the upgrading of filled posts in terms of the JE review results, and the once-off payment of back-pay relating to this review. The 2012/13 unit cost is higher than 2013/14, due to posts being filled at a later date than anticipated – i.e. although 234 posts will be filled by the end of 2012/13, there is likely to be under-spending at year-end.

The information provided in Table 2.15 in respect of contract workers relates to the officials that work in the Offices of the Speaker and the Deputy Speaker. 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). The increase in the 2012/13 Adjusted Appropriation and Revised Estimate relates to provision for drivers for the MPLs. This policy is currently undergoing review, and hence no provision has been made in this regard over the MTEF period.

7.2 Training

Tables 2.16 and 2.17 give a summary of the Legislature's spending and information on training for the period 2009/10 to 2011/12, and budgeted expenditure for the period 2012/13 to 2015/16 (which is now centralised under Programme 1: Administration). It is noted that the Skills Development Act 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 over the 2013/14 MTEF relates to the training that will be conducted to ensure the smooth implementation of the SAP ERP system and the sector oversight model.

Table 2.16: Payments and estimates on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	766	516	1 292	1 844	1 844	1 844	2 238	2 812	2 924
2. Parliamentary Business	504	413	1 109	-	-	-	-	-	-
Total	1 270	929	2 401	1 844	1 844	1 844	2 238	2 812	2 924

Table 2.17 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 2.17: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Number of staff	144	155	213	244	234	234	244	244	244
Number of personnel trained	50	108	203	137	137	137	166	176	184
of which									
Male	26	50	89	68	68	68	83	88	92
Female	24	58	114	69	69	69	83	88	92
Number of training opportunities	60	60	44	38	38	38	38	38	41
of which									
Tertiary	10	30	12	12	12	12	12	13	14
Workshops	50	13	13	15	15	15	15	13	14
Seminars	-	2	-	-	-	-	-	-	-
Other	-	17	19	11	11	11	11	12	13
Number of bursaries offered	10	30	12	17	17	17	20	21	22
External	-	20	-	-	-	-	-	-	-
Internal	10	10	12	17	17	17	20	21	22
Number of interns appointed	3	15	4	3	3	3	3	3	3
Number of learnerships appointed									
Number of days spent on training	149	87	80	80	80	80	85	90	94

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	40	68	77	44	44	68	46	49	51
Sale of goods and services produced by dept. (excl. capital assets)	-	-	-	-	-	-	-	-	-
Sales by market establishments									
Administrative fees									
Other sales	-	-	-	-	-	-	-	-	-
<i>of which</i>									
<i>Other</i>									
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	40	68	77	44	44	68	46	49	51
Transfers received from:	-	1 255	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments	-	1 255	-	-	-	-	-	-	-
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land	296	1 632	920	370	370	460	390	413	432
Interest	296	1 632	920	370	370	460	390	413	432
Dividends									
Rent on land									
Sale of capital assets	-	-	437	-	-	564	-	-	-
Land and subsoil assets									
Other capital assets	-	-	437	-	-	564	-	-	-
Transactions in financial assets and liabilities	258	1 121	120	215	215	1 304	227	241	252
Total	594	4 076	1 554	629	629	2 396	663	703	735

Table 2.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	142 784	171 234	227 427	242 329	262 887	262 887	252 874	268 209	274 964
Compensation of employees	61 676	75 053	95 707	129 938	134 036	134 036	136 695	143 317	149 409
Salaries and wages	54 735	66 919	85 217	113 695	117 530	117 530	119 615	124 533	129 761
Social contributions	6 941	8 134	10 490	16 243	16 506	16 506	17 080	18 784	19 648
Goods and services	81 108	96 181	131 720	112 391	128 851	128 851	116 179	124 892	125 555
of which									
Administrative fees	224	351	63	271	636	636	652	685	719
Advertising	3 287	5 546	11 579	8 618	8 393	8 393	8 149	8 479	10 007
Assets <R5000	620	156	926	1 055	1 145	1 145	1 202	1 688	1 727
Audit cost: External	1 657	2 022	1 822	2 010	2 010	2 010	2 121	2 248	2 251
Bursaries (employees)	254	185	282	480	480	480	541	597	643
Catering: Departmental activities	5 454	6 023	12 900	1 100	14 087	14 087	11 918	12 112	12 265
Communication	6 396	8 215	8 116	9 363	7 903	7 903	8 150	8 284	8 660
Computer services	1 488	3 756	4 508	3 602	3 602	3 602	3 782	3 839	1 129
Cons/prof: Business & advisory services	3 743	3 296	1 486	3 393	2 393	2 393	3 572	9 454	3 181
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	258	127	208	250	250	250	265	281	294
Contractors	10 356	8 390	7 431	9 374	15 145	15 145	5 517	5 881	6 186
Agency & support/outourced services	1 282	3 006	2 716	10 425	911	911	1 092	1 296	1 361
Entertainment	133	147	420	495	470	470	522	556	582
Fleet services (incl. GMT)	65	497	1 076	870	1 116	1 116	1 222	1 577	1 711
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	298	1	550	105	560	560	251	266	278
Inventory: Fuel, oil and gas	5	1	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	246	296	452	340	340	340	360	382	400
Inventory: Materials and supplies	18	29	95	115	115	115	122	129	135
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	4	-	-	5	5	5	5	5	5
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	352	264	294	325	554	554	344	364	381
Inventory: Stationery and printing	801	763	680	1 102	1 063	1 063	965	1 035	1 092
Operating leases	4 866	4 980	4 284	3 700	3 866	3 866	4 351	4 662	4 758
Property payments	2 914	3 262	3 921	3 400	3 902	3 902	4 032	4 243	4 300
Transport provided: Departmental activity	1 686	2 777	5 036	3 185	6 960	6 960	5 269	3 365	3 624
Travel and subsistence	18 080	28 774	40 998	31 838	34 169	34 169	31 237	32 170	34 154
Training and development	1 270	929	2 401	1 844	1 844	1 844	2 238	2 812	2 924
Operating expenditure	7 537	5 295	6 439	6 528	6 734	6 734	7 732	7 148	8 959
Venues and facilities	7 814	7 093	13 037	8 598	10 198	10 198	10 568	11 334	13 829
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	67 593	73 064	73 872	77 761	77 761	77 761	80 157	83 964	87 872
Provinces and municipalities	25	27	40	30	30	30	32	34	36
Provinces	25	27	40	30	30	30	32	34	36
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	25	27	40	30	30	30	32	34	36
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	226	410	173	180	180	180	189	198	207
Public corporations and private enterprises	-	18	-	23	23	23	24	25	26
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	18	-	23	23	23	24	25	26
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	18	-	23	23	23	24	25	26
Non-profit institutions	67 331	72 355	73 028	76 828	76 828	76 828	79 170	82 920	86 780
Households	11	254	631	700	700	700	742	787	823
Social benefits	11	254	631	700	700	700	742	787	823
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	11 426	3 930	13 688	11 988	20 095	20 095	8 039	10 582	6 977
Buildings and other fixed structures	136	-	138	3 300	3 400	3 400	767	813	850
Buildings	136	-	138	3 300	3 400	3 400	767	813	850
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 431	3 723	5 150	4 688	11 421	11 421	5 085	7 391	4 639
Transport equipment	1 363	1 550	1 827	1 418	1 418	1 418	1 560	3 654	1 730
Other machinery and equipment	4 068	2 173	3 323	3 270	10 003	10 003	3 525	3 737	2 909
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	5 859	207	8 400	4 000	5 274	5 274	2 187	2 378	1 488
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	221 803	248 228	314 987	332 078	360 743	360 743	341 070	362 755	369 813
Less: Departmental receipts not to be surrendered to Provincial Revenue Fund	594	4 076	1 554	629	646	2 396	663	703	735
Adjusted total	221 209	244 152	313 433	331 449	360 097	358 347	340 407	362 052	369 078
Members' remuneration	66 435	62 681	65 601	70 299	70 299	70 299	76 050	108 468	84 321
Adjusted total (incl. Members' remuneration)	287 644	306 833	379 034	401 748	430 396	428 646	416 457	470 520	453 399

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	60 544	80 108	108 585	110 686	119 410	119 410	117 127	127 286	128 216
Compensation of employees	29 810	39 631	49 105	62 060	63 153	63 153	65 359	69 516	72 738
Salaries and wages	26 486	35 554	44 094	53 194	54 103	54 103	55 593	59 164	61 910
Social contributions	3 324	4 077	5 011	8 866	9 050	9 050	9 766	10 352	10 828
Goods and services	30 734	40 477	59 480	48 626	56 257	56 257	51 768	57 770	55 478
of which									
Administrative fees	223	351	59	235	600	600	616	646	678
Advertising	479	2 371	3 842	2 150	2 150	2 150	2 692	3 016	3 077
Assets <R5000	620	156	926	1 055	1 055	1 055	1 202	1 688	1 727
Audit cost: External	1 657	2 022	1 822	2 010	2 010	2 010	2 121	2 248	2 251
Bursaries (employees)	254	168	262	150	150	150	391	414	433
Catering: Departmental activities	266	430	1 173	1 100	1 862	1 862	2 015	2 017	2 058
Communication	1 789	3 581	4 300	4 210	5 450	5 450	5 550	5 641	5 766
Computer services	1 488	3 756	4 508	3 602	3 602	3 602	3 782	3 839	1 129
Cons/prof: Business & advisory services	601	3 153	1 486	2 373	1 373	1 373	2 191	2 268	1 582
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	4 807	4 094	3 792	6 200	12 440	12 440	3 817	4 082	4 183
Agency & support/outsourced services	1 016	1 142	2 489	3 200	911	911	1 092	1 296	1 361
Entertainment	132	42	224	362	337	337	382	407	426
Fleet services (incl. GMT)	65	497	1 076	870	1 116	1 116	1 222	1 577	1 711
Housing									
Inventory: Food and food supplies	298	1	550	105	560	560	251	266	278
Inventory: Fuel, oil and gas	5	1	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	(1)	-	-	-	-	-	-
Inventory: Materials and supplies	18	29	95	115	115	115	122	129	135
Inventory: Medical supplies									
Inventory: Medicine	4	-	-	5	5	5	5	5	5
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	253	241	285	305	534	534	323	342	358
Inventory: Stationery and printing	755	608	671	770	731	731	816	865	905
Operating leases	3 406	4 952	4 284	3 700	3 866	3 866	4 351	4 662	4 758
Property payments	2 914	3 262	3 916	3 400	3 902	3 902	4 032	4 243	4 300
Transport provided: Departmental activity	-	10	146	75	150	150	80	85	89
Travel and subsistence	3 044	5 177	16 471	5 572	6 312	6 312	6 337	7 900	7 950
Training and development	766	516	1 292	1 844	1 844	1 844	2 238	2 812	2 924
Operating expenditure	5 599	3 882	4 974	4 368	4 332	4 332	5 000	5 478	5 539
Venues and facilities	275	35	838	850	850	850	1 140	1 844	1 855
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	262	709	793	933	933	933	987	1 044	1 092
Provinces and municipalities	25	27	40	30	30	30	32	34	36
Provinces	25	27	40	30	30	30	32	34	36
Provincial Revenue Funds									
Provincial agencies and funds	25	27	40	30	30	30	32	34	36
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Universities and technikons									
Foreign governments and international organisations	226	410	173	180	180	180	189	198	207
Public corporations and private enterprises	-	18	-	23	23	23	24	25	26
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	18	-	23	23	23	24	25	26
Subsidies on production									
Other transfers	-	18	-	23	23	23	24	25	26
Non-profit institutions									
Households	11	254	580	700	700	700	742	787	823
Social benefits	11	254	580	700	700	700	742	787	823
Other transfers to households									
Payments for capital assets	11 426	3 930	13 688	11 988	20 095	20 095	8 039	10 582	6 977
Buildings and other fixed structures	136	-	138	3 300	3 400	3 400	767	813	850
Buildings	136	-	138	3 300	3 400	3 400	767	813	850
Other fixed structures									
Machinery and equipment	5 431	3 723	5 150	4 688	11 421	11 421	5 085	7 391	4 639
Transport equipment	1 363	1 550	1 827	1 418	1 418	1 418	1 560	3 654	1 730
Other machinery and equipment	4 068	2 173	3 323	3 270	10 003	10 003	3 525	3 737	2 909
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	5 859	207	8 400	4 000	5 274	5 274	2 187	2 378	1 488
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	72 232	84 747	123 066	123 607	140 438	140 438	126 153	138 912	136 285

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	82 240	91 126	118 842	131 643	143 477	143 477	135 747	140 923	146 748
Compensation of employees	31 866	35 422	46 602	67 878	70 883	70 883	71 336	73 801	76 671
Salaries and wages	28 249	31 365	41 123	60 501	63 427	63 427	64 022	65 369	67 851
Social contributions	3 617	4 057	5 479	7 377	7 456	7 456	7 314	8 432	8 820
Goods and services	50 374	55 704	72 240	63 765	72 594	72 594	64 411	67 122	70 077
of which									
Administrative fees	1	-	4	36	36	36	36	39	41
Advertising	2 808	3 175	7 737	6 468	6 243	6 243	5 457	5 463	6 930
Assets <R5000	-	-	-	-	90	90	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	17	20	330	330	330	150	183	210
Catering: Departmental activities	5 188	5 593	11 727	-	12 225	12 225	9 903	10 095	10 207
Communication	4 607	4 634	3 816	5 153	2 453	2 453	2 600	2 643	2 894
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	3 142	143	-	1 020	1 020	1 020	1 381	7 186	1 599
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	258	127	208	250	250	250	265	281	294
Contractors	5 549	4 296	3 639	3 174	2 705	2 705	1 700	1 799	2 003
Agency & support/outourced services	266	1 864	227	7 225	-	-	-	-	-
Entertainment	1	105	196	133	133	133	140	149	156
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	246	296	453	340	340	340	360	382	400
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	99	23	9	20	20	20	21	22	23
Inventory: Stationery and printing	46	155	9	332	332	332	149	170	187
Operating leases	1 460	28	-	-	-	-	-	-	-
Property payments	-	-	5	-	-	-	-	-	-
Transport provided: Departmental activity	1 686	2 767	4 890	3 110	6 810	6 810	5 189	3 280	3 535
Travel and subsistence	15 036	23 597	24 527	26 266	27 857	27 857	24 900	24 270	26 204
Training and development	504	413	1 109	-	-	-	-	-	-
Operating expenditure	1 938	1 413	1 465	2 160	2 402	2 402	2 732	1 670	3 420
Venues and facilities	7 539	7 058	12 199	7 748	9 348	9 348	9 428	9 490	11 974
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	67 331	72 355	73 079	76 828	76 828	76 828	79 170	82 920	86 780
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	67 331	72 355	73 028	76 828	76 828	76 828	79 170	82 920	86 780
Households	-	-	51	-	-	-	-	-	-
Social benefits	-	-	51	-	-	-	-	-	-
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	149 571	163 481	191 921	208 471	220 305	220 305	214 917	223 843	233 528

Table 2.E: 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						2013/14	2014/15	2015/16
R thousand														
New and replacement assets														
Upgrades and additions														
1.	Installation of generator - Legislature building	Msunduzi	Legislature building	1	1 Apr 2012	1 Mar 2014	Equitable share	Programme 1	-	-	528	154	-	-
2.	Installation of generator - Admin. building	Msunduzi	Admin. building	1	1 Apr 2012	1 Mar 2014	Equitable share	Programme 1	-	-	731	400	-	-
3.	Capital revamping of Legislature building	Msunduzi	Legislature building	1	1 Apr 2012	1 Mar 2016	Equitable share	Programme 1	-	3 400	-	213	813	850
Total Upgrades and additions									-	3 400	1 259	767	813	850
Rehabilitation, renovations and refurbishments														
Maintenance and repairs														
1.	Ground maintenance	Msunduzi	Legislature building	1	1 Apr 2012	1 Mar 2016	Equitable share	Programme 1	-	346	26	107	120	93
2.	Fumigation - Legislature building	Msunduzi	Legislature building	1	1 Apr 2012	1 Mar 2016	Equitable share	Programme 1	-	270	-	80	90	100
3.	Fumigation - Admin. building	Msunduzi	Admin. building	1	1 Apr 2012	1 Mar 2016	Equitable share	Programme 1	-	369	153	96	92	112
4.	Lift maintenance - Legislature building	Msunduzi	Legislature building	1	1 Apr 2012	1 Mar 2016	Equitable share	Programme 1	-	43	24	19	15	18
5.	Lift maintenance - Admin. building	Msunduzi	Admin. building	2	1 Apr 2012	1 Mar 2015	Equitable share	Programme 1	-	367	50	49	54	-
6.	Refurbishment - Legislature building	Msunduzi	Legislature & Admin	2	1 Apr 2012	1 Mar 2016	Equitable share	Programme 1	-	5 255	60	28	33	38
7.	Maintenance contract for generators	Msunduzi	Legislature & Admin	2	1 Apr 2012	1 Mar 2016	Equitable share	Programme 1	-	104	-	-	30	34
8.	Maintenance contract of airconditioners	Msunduzi	Legislature & Admin	2	1 Apr 2012	1 Mar 2016	Equitable share	Programme 1	-	968	-	300	320	348
9.	Day-to-day maintenance - unforeseen items	Msunduzi	Legislature & Admin	2	1 Apr 2012	1 Mar 2016	Equitable share	Programme 1	-	1 500	-	1 325	2 171	2 316
10.	Painting - Legislature and Admin. building	Msunduzi	Legislature & Admin	2	1 Apr 2012	1 Mar 2014	Equitable share	Programme 1	-	750	-	750	-	-
Other	Pigeon protection, roof paint & replace waterproof	Msunduzi	Legislature & Admin	2	1 Apr 2012	1 Mar 2016	Equitable share	Programme 1	-	645	260	898	947	991
Total Maintenance and repairs									-	10 617	573	3 652	3 872	4 050
Infrastructure transfers - current									-	-	-	-	-	-
Infrastructure transfers - capital									-	-	-	-	-	-
Total Infrastructure									-	14 017	1 832	4 419	4 685	4 900

VOTE 3

Agriculture, Environmental Affairs and Rural Development

Operational budget	R 2 860 929 776
MEC remuneration	R 1 652 224
Total amount to be appropriated	R 2 862 582 000
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 aimed at 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 *Annexure – Vote 3: Agriculture, Environmental Affairs and Rural Development* (Table 3.(iv)).

2. Review of the 2012/13 financial year

Section 2 provides a review of 2012/13, 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.

Crop production

The crop production programme continued to be implemented through the department's mechanisation programme. This 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 services only (the beneficiary has to secure the required production inputs). In 2012/13, a decision was taken by the department to take stock of the current mechanisation fleet, to ensure optimal utilisation thereof. Pending the outcome of this review, no additional tractors and implements were acquired in 2012/13.

The second phase of the department's liming programme was successfully implemented, with an estimated 4 900 hectares limed during 2012/13. Research has shown that liming the land improves the soil fertility, and thereby increases the yields in these areas. To date, a total of 14 100 hectares of land have been limed under this programme.

With the focus on ensuring ongoing commercial sustainability, the department began working with potential investors and other provincial departments on the following catalytic projects:

- Tugela Estates Irrigation Revitalisation project, in partnership with local farmers, investors from India, the Office of the Premier (OTP) and the Department of Co-operative Governance and Traditional Affairs (COGTA).
- Midlands Vegetable Initiative, in partnership with a commercial farmer in Middelrus and surrounding land reform beneficiaries, as well as the Department of Rural Development and Land Reform (DRDLR), the Department of Economic Development and Tourism (DEDT) and COGTA.
- Estcourt Chicory Initiative, in partnership with Nestlé, local co-operatives in Weenen and commercial farmers.

In addition to the above, the department played an active role in supporting the Dube TradePort (DTP), providing training and infrastructural support to 26 projects, with 166 beneficiaries. The aim is to assist previously disadvantaged farmers to be in a position to export their produce.

Livestock development

The department continued implementing its approved livestock development programme. This programme is focussed on providing the required infrastructure, ensuring sound breeding practices and building strategic partnerships with communities and relevant stakeholders. The provision of stock-watering dams forms a critical part of this programme and, in 2012/13, the department completed 100 stock-watering dams throughout KZN and equipped 157 boreholes with handpumps to provide water for cattle. The increase in the number of dams will mean that livestock will not have to walk such long distances to access water and this has a direct impact on the condition of the herd. In terms of the diptank rehabilitation programme, which also aims to provide dipping facilities close to the farmers, 79 diptanks were rehabilitated/replaced in the rural areas of KZN. The department continued to focus on primary animal health care by providing vaccinations against diseases, deworming and treatment of wounds. More than 1.4 million livestock were treated in 2012/13 in this regard.

Rabies project

The much publicised death of a prominent sportsman in 2012/13, and the resultant outcry in the media, led to huge support for rabies elimination in KZN. With additional funding allocated in the 2012/13 Adjustments Estimate, elimination became a feasible target for the short-term. Some 530 000 dogs were vaccinated in 2012/13, which is substantially more than in 2011/12. The project's success was felt in neighbouring countries and provinces, who are all responding with improved vaccinations and surveillance.

Land reform

The department continued to provide post-settlement support on commercial farms transferred to new farmers. This assistance was provided by departmental officials, as well as through the implementing agency, Agri-business Development Agency (ADA), a public entity established under the auspices of DEDT to support land reform farmers in KZN. It is noted that ADA, together with DEDT, are currently engaged in drafting the ADA Bill, to be promulgated by the Provincial Legislature, which will ensure that governance of the agency is regulated. The reassignment of ADA to DAEARD, as per a Cabinet resolution, is currently underway, but is dependent on the promulgation of the ADA Bill. Until this is finalised, the funding transferred to the entity by DAEARD is solely for implementing projects, and the entity's operational budget continues to be funded by DEDT.

Rural development

The co-ordination of rural development within KZN was shifted to OTP in 2012/13, in line with a Cabinet resolution to this effect. The department, however, continued to contribute to the upliftment of the province's rural communities, focussing on the development of rural areas through its agricultural and environmental activities.

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). The focus in 2012/13 was on reviving the various committees to facilitate the integrated development of the area, as well as on improving the infrastructure. Some of the projects embarked on in 2012/13, with substantial additional funding received in the Adjustments Estimate, include the construction of drainage canals, infield sub-surface drainage, rehabilitation of the main canal, regravelling of infield roads, electrical and mechanical repairs, infield valves and water meters, as well as the construction of a new packhouse, a sale yard and an abattoir.

Environmental management

The department continued to focus on environmental issues, including the following areas:

- In keeping with the commitment to continue to strive for further improvement in the number of applications for environmental authorisation finalised within legislated time-frames, the percentage improved from 75 per cent in 2011/12 to 86 per cent in 2012/13.
- Using the existing Invasive Alien Species Programme (IASP) as a conduit, the targeted number of 5 000 jobs created using EPWP principles will be exceeded by the end of 2012/13. In addition to this, the department embarked on a major job creation drive by creating some additional 10 000 job opportunities through the expansion of existing programmes such as IASP, land care and fencing. As part of the initiative to create employment, the department engaged with the *Amakhosi* to identify and recruit suitable candidates to be contracted into the programme. As a result of the programme's size, the department appointed the Independent Development Trust (IDT) as an implementing agent.
- The department assisted with compiling two Integrated Waste Management Plans (IWMPs) at local government level to improve waste management. The provincial IWMP was also finalised.

Ezemvelo KZN Wildlife (EKZNW)

EKZNW is a public entity that directs the management of biodiversity conservation within KZN, including protected areas. This encompasses the development and promotion of ecotourism facilities within the protected areas. The appointment of the new board was a major challenge during the year, but this was finally resolved in November 2012.

As a result of the current slump in the economy and competition from neighbouring resorts, the entity reviewed its tariffs for the lower seasons, and introduced special rates to corporate bodies, in an attempt to boost revenue. The roll-out of the real-time, on-line booking service *via* the entity's website enabled visitors to transact more easily, and 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.

EKZNW finalised its assets maintenance plan and asset management audit, which informed its strategy in respect of priorities in terms of new facilities, upgrades and maintenance. The entity focussed on major upgrading projects in 2012/13, namely the Hilltop Camp in the Hluhluwe-Imfolozi Game Park, and Cape Vidal in the iSimangaliso Wetland Park. The upgrading at Hilltop Camp included door replacements, installation of locking systems and the upgrade of plumbing in 49 chalets, as well as in ablution blocks and kitchens. At Cape Vidal, six units at Bhangazi Bush Lodge were thatched, and repairs to log cabin wooden floors and stairs were undertaken. In terms of its roads' strategy, the entity and the Department of Transport (DOT) worked closely together to upgrade roads in the same vicinity, inside and outside of the reserves, respectively.

Community-focussed conservation efforts were increased with the successful implementation of several environmental education programmes, such as the *Sfundisimvelo* and Greening projects. Rhino poaching remained a serious challenge. The entity's Rhino Security Intervention plan, for which substantial additional funding was allocated in the Adjustments Estimate, provided for training of community ambassadors, specialised training for additional staff (employed in the control room, anti-poaching response unit, horse patrol units and to provide additional security of corridor roads), purchase of vehicles, firearms, thermal imaging and security equipment and mobile units for the additional staff, as well as installation of long range cameras, etc.

Mjindi Farming (Pty) Ltd (Mjindi)

Mjindi is a provincial government business enterprise, mandated to provide farming support to farmers in the Makhathini area. 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.

The main focus in 2012/13 was on the repair and/or replacement of the irrigation infrastructure and equipment. In this regard, 5 pump stations that were in a state of total collapse were rehabilitated, and 34 centre pivots were refurbished to an operational state. This has reclaimed 1 000 hectares of productive land. However, about 700 hectares of this land are not being utilised currently, due to land disputes. In addition, the entity erected 43 kilometres of new fencing and replaced eight kilometres of old fences. The distribution of irrigation pipes and sprinklers to assist emerging farmers commenced in 2012/13, and 216 out of 380 plots received irrigation pipes, which cover approximately half of each plot.

The entity was also engaged in farmer development initiatives, which included the training of farmers on various aspects of crop production, book-keeping and marketing. Both theoretical and practical demonstrations in farming were conducted by extension officers. A total of 827 farmers were trained, with a subsequent increase in the production of food. During 2012/13, there was an increase in both the area and the yield of food crops, while the area under sugarcane remained stagnant. The irrigation scheme produced 200 113 tons of sugarcane, and over 39 313 tons of vegetable and cash crops.

Land disputes, theft and vandalism of irrigation infrastructure were a problem and major threat during 2012/13, necessitating an increase in the entity's security budget.

3. Outlook for the 2013/14 financial year

Section 3 looks at the key focus areas of 2013/14, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

Crop production

The department will continue in its efforts to unlock the potential of agricultural land through its mechanisation programme, with the aim of ploughing and planting more than 19 000 hectares. The department will aim to ensure that its current mechanisation fleet will be optimally utilised, hence only replacement tractors and implements will be acquired. The previously mentioned catalytic projects with a high social and economic impact will continue to receive focal attention and funding in 2013/14. Many of these projects are implemented together with strategic partners, both government and private investors.

Livestock development

The livestock intervention programme is a long term programme, focusing on primary animal health care and provision of basic infrastructure. In 2013/14, the focus will be on the provision of water (i.e. scooping of dams), drilling and equipping of boreholes, rehabilitation and building of new diptanks, training of farmers and Livestock Associations, deworming and vaccination of animals, livestock auction sales, etc.

Land reform

The department will continue to provide post settlement support to commercial farms transferred to new farmers. It is envisaged that the shift of responsibility for ADA from DEDT to the department will be finalised in 2013/14, and this will provide the necessary platform for a closer and interlinked relationship between the department and the entity. This will expedite the development of land reform farms, as well as other high impact projects identified in KZN.

Food security

The department will continue to implement its food security programme, through establishing household and communal gardens throughout the province. One of the main focus areas will be the distribution of seed packs, which is aimed at providing the required inputs to allow all households to create a garden and thereby provide food for the household.

Environmental management

The department will focus on promoting sound environmental management practices as follows:

- The department will strive to further improve the number of applications for environmental authorisation finalised within legislated timeframes.
- The department will monitor compliance with environmental legislation and authorisations, and carry out enforcement actions where required.
- Using the existing IASP as a conduit, the department aims to at least maintain the additional 10 000 jobs that were created in 2012/13 using EPWP principles. The department will work closely with *Amakhosi*, to ensure that the jobs created are sustainable over the medium- to long-term.

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. In 2013/14, the entity will continue to work with DOT, to assist with the planning and upgrading of the road network.

During 2013/14, new staff accommodation will be constructed in Hluhluwe and Nkandla.

The entity will continue to carry out community-levy projects, as these are beneficial in managing the human-wildlife conflict with neighbouring communities. These projects are implemented 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, such as the iSimangaliso Wetland Park, and will address the challenges in respect of tenure with the iSimangaliso Wetland Park Authority. 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.

Over the 2013/14 MTEF, the entity's baseline shows negative real growth, due to the baseline cuts (as explained further in Section 5.2 below). Compounding this is the fact that no additional funding was received in respect of the carry-through costs of the 2012 wage agreement. As such, the ever increasing personnel budget and the continued unsustainable wage demands of labour pose a serious threat to the entity's viability. The entity will analyse where efficiencies may be obtained in the operations of the business, and will seek ways to cut spending in line with the austerity measures, and increase its revenue.

Mjindi Farming (Pty) Ltd (Mjindi)

The rehabilitation of the irrigation infrastructure will remain a major priority for Mjindi, to ensure that farmers receive an efficient uninterrupted supply of water. This will enable the scheme to operate at optimal capacity and improve the quality of life for the farmers and the people of Umkhanyakude. This will also improve the province's food security.

The rehabilitation of the main canal, a project still under DAEARD, remains a priority to save water. During the coming year, Mjindi will be installing bulk water meters to measure the actual water usage by the farmers. This will assist in negotiations with the Department of Water Affairs, to be charged only for water that is used by the farmers. It is envisaged that the rehabilitation of all pump stations will be completed in 2013/14, and the focus will then divert to in-field pipes and hydrants.

Mjindi will continue to engage stakeholders to ensure that all fallow lands are rehabilitated and reclaimed back to production. Mjindi also plans to provide mechanisation services that will assist farmers to prepare their lands and plant on time. These services will be charged at nominal rates.

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 2009/10 to 2015/16. The department will receive a budget of R2.863 billion for 2013/14, including conditional grants of R287.586 million made up of the Land Care Programme (Land Care) grant, the Comprehensive Agricultural Support Programme (CASP), the Ilima/Letsema Projects grant, and the EPWP Integrated Grant for Provinces, details of which are provided in Section 5.5. It is noted that there are no allocations against the EPWP Integrated Grant for Provinces in the two outer years of the 2013/14 MTEF at this stage.

The total receipts allocated to the department increase substantially from R1.973 billion in 2009/10 to R3.067 billion in 2015/16.

Table 3.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Provincial allocation	1 834 592	2 032 821	2 239 262	2 377 096	2 377 096	2 377 096	2 535 993	2 654 260	2 762 325
Conditional grants	138 489	174 525	242 251	276 738	276 738	276 738	287 586	292 579	305 133
Land Care Programme grant	8 227	8 721	9 244	20 304	20 304	20 304	18 746	10 854	11 179
Comprehensive Agricultural Support Programme	117 762	135 804	164 691	183 726	183 726	183 726	202 522	212 632	222 405
Agricultural Disaster Management grant	5 000	-	-	-	-	-	-	-	-
Ilima/Letsema Projects grant	7 500	30 000	60 000	63 000	63 000	63 000	65 768	69 093	71 549
EPWP Integrated Grant for Provinces	-	-	8 316	9 708	9 708	9 708	550	-	-
Total receipts	1 973 081	2 207 346	2 481 513	2 653 834	2 653 834	2 653 834	2 823 579	2 946 839	3 067 458
Total payments	1 970 012	2 045 856	2 475 378	2 653 834	2 854 220	2 854 220	2 862 582	2 946 839	3 067 458
Surplus/(Deficit) before financing	3 069	161 490	6 135	-	(200 386)	(200 386)	(39 003)	-	-
Financing									
of which									
Provincial roll-overs	26 220	20 494	476	-	5 610	5 610	-	-	-
Provincial cash resources	-	1 000	-	-	194 776	194 776	39 003	-	-
Surplus/(deficit) after financing	29 289	182 984	6 611	-	-	-	-	-	-

The table clearly shows that, in prior years, the department consistently under-spent its budget allocation, largely due to circumstances beyond its control.

In 2009/10, the bulk of the provincial roll-over of R26.220 million relates to committed infrastructure projects. The 2009/10 under-spending 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.

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. With regard to provincial cash resources, the 2010/11 amount of R1 million relates to an increase in the transfer to the SA Association for Marine Biological Research (SAAMBR). The 2010/11 under-spending 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. In addition, progress on some agricultural infrastructure projects was slower than anticipated, largely due to capacity constraints and slow procurement processes.

The roll-over of R476 000 from 2010/11 to 2011/12 was in respect of the Land Care grant. The 2011/12 under-spending of R6.611 million largely relates to the withholding of the second tranche of the subsidy to the Pietermaritzburg (Pmb) SPCA for the KZN outreach programme, pending a review of the programme's success. There was also under-spending in respect of the Land Care grant, as the supplier was unable to deliver fencing supplies before year-end, so payment could not be made.

The unspent amounts in respect of the KZN outreach programme and the Land Care grant were rolled over to 2012/13, accounting for the roll-over of R5.610 million in the 2012/13 Adjusted Appropriation. The provincial cash resources of R194.776 million comprise additional funding allocated as follows:

- R18.426 million for the higher than anticipated 2012 wage agreement in respect of the department.
- R9.814 million for the higher than anticipated 2012 wage agreement in respect of EKZNW.
- R20 million to assist with the urgent need to control the outbreak of rabies in the province.
- R40 million toward expanding the department's EPWP job creation initiative, whereby EPWP job opportunities will be provided through the expansion of existing departmental programmes.
- R30 million toward the further development of the Makhathini area in line with the Makhathini IMDP, to enable the department to accelerate the completion of projects in terms of the master plan, such as repairs to drainage canals, infield sub-surface drainage, electrical and mechanical repairs, etc.
- R25 million to enable the department to fast-track the provision of stock-watering dams, which forms a crucial part of the department's livestock intervention programme.
- R28.137 million was allocated to EKZNW for the entity's Rhino Security Intervention plan, and includes provision for thermal imaging, helicopter time, field rangers, vehicles, etc.
- R23.399 million was allocated to Mjindi to assist with repairs to the irrigation scheme, such as the replacement of pumps and valves at pump stations, repairing of pump motors, etc.

The department's budget shows a steady increase over the 2013/14 MTEF. The once-off allocation of R39.003 million reflected against provincial cash resources in 2013/14 consists of R20 million toward the further development of the Makhathini area, and R19.003 million for EKZNW's Rhino Security Intervention plan, being the carry-through of the amounts allocated in the 2012/13 Adjusted Appropriation.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	14 623	13 716	15 984	13 066	13 066	14 013	15 724	16 514	17 274
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	715	1 487	111	197	197	357	-	-	-
Interest, dividends and rent on land	60	24	44	75	75	41	20	20	21
Sale of capital assets	3 792	733	5 218	3 088	3 088	7 092	3 240	3 801	3 976
Transactions in financial assets and liabilities	10 030	2 574	1 330	1 710	1 710	1 147	500	500	500
Total	29 220	18 534	22 687	18 136	18 136	22 650	19 484	20 835	21 771

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 fluctuations over the seven-year period are largely driven by demand which is difficult to predict. Also, the department's Agricultural Colleges are responsible for the collection of student fees which they then pay over into the departmental revenue account. This pay-over was inadvertently not done from 2006 to 2008. The department undertook a lengthy reconciliation of fees, which resulted in the recovery of student fees collected for the period 2006 to 2008, contributing to the

high 2009/10 collection. The fairly high 2010/11 and 2011/12 amounts are due to the higher demand for soil and veterinary analytical services. The category shows an inflationary increment over the 2013/14 MTEF.

The fluctuations against *Fines, penalties and forfeits* can be ascribed to the payment of once-off fines by companies/individuals that contravene Environmental Impact Assessment (EIA) regulations. The 2012/13 Revised Estimate is high, indicating higher than expected transgressions. Such fines are nearly impossible to predict, and hence the department does not budget for this category over the MTEF.

The revenue collected against *Interest, dividends and rent on land* comprises mainly interest on outstanding debts collected. This category is difficult to budget for, accounting for the fluctuations.

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. For instance, the high 2012/13 Revised Estimate relates to auctions that were necessitated by the department's drive to replace vehicles that were long overdue in terms of the replacement policy.

Transactions in financial assets and liabilities relates to recoveries of staff debt. The peak in 2009/10, emanated from departmental banking accounts held at Ithala Development Finance Corporation (Ithala) and Standard Bank (relating to previous financial years) that were closed, and the remaining balances were deposited into the revenue account and surrendered to Provincial Treasury. 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 2012/13, the department had agreements with the Flemish government (Flanders) and the World Health Organisation (WHO). Only the WHO funding continues into 2013/14.

Table 3.3: Details of donor funding receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Donor funding	19 474	14 588	1 315	1 315	19 342	19 342	1 315	-	-
Danish government (Danida)	-	1 305	-	-	-	-	-	-	-
Dutch funding (NUFFIC)	812	-	-	-	-	-	-	-	-
Flemish government	16 402	13 283	-	-	18 027	18 027	-	-	-
World Health Organisation (Rabies project)	2 049	-	1 315	1 315	1 315	1 315	1 315	-	-
EU - Gijima project	211	-	-	-	-	-	-	-	-
Total	19 474	14 588	1 315	1 315	19 342	19 342	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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Donor funding	27 320	7 440	20 772	1 315	1 315	1 315	1 315	-	-
Danish government (Danida)	829	718	-	-	-	-	-	-	-
Dutch funding (NUFFIC)	227	604	-	-	-	-	-	-	-
Flemish government	26 053	4 959	20 064	-	-	-	-	-	-
World Health Organisation (Rabies project)	-	1 159	708	1 315	1 315	1 315	1 315	-	-
EU - Gijima project	211	-	-	-	-	-	-	-	-
Total	27 320	7 440	20 772	1 315	1 315	1 315	1 315	-	-

In prior years, the department received Danish government (Danida) funding for urban environmental management programmes, including a study on norms and standards for sugarcane 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 department fully utilised these funds by the end of 2010/11.

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, (with funding commencing in 2006/07, not evident in the tables), substantial progress was made 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.

Also contributing to the high amount in 2009/10 is funding for the second phase of the Empowerment for Food Security programme, which aimed to improve livelihoods for poor families through improved food security. The focus was 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 programme came to an end in January 2012. The department is currently in negotiations with the Flemish government regarding funding for the outstanding expenditure of R18.027 million (which is included in the 2011/12 expenditure reflected in Table 3.4 above). Pending finalisation of these negotiations, the department projected to receive this amount during 2012/13, as reflected in Table 3.3.

The agreement with WHO provides funding over five years from 2009/10, aimed at human rabies prevention through dog rabies control and eventual elimination in KZN. 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, but is now on track, and is scheduled to come to an end in 2013/14.

The funds received from the European Union (EU) – Gijima project relate to a 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 through internal reprioritisation for an inflationary wage adjustment of 6.3 per cent for 2013/14, 6.1 per cent for 2014/15 and 5.9 per cent for 2015/16, as well as an annual 1.5 per cent pay progression.
- All inflation related increases are based on CPI projections.
- Provision was made for the filling of critical vacant posts in line with the department's revised organisational structure (as outlined in Section 7.1 below), bearing in mind the moratorium on the filling of non-critical vacant posts.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2013/14, will be adhered to over the 2013/14 MTEF.

5.2 Additional allocations for the 2011/12 to 2013/14 MTEF

Table 3.5 shows additional funding received by the department over the three MTEF periods: 2011/12, 2012/13 and 2013/14. 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 2011/12 and 2012/13 MTEF periods (i.e. for the financial year 2015/16) are based on the incremental percentage used in the 2013/14 MTEF.

Table 3.5: Summary of additional provincial allocations for the 2011/12 to 2013/14 MTEF

R thousand	2011/12	2012/13	2013/14	2014/15	2015/16
2011/12 MTEF period	94 303	89 899	106 156	112 525	117 702
Carry-through of 2010/11 Adjustments Estimate:	24 122	26 451	30 955	32 812	34 322
2010 wage agreement	13 712	13 761	13 367	14 169	14 821
2010 wage agreement (EKZNW)	8 910	10 690	15 088	15 993	16 729
SAAMBR - Additional funding provided	1 500	2 000	2 500	2 650	2 772
Occupation Specific Dispensation	16 926	18 348	19 633	20 811	21 768
Additional capacity for extension officers	20 880	29 589	39 261	41 617	43 531
EKZNW - Leave pay liability	17 850	-	-	-	-
EKZNW - Cost of improved terms and conditions	15 698	17 016	18 208	19 300	20 188
National Cabinet decision to cut provinces by 0.3 per cent	(1 173)	(1 505)	(1 901)	(2 015)	(2 108)
2012/13 MTEF period		46 961	101 356	108 613	113 609
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement		9 408	9 878	10 371	10 848
Fencing programme		11 000	12 000	13 000	13 598
Irrigation scheme programme		9 000	10 000	11 000	11 506
EKZNW - Road maintenance and protected area expansion		-	50 000	60 000	62 760
EKZNW - Road maintenance		12 513	14 186	8 685	9 085
Carry-through of 2011/12 Adjustments Estimate - EKZNW - 2011 wage agreement		5 040	5 292	5 557	5 813
2013/14 MTEF period			4 035	(72 134)	(89 483)
Census data update and 1%, 2% and 3% baseline cuts			(34 968)	(72 134)	(89 483)
Makhathini development			20 000	-	-
Ezemvelo KZN Wildlife - Rhino Security Intervention plan			19 003	-	-
Total	94 303	136 860	211 547	149 004	141 828

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.

In the 2013/14 MTEF, additional funds were allocated, in 2013/14 only, toward the further development of the Makhathini area in line with the IMDP, and for EKZNW's Rhino Security Intervention plan, being the carry-through of the amounts allocated in the 2012/13 Adjusted Appropriation.

Also in the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable

share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period. The department effected these baseline cuts as follows:

- By enforcing efficiency savings, particularly in areas such as catering and the use of cellular phones.
- By proportionately reducing the MTEF baselines of the two public entities that fall under the department's auspices, namely Mjindi and EKZNW. Details as to how these two entities will effect the baseline cuts are given in Section 5.8.
- By revisiting agricultural projects and, where possible, reducing the investment amount provided by the department to beneficiaries. This will allow the continuation of such projects, but the period of intervention may have to be extended, until the beneficiary is able to sustain the project.

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. Programme 3: Environmental Management largely conforms to the uniform programme structure for the Environmental Affairs sector, 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*.

Table 3.6: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	354 587	249 324	257 151	288 869	323 091	323 091	327 530	346 931	362 895
2. Agricultural Development Services	1 027 086	1 158 970	1 501 624	1 610 238	1 696 639	1 696 639	1 682 218	1 724 163	1 791 782
3. Environmental Management	188 772	203 094	221 296	238 185	279 997	279 997	241 573	255 483	267 236
4. Conservation	399 567	434 468	495 307	516 542	554 493	554 493	611 261	620 262	645 545
Total	1 970 012	2 045 856	2 475 378	2 653 834	2 854 220	2 854 220	2 862 582	2 946 839	3 067 458
Unauth. exp. (1 st charge) not available for spending	(84 974)	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	1 885 038	2 045 856	2 475 378	2 653 834	2 854 220	2 854 220	2 862 582	2 946 839	3 067 458

Note: Programme 1 includes MEC remuneration: Salary: R1 652 224

Table 3.7: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	1 284 185	1 309 684	1 570 439	1 710 646	1 922 668	1 922 668	1 931 370	2 010 084	2 091 040
Compensation of employees	605 191	673 107	784 502	862 035	865 699	865 699	923 226	978 620	1 023 638
Goods and services	678 994	636 534	785 883	848 611	1 056 969	1 056 969	1 008 144	1 031 464	1 067 402
Interest and rent on land	-	43	54	-	-	-	-	-	-
Transfers and subsidies to:	455 495	639 291	661 883	643 132	712 068	712 068	733 290	748 331	778 938
Provinces and municipalities	6 085	7 268	1 548	1 415	1 575	1 575	1 972	2 021	2 072
Departmental agencies and accounts	397 598	535 454	592 078	571 942	615 653	615 653	669 034	681 187	709 272
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	36 067	86 370	47 561	48 949	72 348	72 348	50 792	52 966	55 146
Non-profit institutions	2 004	3 086	9 295	15 290	15 320	15 320	5 627	5 940	6 195
Households	13 741	7 113	11 401	5 536	7 172	7 172	5 865	6 217	6 253
Payments for capital assets	142 322	96 881	242 634	300 056	219 484	219 484	197 922	188 424	197 480
Buildings and other fixed structures	80 991	44 738	96 623	116 985	116 985	116 985	144 868	132 187	138 342
Machinery and equipment	59 849	51 616	138 414	182 089	92 089	92 089	52 017	55 138	57 994
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	360	138	7 354	523	9 951	9 951	553	586	609
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 122	389	243	459	459	459	484	513	535
Payments for financial assets	88 010	-	422	-	-	-	-	-	-
Total	1 970 012	2 045 856	2 475 378	2 653 834	2 854 220	2 854 220	2 862 582	2 946 839	3 067 458
Unauth. exp. (1 st charge) not available for spending	(84 974)	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	1 885 038	2 045 856	2 475 378	2 653 834	2 854 220	2 854 220	2 862 582	2 946 839	3 067 458

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 above. It is noted that the R84.974 million is included under *Payments for financial assets* against Programme 1: Administration.

All four programmes show a steady increase, with a few minor fluctuations, particularly in Programme 1, as explained below.

Programme 1: Administration shows a high amount in 2009/10 which is largely due to the first charge of R84.974 million, as well as once-off expenditure relating to the department's finance turnaround strategy. The low spending in 2010/11 and 2011/12 relates mainly to cost-cutting and an internal moratorium on the filling of posts (meaning that posts that became vacant could not be filled), pending the finalisation of the department's proposed new organisational structure. The resultant savings were moved to Programme 2 for the mechanisation programme. The healthy growth in 2012/13 is mainly due to shifting of funds from Programme 2, continued over the MTEF, to fund the department's enhanced marketing strategy, aimed at creating awareness among communities (especially in view of the outbreak of rabies in 2012/13). Also contributing to the increase in the 2012/13 Adjusted Appropriation is the movement of the macro-planning and monitoring and evaluation units from Programme 2 to Programme 1. When the 2012/13 *EPRE* was compiled, these two units were budgeted for under Programme 2, in line with the proposed new structure. However, this new structure was not fully implemented in 2012/13, resulting in the need to revert the budget to Programme 1 from the 2012/13 Adjusted Appropriation onward. The budget of Programme 1 increases steadily over the 2013/14 MTEF.

Programme 2: Agricultural Development Services shows healthy growth, largely due to substantial additional funding allocated in prior years, with carry-through costs, for developing the Makhathini Flats area, agricultural infrastructure, CASP and the Ilima/Letsema Projects grant. Programme 2 was most affected by the department's consistent under-spending in 2009/10 and 2010/11, explaining the slightly low growth in that period, and contributing to the apparent increase from 2010/11 to 2011/12 (when the year-end under-spending was far lower). Also included from 2011/12 onward are the additional funds allocated for the above-mentioned OSD, assistant extension officers, fencing and irrigation scheme programmes, as well as savings moved from Programme 1 for the mechanisation programme. The increase from the 2012/13 Main to Adjusted Appropriation can be ascribed to the roll-over for the Land Care grant and the KZN outreach programme, as well as funds for the higher than anticipated 2012 wage agreement. The department also received substantial additional funding for its rabies campaign and vaccination drive, stock watering dams, further development of the Makhathini area, and to assist Mjindi with repairs to the irrigation scheme. The bulk of this additional funding was largely once-off, accounting for the slight dip in 2013/14. The budget of Programme 2's budget shows slow but steady growth over the 2013/14 MTEF.

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 2011/12 to 2013/14 amounts include funding allocated for the EPWP Integrated Grant for Provinces (although the 2013/14 allocation is substantially reduced), 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 sharp increase from the 2012/13 Main to Adjusted Appropriation is largely due to additional funding of R40 million allocated toward expanding the department's EPWP job creation initiative. Again, this additional funding was once-off, accounting for the reduction in 2013/14. Programme 3's budget shows slow but steady growth over the 2013/14 MTEF.

The bulk of Programme 4: Conservation comprises the subsidy paid to EKZNW, which shows good growth due to the carry-through costs of the annual wage agreements, as well as substantial additional funding allocated for various projects. The 2011/12 amount is high as it makes provision for the improved terms and conditions of employment negotiated with organised labour, as well as a once-off amount of R17.850 million to enable the entity to reduce its high leave liability. The 2012/13 Main Appropriation

includes additional funding for protected area expansion and road maintenance (increasing substantially from 2013/14 onward). The increase from the 2012/13 Main to Adjusted Appropriation is largely due to additional funding for the entity's Rhino Security Intervention plan. This additional funding was carried through to 2013/14 (although at a reduced amount), accounting for the lower growth from 2013/14 to 2014/15. 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.

Compensation of employees shows a steady increase from 2009/10 to 2010/11 (taking into account the internal moratorium at the time, as mentioned previously), and then rises sharply in 2011/12 and 2012/13, in line with the filling of vacant posts, the full implementation of the above-mentioned OSD, as well as the roll-out of the assistant extension officer programme. The 2013/14 MTEF provides for the annual wage agreements, as well as the filling of critical vacant posts in terms of the department's revised organisational structure, taking into account the newly imposed moratorium.

Goods and services shows reasonable 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. In addition, R100 million was moved from *Goods and services* to *Transfers and subsidies to: Departmental agencies and accounts* for transfer to ADA (2010/11 being the first year that the department commenced utilising ADA). In 2011/12 and the 2012/13 Main Appropriation, some *Goods and services* funds were reprioritised to *Machinery and equipment* for the mechanisation programme. The increase from the 2012/13 Main to Adjusted Appropriation is largely due to substantial additional funding allocated for the rabies campaign and vaccination drive, stock watering dams, further development of the Makhathini area, and EPWP job creation initiative. The bulk of this additional funding was largely once-off, accounting for the decline in 2013/14. The category shows fairly low growth over the 2013/14 MTEF, largely due to the effect of the baseline cuts.

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 2011/12. The category also caters for the payment of motor vehicle licences, and the increase in 2013/14 and over the MTEF provides for the number of vehicles in the department.

The growth in *Transfers and subsidies to: Departmental agencies and accounts* relates to transfers to EKZNW and ADA (which commenced in 2010/11). The decrease from 2011/12 to the 2012/13 Main Appropriation relates to a reduction in the transfer to ADA, in line with the planned projects to be implemented by the entity. The increase in the 2012/13 Adjusted Appropriation relates mainly to additional funds allocated to EKZNW for the 2012 wage agreement and the Rhino Security Intervention plan, as well as a slight increase in the transfer to ADA for the implementation of five beef projects. Despite the baseline cuts to EKZNW's baseline, as mentioned previously, the 2013/14 MTEF shows good growth because of additional funding allocated in previous MTEF periods, as explained in Section 5.2.

Transfers and subsidies to: Public corporations and private enterprises comprises transfers to several entities, the main one being the public entity, Mjindi. The peak in 2010/11 relates to a once-off transfer of R57.463 million to the SA Sugar Association to assist small-scale farmers affected by the drought, accounting for the reduction from 2010/11 to 2011/12. The increase from the 2012/13 Main to Adjusted Appropriation is due to additional once-off funding allocated to Mjindi to assist with repairs to the irrigation scheme and acquisition of farming equipment, hence the decline in 2013/14. Over the 2013/14 MTEF, this category is made up of transfers to Mjindi (which, despite the baseline cuts, show steady growth), as well as a smaller transfer to the SA Sugarcane Research Institute and the soil conservation subsidy, as explained in Section 5.11.

Transfers and subsidies to: Non-profit institutions is largely made up of transfers to SAAMBR, the Wildlife and Environmental Society of South Africa (WESSA), and the Pmb SPCA. The department

entered into a two-year partnership with the Pmb SPCA for the KZN outreach programme, commencing in 2011/12 and continuing in 2012/13, accounting for the increase in *Transfers and subsidies to: Non-profit institutions* in those years. The transfer to WESSA, which relates to environmental education programmes, commenced in 2011/12, and continues over the MTEF, set at R400 000 per annum. As mentioned, the annual grant-in-aid to SAAMBR was increased substantially from 2010/11 onward.

Transfers and subsidies to: Households caters for payments in respect of staff exits.

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. This category shows a steady increase over the 2013/14 MTEF, with the bulk of the funding for the further development of the Makhathini area (accounting for the peak in 2013/14, as explained in Section 5.6), the construction of satellite mushroom bases, renovations of office buildings, as well as agricultural infrastructure being provided for under this category.

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. Spending was low 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 2011/12 relates to reprioritisation of savings from *Compensation of employees* to fund additional tractors and implements for the mechanisation programme. The significant increase in the 2012/13 Main Appropriation was to cater for additional tractors and implements for the mechanisation programme, as well as the purchase of vehicles to provide transport for assistant extension officers. However, as mentioned, a decision was taken by the department to take stock of the current mechanisation fleet, to ensure its optimal utilisation, and therefore no additional tractors and implements were acquired in 2012/13. The reprioritised funds were moved to *Goods and services*, accounting for the decrease from the 2012/13 Main to the Adjusted Appropriation. The purchase of vehicles to provide transport for assistant extension officers was largely once-off, hence the further reduction in 2013/14.

Biological assets increases sharply in 2011/12, to make provision for the department's Nguni breed initiative, aimed at revitalising the Nguni breed in KZN. The further increase in the 2012/13 Adjusted Appropriation provides for the payment of outstanding 2011/12 commitments in respect of this initiative.

Software and other intangible assets is particularly high in 2009/10 as it caters for the purchase of once-off software for environmental purposes, accounting for the decrease from 2010/11 onward.

Payments for financial assets includes the repayment of the first charge of R84.974 million in 2009/10, as explained above, as well as the approved write-off of thefts and losses (in both 2009/10 and 2011/12).

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.

Table 3.8: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome 2011/12	Revised Estimate 2012/13	Medium-term Estimates		
			2013/14	2014/15	2015/16
eThekweni	33 318	32 630	34 649	36 554	38 236
Ugu	49 785	39 433	41 831	46 323	48 454
uMgungundlovu	1 509 038	1 808 881	1 955 457	2 052 664	2 143 642
Uthukela	43 291	32 429	34 248	36 132	37 795
Umkhanyakude	45 522	52 210	54 978	58 002	60 669
Amajuba	32 724	41 796	45 116	47 597	49 786
Zululand	52 859	63 673	66 945	70 627	73 875
uThungulu	127 005	86 667	99 243	114 176	109 416
Ilembe	149 140	152 703	161 706	170 599	178 446
Sisonke	36 564	32 558	42 640	36 423	38 098
Sisonke	30 203	41 889	43 985	46 404	48 538
Total	2 109 449	2 384 869	2 580 798	2 715 501	2 826 955

As with the total budget allocation, the estimates for service delivery show a steady increase over the 2013/14 MTEF across all district municipal areas. The bulk of the funds are spent in uMgungundlovu, because CASP and other agricultural projects are centralised at head office which is situated in this area. Also, the public entity EKZNW and the department's south regional office are based in this area.

The north regional office is situated in uThungulu, and this accounts for the fairly high spending in this area. The fluctuations and high spending against the Umkhanyakude District relates to the additional funding allocated for the Makhathini development project, as well as the transfers made to Mjindi.

5.5 Summary of conditional grant payments and estimates

Tables 3.9 and 3.10 illustrate conditional grant payments and estimates from 2009/10 to 2015/16. 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 2009/10 to 2012/13 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Land Care grant	8 227	8 245	9 015	20 304	21 009	21 009	18 746	10 854	11 179
CASP	106 197	147 369	164 691	183 726	183 726	183 726	202 522	212 632	222 405
Agricultural Disaster Management grant	5 000	-	-	-	-	-	-	-	-
Ilima/Letsema Projects grant	7 500	30 000	60 000	63 000	63 000	63 000	65 768	69 093	71 549
EPWP Integrated Grant for Provinces	-	-	8 316	9 708	9 708	9 708	550	-	-
Total	126 924	185 614	242 022	276 738	277 443	277 443	287 586	292 579	305 133

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	96 795	74 718	134 281	209 143	204 088	204 088	216 991	218 519	228 016
Compensation of employees	-	-	-	13 845	13 845	13 845	14 745	15 703	15 703
Goods and services	96 795	74 718	134 281	195 298	190 243	190 243	202 246	202 816	212 313
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	25 424	104 072	100 761	60 000	65 760	65 760	63 000	66 465	69 522
Provinces and municipalities	-	104 072	100 761	60 000	65 760	65 760	63 000	66 465	69 522
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	25 424	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	4 705	6 824	6 980	7 595	7 595	7 595	7 595	7 595	7 595
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 705	6 824	6 980	7 595	7 595	7 595	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	126 924	185 614	242 022	276 738	277 443	277 443	287 586	292 579	305 133

The department is responsible for the following five national conditional grants, of which four have been allocated funding in 2013/14:

- The Land Care 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 2011/12 amount includes a roll-over of R476 000 from 2010/11, relating to the completion of an irrigation scheme in Zululand which was delayed due to late delivery by the service provider. The 2012/13 Adjusted Appropriation includes a roll-over of R705 000 from 2011/12. Again, the supplier was unable to deliver fencing supplies before year-end. 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 2014/15.

- 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. This grant increases significantly from 2010/11 onward, continuing over the 2013/14 MTEF. As mentioned, with effect from 2010/11, the department commenced transferring a portion of CASP funding to ADA, who assists the department to implement land reform projects.
- The Agricultural Disaster Management grant was allocated in 2009/10 to assist farmers affected by veld fires that occurred throughout the province in 2008. This grant is allocated on a needs basis, and hence there are no MTEF allocations at this stage.
- The Ilima/Letsema Projects grant, which falls under the Ilima/Letsema campaign driven by the national Department of Agriculture, Forestry and Fisheries (DAFF), 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 department received funds for the EPWP Integrated Grant for Provinces for the first time in 2011/12, with further funding in 2012/13, and a substantially reduced allocation in 2013/14. The grant funding is 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 grant, Ilima/Letsema Projects grant, Agricultural Disaster Management grant and the EPWP Integrated Grant for Provinces is allocated to *Goods and services*. The bulk of CASP funding is also allocated to *Goods and services*, and a small portion is allocated to *Machinery and equipment*. Also, in 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 commenced making 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 2011/12 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 2009/10 to 2015/16. 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
New and replacement assets	46 744	16 002	43 553	45 740	45 740	45 740	48 096	50 981	53 326
Existing infrastructure assets	52 815	48 363	66 795	92 884	122 884	122 884	119 601	105 405	110 328
Upgrades and additions									
Rehabilitation, renovations and refurbishments	34 247	28 736	53 070	71 245	71 245	71 245	96 772	81 206	85 016
Maintenance and repairs	18 568	19 627	13 725	21 639	51 639	51 639	22 829	24 199	25 312
Infrastructure transfers	-	-	8 259	-	-	-	-	-	-
Current	-	-	8 259	-	-	-	-	-	-
Capital									
Capital infrastructure	80 991	44 738	96 623	116 985	116 985	116 985	144 868	132 187	138 342
Current infrastructure	18 568	19 627	21 984	21 639	51 639	51 639	22 829	24 199	25 312
Total	99 559	64 365	118 607	138 624	168 624	168 624	167 697	156 386	163 654

The department's infrastructure budget fluctuates markedly over the seven years, largely due to the type of project undertaken, as well as the rate of spending (especially in respect of the prior years).

Capital infrastructure fluctuates over the period under review, as a result of previously mentioned procurement challenges and subsequent poor spending. *Capital infrastructure* relates 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 low 2010/11 amount relates to under-spending on certain infrastructure projects such as satellite mushroom bases (hence the low spending reflected against *New and replacement assets*, which contributed to the under-spending of the vote as a whole in that year). The increase from 2012/13 onward, particularly against *Rehabilitation, renovations and refurbishments*, is largely in respect of once-off additional funding for several high priority projects, such as the upgrading of the Makhathini Flats infrastructure, particularly the irrigation scheme. The 2013/14 MTEF allocation grows steadily, apart from the peak in 2013/14, which relates to the carry-through amount allocated for the development of the Makhathini area, as mentioned above.

Maintenance and repairs increases at a generally steady rate over the seven-year period. The 2011/12 amount excludes a transfer of R8.259 million to Mjindi, to enable the entity to buy irrigation pipes and new pumps, undertake repairs to centre pivots, etc. This amount is reflected against *Infrastructure transfers: Current*. The increase from the 2012/13 Main to Adjusted Appropriation relates to additional funding allocated toward the further development of the Makhathini area in line with the Makhathini IMDP. This funding was allocated to *Maintenance and repairs* and not *Capital infrastructure*, as the funding was allocated for both current repairs and capital construction, depending on the progress of specific projects. It is noted that the carry-through amount allocated for the development of the Makhathini area in 2013/14 was allocated to *Rehabilitation, renovations and refurbishments* for specific projects in the area. This accounts for the dip in *Maintenance and repairs* and increase in *Rehabilitation, renovations and refurbishments* in 2013/14.

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. As mentioned previously, the department also transfers funds to ADA, which continues to fall under the auspices of DEDT, pending the promulgation of the ADA Bill.

The financial summaries received from EKZNW and Mjindi are provided in *Annexure – Vote 3: Agriculture, Environmental Affairs and Rural Development*.

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		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
EKZNW	397 598	431 382	491 317	511 942	549 893	549 893	606 034	614 722	639 750
Mjindi	10 146	26 470	46 681	45 000	68 399	68 399	46 607	48 530	50 506
ADA	-	104 072	100 761	60 000	65 760	65 760	63 000	66 465	69 522
Total	407 744	561 924	638 759	616 942	684 052	684 052	715 641	729 717	759 778

EKZNW

The largest share of funding is allocated to EKZNW, to subsidise its efforts in respect of nature conservation. The transfers to this entity show a steady increase over the seven-year period, in spite of the fact that the baseline cuts were effected against the entity's MTEF allocations. The growth is partly due to the carry-through costs of the annual wage agreements in the prior years, as well as substantial additional funding allocated for various projects. The 2011/12 amount 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 amount of R17.850 million to enable the entity to reduce its high leave liability. The 2012/13 Main Appropriation includes additional funding for protected area expansion and road maintenance (increasing substantially from 2013/14 onward). The increase from the 2012/13 Main to Adjusted Appropriation is

largely due to additional funding for the entity's Rhino Security Intervention plan. This additional funding was carried through to 2013/14 (although at a reduced amount), accounting for the lower growth from 2013/14 to 2014/15. As mentioned previously, EKZNW's 2013/14 MTEF allocations were affected by the baseline cuts, which the entity has indicated will be achieved through cost-cutting, as well as a review of the entity's contracts to ensure greater efficiency savings.

Mjindi

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 FPC 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, Mjindi was finally reconstituted in 2010/11 with a new Board of Directors and board members and a new mandate. Accordingly, the increase from 2011/12 onward provided for increased operational costs to assist the entity to become fully functional, as well as some funding for specific projects. The increase from the 2012/13 Main to Adjusted Appropriation relates to additional funds to assist Mjindi with repairs to the irrigation scheme, as mentioned. These funds were once-off, accounting for the dip from the 2012/13 Adjusted Appropriation and Revised Estimate to 2013/14. Over the 2013/14 MTEF, the entity's baseline shows slow growth, due to the baseline cuts. Mjindi has indicated that these cuts will be achieved through cost-cutting, as well as by delaying the filling of some vacant posts.

ADA

With effect from 2010/11, the department commenced transferring funds to ADA, a public entity that was established under the control of DEDT, in line with a Cabinet decision to support land reform farmers in KZN. As mentioned, ADA, together with DEDT, is currently engaged in drafting the ADA Bill, to be promulgated by the Provincial Legislature, which will ensure that governance of the agency is regulated. The reassignment of ADA to DAEARD is dependent on the promulgation of this Bill. Until this is finalised, the funding transferred to the entity by DAEARD is solely for implementing projects, and the entity's operational budget continues to be funded by DEDT. The decrease in transfer to ADA from 2012/13 onward takes into account progress on projects that are implemented by ADA on behalf of DAEARD. The slight increase in the 2012/13 Adjusted Appropriation relates to additional funding for the implementation of five beef projects.

5.9 Transfers to other entities

Table 3.13 below indicates departmental transfers to other entities. The transfers fluctuate markedly over the seven years, as explained below the table.

Table 3.13: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
		2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13					
Soil conservation subsidy	2.1. Sust. Resource	-	-	-	1 550	1 550	1 550	1 657	1 756	1 837
Agricultural show societies	2.2. Farmer Supp.	297	100	-	1 074	1 074	1 074	1 133	1 201	1 256
Cotton SA	2.2. Farmer Supp.	200	-	-	-	-	-	-	-	-
Illovo sugar mill	2.2. Farmer Supp.	4 384	-	-	-	-	-	-	-	-
KWANALU	2.2. Farmer Supp.	-	1 369	-	-	-	-	-	-	-
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	880	1 325	1 325	1 325	1 395	1 479	1 547
Tongaat-Hulett sugar mill	2.2. Farmer Supp.	12 082	-	-	-	-	-	-	-	-
TSB sugar mill	2.2. Farmer Supp.	4 258	-	-	-	-	-	-	-	-
Umfolozu sugar mill	2.2. Farmer Supp.	4 700	-	-	-	-	-	-	-	-
Pmb SPCA	2.3. Veterinary Serv.	-	-	4 905	10 290	10 290	10 290	-	-	-
WESSA	3.5. Enviro. Empower	-	-	400	400	400	400	400	400	400
SAAMBR	4.1. Grant-in-aid	1 969	3 086	3 990	4 600	4 600	4 600	5 227	5 540	5 795
Total		27 925	62 986	10 175	19 239	19 239	19 239	9 812	10 376	10 835

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 expectations in recent years, with very few applications made. The allocations in 2012/13 and over the MTEF relate to the department's drive to actively market this service to business and farming enterprises.

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 2012/13 onward, but is dependent on the number of applications received from agricultural societies, accounting for the fluctuations in the prior years.

In 2009/10, the department formed a partnership with various sugar mills to provide 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.

In 2010/11, the department reached an agreement with the KwaZulu-Natal Agricultural Union (KWANALU) to facilitate the development of a help-desk. However, following a review of the success of the help-desk, this agreement was not continued.

The department transferred substantial funding to the SA Sugar Association in 2010/11 to assist small-scale farmers affected by the drought. This was a once-off assistance programme.

The partnership with the SA Sugarcane Research Institute, which was formed in 2010/11, continues and grows steadily over the three years of the MTEF. This partnership ensures the provision of specialist extension services to assist small scale extension farmers.

The two-year partnership with the Pmb SPCA, relating to the KZN outreach programme, commenced in 2011/12 and is scheduled to be completed in 2012/13.

In 2011/12, an annual transfer of R400 000 was introduced to 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 from 2010/11 onward, as explained previously.

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 falls under *Transfers and subsidies to: Provinces and municipalities*, these funds are not transferred to any municipality, and so 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Category A	-	-	-	-	-	-	-	-	-
Category B	5 100	960	900	-	1 000	1 000	-	-	-
Category C	600	6 000	-	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	1 000	-	-	1 000	1 000	1 000
Total	5 700	6 960	900	1 000	1 000	1 000	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		
		2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Upgrading of Khanya Village	1.3. Corporate Services	2 000	-	-	-	-	-	-	-	-
Dev. of EMFs, SEAs and IWMPs	3.1. & 3.3. Enviro Manag.	2 000	6 000	-	-	-	-	-	-	-
Waste management for 2010	3.2. Compliance & Enforce	800	-	-	-	-	-	-	-	-
Greenest Municipality Competition	3.3. Enviro Quality Manag.	900	960	900	1 000	1 000	1 000	1 000	1 000	1 000
Total		5 700	6 960	900	1 000	1 000	1 000	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 across Category B. 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* in the 2012/13 Main Appropriation and over the 2013/14 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 upgrading of Khanya Village at Cedara (Category B). These were once-off allocations, and hence there is no provision from 2011/12 onward.

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 2009/10 to 2015/16, as explained in the paragraphs below the table.

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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
1. Administration	6 295	554	3 356	290	1 488	1 488	438	460	483
Provinces and municipalities	2 214	263	291	290	290	290	438	460	483
Municipalities - Khanya Village, Cedara	2 000	-	-	-	-	-	-	-	-
Motor vehicle licences	214	263	291	290	290	290	438	460	483
Public corporations and private enterprises	5	-	-	-	-	-	-	-	-
Other (e.g. claims against the state)	5	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	30	30	-	-	-
SA Nat. Committee on Irrigation and Drainage	-	-	-	-	30	30	-	-	-
Households	4 076	291	3 065	-	1 168	1 168	-	-	-
Social benefits	4 076	291	3 065	-	1 168	1 168	-	-	-
2. Agricultural Development Services	45 605	197 296	161 852	124 900	154 219	154 219	120 191	126 209	131 510
Provinces and municipalities	171	45	357	125	285	285	534	561	589
Motor vehicle licences	171	45	357	125	285	285	534	561	589
Departmental agencies and accounts	-	104 072	100 761	60 000	65 760	65 760	63 000	66 465	69 522
ADA	-	104 072	100 761	60 000	65 760	65 760	63 000	66 465	69 522
Public corporations and private enterprises	36 062	86 370	47 561	48 949	72 348	72 348	50 792	52 966	55 146
Agric show societies	292	100	-	1 074	1 074	1 074	1 133	1 201	1 256
Cotton SA	200	-	-	-	-	-	-	-	-
Illovo sugar mill	4 384	-	-	-	-	-	-	-	-
KWANALU	-	1 369	-	-	-	-	-	-	-
Mjindi	10 146	26 470	46 681	45 000	68 399	68 399	46 607	48 530	50 506
SA Sugarcane Research Institute	-	968	880	1 325	1 325	1 325	1 395	1 479	1 547
Soil conservation subsidy	-	-	-	1 550	1 550	1 550	1 657	1 756	1 837
Tonga-Hulett sugar mill	12 082	-	-	-	-	-	-	-	-
TSB sugar mill	4 258	-	-	-	-	-	-	-	-
Umfolozu sugar mill	4 700	-	-	-	-	-	-	-	-
SA Sugar Association	-	57 463	-	-	-	-	-	-	-
Non-profit institutions	35	-	4 905	10 290	10 290	10 290	-	-	-
Pmb SPCA	-	-	4 905	10 290	10 290	10 290	-	-	-
KZN Spice-Growers' Association	35	-	-	-	-	-	-	-	-
Households	9 337	6 809	8 268	5 536	5 536	5 536	5 865	6 217	6 253
Social benefits	9 337	6 809	8 268	5 536	5 536	5 536	5 865	6 217	6 253
3. Environmental Management	4 028	6 973	1 368	1 400	1 868	1 868	1 400	1 400	1 400
Provinces and municipalities	3 700	6 960	900	1 000	1 000	1 000	1 000	1 000	1 000
Development of EMFs, SEAs and IWMPs	2 000	6 000	-	-	-	-	-	-	-
Greenest Municipality Competition	900	960	900	1 000	1 000	1 000	1 000	1 000	1 000
Waste management for 2010	800	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	400	400	400	400	400	400	400
WESSA	-	-	400	400	400	400	400	400	400
Households	328	13	68	-	468	468	-	-	-
Social benefits	328	13	68	-	468	468	-	-	-
4. Conservation	399 567	434 468	495 307	516 542	554 493	554 493	611 261	620 262	645 545
Departmental agencies and accounts	397 598	431 382	491 317	511 942	549 893	549 893	606 034	614 722	639 750
EKZNW	397 598	431 382	491 317	511 942	549 893	549 893	606 034	614 722	639 750
Non-profit institutions	1 969	3 086	3 990	4 600	4 600	4 600	5 227	5 540	5 795
SAAMBR	1 969	3 086	3 990	4 600	4 600	4 600	5 227	5 540	5 795
Total	455 495	639 291	661 883	643 132	712 068	712 068	733 290	748 331	778 938

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. This category also includes the payment of vehicle licences. The increase from 2013/14 onward provides for the planned number of vehicles.
- *Non-profit institutions* caters for a once-off payment in respect of the SA National Committee on Irrigation and Drainage symposium that was held in the province in 2012/13.
- *Households* caters for staff exits, which are difficult to predict, hence the fluctuating trend.

Transfers and subsidies under Programme 2 also fluctuates markedly over the seven years, as follows:

- *Provinces and municipalities* provides for the payment of vehicle licences (specifically tractor licences in respect of Programme 2). The increase from 2013/14 onward provides for the planned number of vehicles.
- *Departmental agencies and accounts* reflects the transfers made to ADA from 2010/11 onward, as mentioned. The fluctuations take into account the projects undertaken by ADA at the time.
- *Public corporations and private enterprises* relates mainly to transfers made by the department to Mjindi, 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. For instance, the agreement with KWANALU was cancelled in 2011/12, as the help-desk was not successful. A once-off transfer was made in 2010/11 to the SA Sugar Association to assist small-scale farmers affected by the drought. From 2012/13 onward, this category provides for increased transfers to Mjindi, as well as transfers for the soil conservation subsidy, agricultural show societies, and the SA Sugarcane Research Institution.
- 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 Pmb SPCA for the KZN outreach programme, as mentioned previously.
- *Households* caters for staff exits, which are difficult to predict, accounting for the fluctuating 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 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, which shows healthy growth over the seven-year period, as mentioned above.

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 summarise payments and estimates relating to Programme 1 for the period 2009/10 to 2015/16. 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Office of the MEC	11 320	13 606	15 608	15 380	25 590	25 590	22 192	24 165	25 277
Senior Management	61 068	26 075	32 778	46 715	43 715	43 715	50 135	53 145	55 591
Corporate Services	207 740	134 311	128 462	133 608	151 670	151 670	141 975	150 495	157 419
Financial Management	57 230	60 455	61 151	74 957	72 207	72 207	79 113	83 862	87 721
Communication Services	17 229	14 877	19 152	18 209	29 909	29 909	34 115	35 264	36 887
Total	354 587	249 324	257 151	288 869	323 091	323 091	327 530	346 931	362 895
Unauth. exp. (1 st charge) not available for spending	(84 974)	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	269 613	249 324	257 151	288 869	323 091	323 091	327 530	346 931	362 895

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	234 891	224 802	221 814	248 822	281 816	281 816	285 002	301 946	315 663
Compensation of employees	93 037	102 392	118 785	128 619	136 144	136 144	136 330	144 510	152 603
Goods and services	141 854	122 410	102 975	120 203	145 672	145 672	148 672	157 436	163 060
Interest and rent on land	-	-	54	-	-	-	-	-	-
Transfers and subsidies to:	6 295	554	3 356	290	1 488	1 488	438	460	483
Provinces and municipalities	2 214	263	291	290	290	290	438	460	483
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	5	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	30	30	-	-	-
Households	4 076	291	3 065	-	1 168	1 168	-	-	-
Payments for capital assets	28 427	23 968	31 559	39 757	39 787	39 787	42 090	44 525	46 749
Buildings and other fixed structures	19 348	17 230	6 448	16 628	16 628	16 628	17 980	18 969	19 917
Machinery and equipment	8 884	6 590	25 111	23 059	23 089	23 089	24 037	25 479	26 753
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	195	148	-	70	70	70	73	77	79
Payments for financial assets	84 974	-	422	-	-	-	-	-	-
Total	354 587	249 324	257 151	288 869	323 091	323 091	327 530	346 931	362 895
Unauth. exp. (1 st charge) not available for spending	(84 974)	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	269 613	249 324	257 151	288 869	323 091	323 091	327 530	346 931	362 895

The high amount in 2009/10 is largely due to the first charge of R84.974 million, as explained previously, as well as once-off expenditure relating to the implementation of the finance turnaround strategy. This once-off first charge is included in the sub-programme: Corporate Services and the category *Payments for financial assets*, explaining the subsequent decrease from 2009/10 to 2010/11.

The sub-programme: Office of the MEC increased substantially from the 2012/13 Main to Adjusted Appropriation due to the department's new marketing strategy, and in line with the structure of the Ministry. There is steady growth over the 2013/14 MTEF thereafter, due to the continuation of the marketing strategy, although at a lower level.

The high 2009/10 spending in respect of 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 largely explains the high 2009/10 spending in respect of *Goods and services*. The dip in the 2012/13 Adjusted Appropriation relates to the reprioritisation of savings to the Office of the MEC toward the new structure and marketing strategy.

The Corporate Services sub-programme fluctuates, with the high 2009/10 amount relating to the first charge of R84.974 million, as mentioned. The dip in 2011/12 can be ascribed to cost-cutting and the internal moratorium on the filling of posts (meaning that posts that became vacant could not be filled). The increase in the 2012/13 Adjusted Appropriation relates to the previously mentioned movement of the

macro-planning and monitoring and evaluation units from Programme 2 to Programme 1. The decline in 2013/14 relates to the baseline cuts.

Apart from a slight dip in the 2012/13 Adjusted Appropriation due to cost-cutting and the reprioritisation of savings to the Office of the MEC and the Communication Services sub-programmes for the new marketing strategy, the sub-programme: Financial Management shows good growth over the seven years.

The growth against the sub-programme: Communication Services over the seven-year period is generally steady, apart from a slight dip in 2010/11 due to cost-cutting. The substantial growth from the 2012/13 Adjusted Appropriation can be ascribed to the new marketing strategy of the department, as well as awareness campaigns for rabies and anti-rhino poaching.

Compensation of employees shows steady growth over the seven-year period. In this regard, savings identified due to the internal moratorium on the filling of posts were reprioritised in 2010/11 and shifted to Programme 2 for the mechanisation programme, as mentioned. The increase in the 2012/13 Adjusted Appropriation relates to funding allocated for the higher than budgeted 2012 wage agreement. Indications are, however, that the amount allocated to Programme 1 was over provided for in this regard, and this has been taken into account in the MTEF allocations.

Goods and services expenditure was high in 2009/10 as a result of the finance turnaround strategy, explaining the reduction from 2009/10 to 2011/12. Cost-cutting also contributed to the low spending in both 2010/11 and 2012/13. The increase from the 2012/13 Main to Adjusted Appropriation is mainly to provide for the above-mentioned new marketing strategy. The category shows steady growth thereafter.

With regard to *Transfers and subsidies*:

- The amount reflected against *Provinces and municipalities* in 2009/10 includes a once-off transfer of R2 million to the uMngeni Municipality for the upgrading of Khanya Village at Cedara. The payment of motor vehicle licences is also included in this category.
- *Non-profit institutions* caters for a once-off payment in respect of the SA National Committee on Irrigation and Drainage symposium that was held in the province in 2012/13.
- *Households* caters for staff exits, which are difficult to predict, hence the fluctuating trend.

Buildings and other fixed structures under Programme 1 relates mainly to the renovations of office buildings, and the fluctuations in the prior years can be ascribed to the nature of the work undertaken.

Machinery and equipment fluctuates in the prior years, because the acquisition of office furniture and equipment was largely put on hold due to cost-cutting. This accounts for the low spending in 2009/10 and 2010/11 compared to 2011/12 onward. Thereafter the amounts take into account the cyclical nature of purchases, which is often linked to the filling of budgeted vacant posts.

Payments for financial assets includes the repayment of the first charge of R84.974 million in 2009/10, as explained above, as well as the approved write-off of thefts and losses (in both 2009/10 and 2011/12).

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 information relating to Programme 2, providing detail at sub-sub-programme level, conforming to the uniform budget and programme structure for the Agriculture sector.

Programme 2 was most affected by the department's consistent under-spending in 2009/10 and 2010/11, explaining the slightly lower growth in that period. Also included from 2011/12 onward are the additional funds allocated for the above-mentioned OSD, the assistant extension officer and fencing and irrigation scheme programmes, among others. The increase from the 2012/13 Main to Adjusted Appropriation can

largely be ascribed to substantial additional funding for the rabies campaign, stock-watering dams, further development of the Makhathini area, and to assist Mjindi with repairs to the irrigation scheme. The bulk of this additional funding was largely once-off, accounting for the slight dip in 2013/14. The budget of Programme 2 shows slow but fairly steady growth over the 2013/14 MTEF, due to the effects of the baseline cuts.

Table 3.19: Summary of payments and estimates - Programme 2: Agricultural Development Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Sustainable Resource Management	89 037	61 465	64 315	95 753	96 458	96 458	98 414	95 199	99 481
Engineering Services	58 637	27 815	28 941	55 012	55 012	55 012	58 157	61 648	62 559
Land Care	30 400	33 650	35 374	40 741	41 446	41 446	40 257	33 551	36 922
Farmer Support and Development	653 326	810 895	1 094 373	1 107 034	1 170 325	1 170 325	1 155 658	1 175 377	1 218 069
Farmer-settlement and Development	71 065	136 066	167 797	144 485	144 485	144 485	140 182	142 314	113 764
Extension and Advisory Services	545 191	626 602	867 103	898 206	961 497	961 497	953 596	971 110	1 048 042
Food Security	37 070	48 227	59 473	64 343	64 343	64 343	61 880	61 953	56 263
Veterinary Services	106 173	119 086	115 491	136 326	158 731	158 731	133 470	141 479	147 987
Animal Health	106 173	119 086	115 491	136 326	158 731	158 731	133 470	141 479	147 987
Research and Technology Development Services	118 056	113 535	129 118	147 357	147 357	147 357	156 102	165 503	172 897
Research	118 056	113 535	129 118	147 357	147 357	147 357	156 102	165 503	172 897
Agricultural Economic Services	2 277	1 498	1 621	3 120	3 120	3 120	3 283	3 443	3 601
Agri-Business Support and Development	2 277	1 498	1 621	3 120	3 120	3 120	3 283	3 443	3 601
Structured Agricultural Education and Training	58 217	52 491	96 706	120 648	120 648	120 648	135 291	143 162	149 747
Higher Education and Training	58 217	52 491	96 706	120 648	120 648	120 648	135 291	143 162	149 747
Total	1 027 086	1 158 970	1 501 624	1 610 238	1 696 639	1 696 639	1 682 218	1 724 163	1 791 782

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	867 939	891 522	1 129 632	1 226 917	1 364 601	1 364 601	1 408 125	1 456 101	1 512 119
Compensation of employees	453 849	506 267	594 076	648 623	645 018	645 018	697 047	738 870	771 396
Goods and services	414 090	385 212	535 556	578 294	719 583	719 583	711 078	717 231	740 723
Interest and rent on land	-	43	-	-	-	-	-	-	-
Transfers and subsidies to:	45 605	197 296	161 852	124 900	154 219	154 219	120 191	126 209	131 510
Provinces and municipalities	171	45	357	125	285	285	534	561	589
Departmental agencies and accounts	-	104 072	100 761	60 000	65 760	65 760	63 000	66 465	69 522
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	36 062	86 370	47 561	48 949	72 348	72 348	50 792	52 966	55 146
Non-profit institutions	35	-	4 905	10 290	10 290	10 290	-	-	-
Households	9 337	6 809	8 268	5 536	5 536	5 536	5 865	6 217	6 253
Payments for capital assets	110 506	70 152	210 140	258 421	177 819	177 819	153 902	141 853	148 153
Buildings and other fixed structures	61 293	27 237	90 175	100 357	100 357	100 357	126 888	113 218	118 425
Machinery and equipment	48 624	42 683	112 368	157 152	67 122	67 122	26 050	27 613	28 663
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	360	138	7 354	523	9 951	9 951	553	586	609
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	229	94	243	389	389	389	411	436	456
Payments for financial assets	3 036	-	-	-	-	-	-	-	-
Total	1 027 086	1 158 970	1 501 624	1 610 238	1 696 639	1 696 639	1 682 218	1 724 163	1 791 782

The Sustainable Resource Management sub-programme fluctuates from 2009/10 to 2011/12, largely due to the once-off nature of agricultural infrastructure projects undertaken by Engineering Services. The reduction in the Land Care sub-programme over the 2013/14 MTEF, particularly in 2014/15, relates to the reduction in the Land Care 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 Makhathini development project, extension services, the fencing and irrigation scheme programmes, as well as the above-mentioned OSD. This sub-programme was most affected by the department's consistent under-spending in 2009/10 and 2010/11, explaining the low spending in that period. The increase in Extension and Advisory Services in 2011/12 can be ascribed to the focus on extension services, as well as the mechanisation programme and interventions such as fertilizer, fencing, seeds and chemicals in support of small-scale farmers. The increase from the 2012/13 Main to the Adjusted Appropriation relates to substantial additional funding allocated for the 2012 wage agreement, as well as stock-watering dams and the further development of the Makhathini area. The bulk of this additional funding was largely once-off, accounting for the dip in 2013/14.

Veterinary Services: Animal Health shows healthy growth over the seven years. There was substantial under-spending in 2011/12 due to cost-cutting, as well as the non-filling of posts due to lack of suitably qualified candidates, partly explaining the high growth from 2011/12 to the 2012/13 Main Appropriation. Also contributing was the lower transfer to the Pmb SPCA for the KZN outreach programme in 2011/12. The increase from the 2012/13 Main to the Adjusted Appropriation relates to substantial once-off additional fund for the rabies campaign and vaccination drive, accounting for the dip in 2013/14.

Research and Technology Development Services fluctuates in the prior years, largely due to the erratic rate of delivery by implementing agents in respect of the main mushroom building at Cedara, and the various satellite mushroom bases.

The substantial increase in Structured Agricultural Education and Training from 2011/12 onward relates to the assistant extension officer and CASP mentorship programmes.

Compensation of employees indicates a marked increase over the seven-year period, due to the filling of posts in terms of the revised structure, the implementation of the above-mentioned OSD and annual wage agreements. The sharp increase in 2011/12 relates to the assistant extension officer programme. The slight reduction in the 2012/13 Adjusted Appropriation relates to the departmental moratorium on the filling of posts (offset by additional funds for the 2012 wage agreement). The resultant savings were reprioritised to *Machinery and equipment* and *Biological assets* for the mechanisation programme and Nguni project.

Goods and services includes the bulk of the conditional grant 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, as mentioned. The increase from the 2012/13 Main to Adjusted Appropriation relates to the substantial additional funding allocated for stock-watering dams and the further development of the Makhathini area. This was largely once-off, accounting for the dip in 2013/14. The fairly low growth over the 2013/14 MTEF relates to the effect of the baseline cuts.

With regard to *Transfers and subsidies*:

- The increase in 2011/12 in respect of *Provinces and municipalities* relates to the payment of motor vehicle licences, particularly in respect of tractors.
- *Departmental agencies and accounts* comprises the transfers made to ADA, which are dependent on the projects to be undertaken by the entity each year, as mentioned above.
- *Public corporations and private enterprises* relates mainly to transfers to Mjindi, as explained in Section 5.8. This category also includes transfers to various other entities, as detailed in Section 5.9. For instance, the agreement with KWANALU was cancelled in 2011/12, as the help-desk was not effective. A once-off transfer was made in 2010/11 to the SA Sugar Association to assist small-scale farmers affected by the drought. From 2012/13 onward, this category provides for transfers to Mjindi, as well as transfers for the soil conservation subsidy, agricultural show societies, and the SA Sugarcane Research Institution. The increase from the 2012/13 Main to the Adjusted Appropriation relates to additional funds to assist Mjindi with repairs to the irrigation scheme.
- The R35 000 against *Non-profit institutions* in 2009/10 relates to once-off financial assistance to the KZN Spice-Growers' Association. The 2011/12 and 2012/13 amounts provide for a two-year agreement with the Pmb SPCA for the KZN outreach programme, as mentioned previously.
- *Households* caters for staff exits, which are difficult to predict, accounting for the fluctuating trend.

Buildings and other fixed structures shows a sharp drop in 2010/11, reflective of the procurement delays and challenges that the department experienced with regard to agricultural infrastructure, resulting in under-spending. The increase from 2012/13 onward is largely in respect of once-off additional funding for several high priority projects, such as the upgrading of the Makhathini Flats infrastructure, particularly the irrigation scheme. The 2013/14 MTEF allocations grow steadily, apart from the peak in 2013/14, which relates to the carry-through amount allocated for the development of the Makhathini area.

The fluctuations in *Machinery and equipment*, particularly the significant increase in 2011/12 and in the 2012/13 Main Appropriation, 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. The 2012/13 Adjusted Appropriation and the MTEF allocations decrease, pending a review of the utilisation and effective management of the existing mechanisation fleet.

Biological assets increases sharply in 2011/12 and the 2012/13 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 2009/10, *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 reports on several measures which are not prescribed by the sector. In the 2012/13 Estimated performance column, the term “new” indicates new reviewed sector and departmental specific measures.

Table 3.21: Service delivery measures – Programme 2: Agricultural Development Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16
1. Sustainable Resource Management					
1.1 Engineering services	<ul style="list-style-type: none"> No. of agricultural engineering advisory reports prepared No. of designs with specification for agricultural engineering solutions provided No. of clients provided with engineering advice during official visits No. of final certificates issued for infrastructure constructed 	12 105 200 20	12 75 200 20	12 75 200 20	12 80 220 22
1.2 Infrastructure	<ul style="list-style-type: none"> No. of diptanks rehabilitated No. of new diptanks established No. of new agricultural structures established No. of boreholes established 	24 16 200 60	100 20 220 80	150 25 240 100	200 30 200 70
1.3 Land use	<ul style="list-style-type: none"> No. of recommendations made on subdivision/rezoning/change of agricultural land use 	280	200	200	220
1.4 Disaster risk management	<ul style="list-style-type: none"> No. of early warning advisory reports issued No. of disaster relief schemes managed 	12 3	12 3	12 3	13 3
1.5 Land care	<ul style="list-style-type: none"> No. of awareness campaigns conducted on land care No. of capacity building exercises conducted within approved land care projects No. of beneficiaries trained within capacity building skills transfer No. of farm land hectares improved through conservation measures No. of beneficiaries adopting/practising sustainable production technologies and practices No. of degraded hectares rehabilitated No. of green jobs created through land care No. of km of fencing erected under land care 	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	10 7 650 35 110 2 500 7 500 450
2. Farmer Support and Development					
2.1 Farmer-settlement and development	<ul style="list-style-type: none"> No. of farm assessments completed No. of farm plans completed 	55 25	20 20	60 30	65 35
2.2 Specialist agricultural advisory services	<ul style="list-style-type: none"> No. of scientific evaluation reports on commodity based projects No. of cultivar trials conducted No. of scientific value adding reports on diversified crops 	33 22 22	88 22 60	40 40 30	41 43 35
2.3 Mentorship	<ul style="list-style-type: none"> No. of projects mentored (constant) 	55	55	60	60
2.4 Value adding and product handling	<ul style="list-style-type: none"> No. of agri-processing courses presented No. of clients trained in agri-processing 	28 360	28 420	30 420	35 420

Table 3.21: Service delivery measures – Programme 2: Agricultural Development Services

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
2.5	Extension and advisory services	<ul style="list-style-type: none"> No. of agricultural demonstrations facilitated No. of farmers' days held No. of functional commodity groups supported (constant) No. of consultations to farmers No. of farmers reached through consultation No. of smallholder farmers supported 	8 650 180 10 45 000 new new	11 526 308 10 92 700 32 352 5 500	12 500 408 10 93 000 35 000 6 500	13 500 508 10 93 300 35 000 7 000
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 rehabilitated No. of hectares of other crops established No. of hectares limed 	10 000 4 100 820 1 260 4 900	14 375 5 850 705 1 365 4 272	14 500 5 850 700 1 365 4 000	15 000 6 000 750 1 400 4 000
2.7	Infrastructure	<ul style="list-style-type: none"> No. of earth dams constructed 	75	50	75	75
2.8	Irrigation	<ul style="list-style-type: none"> No. of irrigation schemes established No. of irrigation schemes revitalised 	new new	48 23	50 30	55 40
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 	9 500 000 4 86 80 000 350 210 45 000	300 000 4 100 80 000 350 212 40 000	300 000 4 100 80 000 350 200 40 000	300 000 4 110 80 000 350 200 40 000
3. Veterinary Services						
3.1	Animal health	<ul style="list-style-type: none"> No. of animals vaccinated 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 Newcastle 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/extension) No. of animals tested with skin TB test No. of CA samples collected No. of dipping sessions No. of inspections for regulatory purposes 	1 200 000 750 000 530 300 15 700 237 000 1 100 127 000 16 000 13 000 450 30 000 66 000 18 000 new	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	130 000 400 000 500 000 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 	56 380 122 300	300 000 100 000	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 	1 500 50	1 500 60	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 	1 120 233 30 22 10	1 300 500 8 24 20	1 350 550 10 24 25	1 400 600 12 26 30
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/notifiable diseases No. of tests performed No. of epidemiological studies conducted No. of necropsy specimens processed 	8 30 155 000 80 80 72 500 71 500 215 000 6 1 600	24 30 180 000 200 50 80 000 73 000 263 000 4 1 100	6 32 180 000 230 50 85 000 175 000 400 000 4 2 700	8 33 188 000 250 55 90 000 190 000 440 000 5 2 900
3.6	Animal identification	<ul style="list-style-type: none"> No. of animals subjected to identification measures 	60 000	62 000	64 000	66 000
3.7	Veterinary empowerment	<ul style="list-style-type: none"> No. of farmers supported in veterinary matters No. of veterinary facilities supported 	20 000 40	21 000 50	22 000 60	23 000 70

Table 3.21: Service delivery measures – Programme 2: Agricultural Development Services

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
4. Research and Technology Development Services						
4.1 Research and technology development services	• No. of research project plans approved which address specific commodity's production constraints	18	17	11	12	
	• No. of research projects implemented which address specific commodity's production constraints	75	69	70	75	
	• No. of research projects completed which address specific commodity's production constraints	7	6	6	6	
	• No. of scientific papers published	9	9	10	10	
	• No. of presentations made at scientific events	4	4	4	4	
	• No. of samples analysed	33 000	34 200	35 000	35 500	
	• No. of mushroom packs produced	200 000	245 000	250 000	260 000	
4.2 Infrastructure and support services	• No. of research infrastructure provided	5	11	5	6	
	• No. of research infrastructure maintained	135	11	11	11	
4.3 Technology transfer services	• No. of presentations made at technology transfer events	4	4	4	4	
	• No. of demonstration trials conducted	21	11	12	15	
	• No. of popular articles in media	6	8	10	10	
	• No. of information packs disseminated (developed)	10	5	6	6	
	• No. of technology transfer events conducted	26	25	27	30	
5. Agricultural Economic Services						
5.1 Agri-business support and development	• No. of agri-businesses supported with agricultural economics advice toward accessing markets	58	36	38	40	
	• No. of agricultural economic studies conducted	1 400	1 200	1 320	1 440	
	• No. of clients supported with agricultural economic advice	40	40	40	45	
	• No. of smallholder farmers/producers accessing marketing information	200	200	220	240	
	• No. of new enterprise budgets developed	-	5	5	5	
	• No. of enterprise budgets updated	96	36	36	38	
	• No. of marketing/statistical reports developed	3	6	9	12	
5.2 Macro-economic support	• No. of macro-economic information requests responded to	1 140	1 000	1 100	1 120	
	• No. of macro-economic reports developed	5	5	5	5	
6. Structured Agricultural Education and Training						
6.1 Further Education and Training (FET)	• No. of trained farmers receiving certification	4 000	3 600	4 000	4 100	
	• No. of learners completing accredited skills programmes	20	20	40	40	
	• No. of learners completing accredited short courses	300	300	450	450	
	• No. of learners completing non-accredited short courses	300	300	450	450	
6.2 Higher Education and Training (HET)	• No. of students registered into accredited HET qualifications	310	310	350	350	
	• No. of students completing accredited HET qualifications	90	90	150	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.

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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Environmental Policy Planning and Co-ordination	4 920	9 332	3 069	5 486	5 025	5 025	5 780	6 127	6 440
Intergovt. Co-ordination, Spatial and Dev Planning	4 920	9 332	2 670	4 612	4 379	4 379	4 862	5 154	5 391
Climate Change Management	-	-	399	874	646	646	918	973	1 049
Compliance and Enforcement	39 265	48 279	29 682	30 436	26 035	26 035	32 234	34 180	35 723
Enviro. Quality Managemt Compliance and Enforcemt	39 265	48 279	29 682	30 436	26 035	26 035	32 234	34 180	35 723
Environmental Quality Management	15 468	14 410	27 820	40 973	42 455	42 455	43 475	46 072	48 190
Impact Management	6 387	5 303	11 114	19 188	20 488	20 488	20 429	21 651	22 644
Air Quality Management	3 373	3 577	2 059	3 241	4 229	4 229	3 356	3 554	3 718
Pollution and Waste Management	5 708	5 530	14 647	18 544	17 738	17 738	19 690	20 867	21 828
Biodiversity Management	118 087	123 836	127 838	136 748	172 671	172 671	134 097	141 560	148 070
Biodiversity and Protected Area Plan. and Managemt	116 094	122 378	126 079	133 303	169 902	169 902	130 467	137 703	144 046
Coastal Management	1 993	1 458	1 759	3 445	2 769	2 769	3 630	3 857	4 024
Environmental Empowerment Services	11 032	7 237	32 887	24 542	33 811	33 811	25 987	27 544	28 813
Environmental Capacity Development and Support	11 032	7 237	32 887	24 542	33 811	33 811	25 987	27 544	28 813
Total	188 772	203 094	221 296	238 185	279 997	279 997	241 573	255 483	267 236

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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	181 355	193 360	218 993	234 907	276 251	276 251	238 243	252 037	263 258
Compensation of employees	58 305	64 448	71 641	84 793	84 537	84 537	89 849	95 240	99 639
Goods and services	123 050	128 912	147 352	150 114	191 714	191 714	148 394	156 797	163 619
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	4 028	6 973	1 368	1 400	1 868	1 868	1 400	1 400	1 400
Provinces and municipalities	3 700	6 960	900	1 000	1 000	1 000	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	400
Households	328	13	68	-	468	468	-	-	-
Payments for capital assets	3 389	2 761	935	1 878	1 878	1 878	1 930	2 046	2 578
Buildings and other fixed structures	350	271	-	-	-	-	-	-	-
Machinery and equipment	2 341	2 343	935	1 878	1 878	1 878	1 930	2 046	2 578
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	698	147	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	188 772	203 094	221 296	238 185	279 997	279 997	241 573	255 483	267 236

Apart from 2012/13, Programme 3 shows steady growth over the seven years, largely due to the funding allocated for IASP, as well as the above-mentioned OSD, both of which are continued over the MTEF.

As mentioned earlier, the department found it extremely difficult to report expenditure accurately at the level required, and this accounts for the fluctuating trend across sub-programmes from 2010/11 to 2011/12. Also contributing to the fluctuating trend was the above-mentioned OSD, the internal moratorium on the filling of posts, as well as cost-cutting. In 2011/12, savings resulting from delays in the filling of posts (largely due to difficulty in finding suitably qualified candidates) and cost-cutting were moved to 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.

The sub-programme: Biodiversity Management: Biodiversity and Protected Area Planning and Management houses IASP, and the additional funding allocated in previous MTEF periods (with carry-through costs) accounts for the steady increase in this sub-programme. The increase in 2011/12 and the 2012/13 Main Appropriation largely relates to 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 explained in Section 5.5. As mentioned previously, the 2013/14 allocation for this grant is substantially reduced, and there are no allocations for this grant in the two outer years of the MTEF at this stage, accounting for the drop from the 2012/13 Main Appropriation to 2013/14. The EPWP Integrated Grant for Provinces is housed under two sub-programmes, with the bulk falling under Biodiversity Management: Biodiversity and Protected Area Planning and Management, and

a portion allocated to Environmental Empowerment Services: Environmental Capacity Development and Support. The sharp increase from the 2012/13 Main to Adjusted Appropriation in respect of Biodiversity Management: Biodiversity and Protected Area Planning and Management is largely due to additional funding of R40 million allocated toward expanding the department's EPWP job creation initiative. This additional funding was once-off, accounting for the reduction in 2013/14.

Most sub-programmes show a slight decrease from the 2012/13 Main to Adjusted Appropriation. In this regard, the department undertook a thorough reprioritisation exercise in order to identify savings within the programme to provide for the expansion of the Greening Programme (which incorporates the One Home, One Garden, One Tree campaign). This accounts for the increase in Environmental Empowerment Services: Environmental Capacity Development and Support in the 2012/13 Adjusted Appropriation. The budgets of all sub-programmes within Programme 3 increase steadily over the 2013/14 MTEF.

Compensation of employees indicates a steady increase over the seven-year period, due to the implementation of the above-mentioned OSD and annual wage agreements. The slight reduction in the 2012/13 Adjusted Appropriation relates to delays in the filling of posts, as mentioned above.

Goods and services shows a steady increase over the seven-year period, largely due to additional funding for IASP. The 2011/12 spending and 2012/13 Main Appropriation are higher than 2013/14, as a result of the EPWP Integrated Grant for Provinces funding in those years. The sharp increase from the 2012/13 Main to Adjusted Appropriation is largely due to additional funding of R40 million allocated toward expanding the department's EPWP job creation initiative. This additional funding was once-off, accounting for reduction in 2013/14.

With regard to *Transfers and subsidies*:

- *Provinces and municipalities* reflects transfers to various municipalities to address waste management and to develop IWMPs, EMFs and SEAs (in the prior years only), as well as in respect of the Greenest Municipality Competition.
- *Non-profit institutions* reflects an annual transfer of R400 000 that was introduced in 2011/12 to WESSA, relating to environmental education programmes.
- *Households* caters for staff exits, which are difficult to predict, accounting for the fluctuating trend.

The 2009/10 and 2010/11 amounts against *Buildings and other fixed structures* provide 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 category shows a steady growth over the MTEF.

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: Environmental Management.

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 also reports on several measures which are not prescribed by the sector.

In the 2012/13 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			
		2012/13	2013/14	2014/15	2015/16	
1. Environmental Policy Planning and Co-ordination						
1.1 Policy Co-ordination and Environmental Planning	<ul style="list-style-type: none"> No. of inter-governmental sector tools reviewed No. of legislative tools developed No. of environmental research projects undertaken No. of functional environmental information management systems No. of climate change response tools developed 	61 1 2 new new	80 10 11 12 1	80 12 13 12 1	80 14 15 12 1	
2. Compliance and Enforcement						
2.1 Compliance and enforcement	<ul style="list-style-type: none"> No. of criminal enforcements actions finalised for non-compliance with environmental management legislation No. of administrative enforcement actions taken for non-compliance with environmental management legislation No. of compliance inspections conducted No. of received S24G applications finalised 	new new 600 new	4 370 700 24	6 370 750 20	8 370 800 20	
3. Environmental Quality Management						
3.1 Air Quality Management (AQM)	<ul style="list-style-type: none"> No. of designated state organs with approved AQM plans 	new	1	1	1	
3.2 Impact management	<ul style="list-style-type: none"> No. of EIA finalised within legislated timeframes 	320	320	320	320	
3.3 Pollution and waste management	<ul style="list-style-type: none"> No. of air emissions licence applications finalised within legislated timeframes No. of waste licence applications finalised within legislated timeframes 	new 14	10 14	10 20	10 25	
4. Biodiversity Management						
4.1 Biodiversity management	<ul style="list-style-type: none"> No. of hectares of land under conservation (both private and public) No. of provincial protection areas with approved management plans No. of Biodiversity Spatial (sector) Plans published No. of coastal management programmes adopted 	822 347 30 5 new	852 275 36 6 6	870 000 40 6 6	870 000 40 6 6	
5. Environmental Empowerment Services						
5.1 Capacity building and support	<ul style="list-style-type: none"> No. of job opportunities created through environmental programmes No. of environmental capacity building activities conducted No. of environmental awareness activities conducted 	6 000 4 872	16 000 33 973	16 000 44 1 000	16 000 50 1 000	

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.

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Grant-in-Aid	1 969	3 086	3 990	4 600	4 600	4 600	5 227	5 540	5 795
SA Association for Marine Biological Research	1 969	3 086	3 990	4 600	4 600	4 600	5 227	5 540	5 795
Subsidy	397 598	431 382	491 317	511 942	549 893	549 893	606 034	614 722	639 750
Ezemvelo KZN Wildlife	397 598	431 382	491 317	511 942	549 893	549 893	606 034	614 722	639 750
Total	399 567	434 468	495 307	516 542	554 493	554 493	611 261	620 262	645 545

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	399 567	434 468	495 307	516 542	554 493	554 493	611 261	620 262	645 545
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	397 598	431 382	491 317	511 942	549 893	549 893	606 034	614 722	639 750
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 969	3 086	3 990	4 600	4 600	4 600	5 227	5 540	5 795
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	399 567	434 468	495 307	516 542	554 493	554 493	611 261	620 262	645 545

The bulk of Programme 4: Conservation comprises the subsidy paid to EKZNW, reflected against *Transfers and subsidies to: Departmental agencies and accounts*. The annual transfer to EKZNW shows good growth due to the carry-through costs of the annual wage agreements (from 2009/10 to 2012/13 only), as well as substantial additional funding allocated for various projects. The 2011/12 amount 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 amount of R17.850 million to enable the entity to reduce its high leave liability. The 2012/13 Main Appropriation includes additional funding for protected area expansion and road maintenance (increasing substantially from 2013/14 onward). The increase from the 2012/13 Main to Adjusted Appropriation is largely due to additional funding for the entity's Rhino Security Intervention plan. This additional funding was carried through to 2013/14 (although at a reduced amount), accounting for the lower growth from 2013/14 to 2014/15. As mentioned previously, EKZNW's 2013/14 MTEF allocations were affected by the baseline cuts, which the entity has indicated will be achieved through cost-cutting, as well as a review of the entity's contracts to ensure greater efficiency savings.

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. This grant-in-aid is reflected under *Transfers and subsidies to: Non-profit institutions*.

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 2010 to 31 March 2016.

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.

In 2012/13, after lengthy engagement with organised labour, the department commenced implementing the new organisational structure that was proposed in 2010/11, which provides for three regions. However, this new structure was recently reviewed once again, and it is now proposed that there should be five regional offices, with the aim of improving service delivery. This refined structure is being discussed at the appropriate levels, and it is envisaged that implementation thereof will commence in 2013/14, subject to the moratorium on the filling of non-critical posts. This refined structure will be phased in, and will be funded from within the existing budget allocation.

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. The number of assistant extension officers appointed increases substantially from 2012/13, in line with additional funding allocated for this purpose.

As a result of 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, the assistant extension officer programme is catered for from 2010/11 onward. This accounts for the fairly low unit cost when compared to other provincial departments.

Table 3.27: Personnel numbers and costs per programme

	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	As at 31 March 2016
Personnel numbers							
1. Administration	370	380	386	401	401	401	401
2. Agricultural Development Services	2 706	2 772	3 265	3 420	3 420	3 420	3 420
<i>of which</i>							
Assistant extension officers	-	165	448	800	800	800	800
3. Environmental Management	226	213	216	235	235	235	235
4. Conservation							
Total	3 302	3 365	3 867	4 056	4 056	4 056	4 056
Total personnel cost (R thousand)	605 191	673 107	784 502	865 699	923 226	978 620	1 023 638
Unit cost (R thousand)	183	200	203	213	228	241	252

Table 3.28: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Total for department									
Personnel numbers (head count)	3 302	3 365	3 867	4 056	4 056	4 056	4 056	4 056	4 056
Personnel cost (R thousand)	605 191	673 107	784 502	862 035	865 699	865 699	923 226	978 620	1 023 638
Human resources component									
Personnel numbers (head count)	110	166	166	166	166	166	166	166	166
Personnel cost (R thousand)	18 004	23 286	24 421	25 518	25 518	25 518	26 794	26 794	26 794
Head count as % of total for department	3.33	4.93	4.29	4.09	4.09	4.09	4.09	4.09	4.09
Personnel cost as % of total for department	2.97	3.46	3.11	2.96	2.95	2.95	2.90	2.74	2.62
Finance component									
Personnel numbers (head count)	256	290	295	295	295	295	295	295	295
Personnel cost (R thousand)	36 797	50 248	53 686	56 687	56 687	56 687	59 521	59 521	59 521
Head count as % of total for department	7.75	8.62	7.63	7.27	7.27	7.27	7.27	7.27	7.27
Personnel cost as % of total for department	6.08	7.47	6.84	6.58	6.55	6.55	6.45	6.08	5.81
Full time workers									
Personnel numbers (head count)	3 302	3 200	3 419	3 256	3 256	3 256	3 256	3 256	3 256
Personnel cost (R thousand)	605 191	666 573	765 686	825 555	829 219	829 219	884 922	938 401	983 419
Head count as % of total for department	100.00	95.10	88.41	80.28	80.28	80.28	80.28	80.28	80.28
Personnel cost as % of total for department	100.00	99.03	97.60	95.77	95.79	95.79	95.85	95.89	96.07
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	800	800	800	800	800	800
Personnel cost (R thousand)	-	6 534	18 816	36 480	36 480	36 480	38 304	40 219	40 219
Head count as % of total for department	-	5	12	20	20	20	20	20	20
Personnel cost as % of total for department	-	1	2	4	4	4	4	4	4

7.2 Training

Tables 3.29 and 3.30 summarise departmental spending and information on training per programme over the seven-year period. 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.

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.

With regard to Programme 2: Agricultural Development Services, the substantial increase in 2011/12, continuing over the MTEF, relates to the assistant extension officer programme.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	2 210	3 758	1 143	6 568	5 995	5 995	6 999	7 384	7 724
2. Agricultural Development Services	6 157	3 898	11 339	9 360	9 360	9 360	9 901	10 157	10 623
3. Environmental Management	233	173	766	2 206	2 152	2 152	2 354	2 483	2 596
4. Conservation									
Total	8 600	7 829	13 248	18 134	17 507	17 507	19 254	20 024	20 943

Table 3.30: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Number of staff	3 302	3 365	3 867	4 056	4 056	4 056	4 056	4 056	4 056
Number of personnel trained	3 000	3 100	3 200	3 300	3 300	6 600	3 340	3 340	3 380
of which									
Male	1 400	1 450	1 500	1 550	1 550	3 100	1 560	1 560	1 580
Female	1 600	1 650	1 700	1 750	1 750	3 500	1 780	1 780	1 800
Number of training opportunities	2 661	2 714	2 714	2 714	2 714	5 428	2 739	2 739	2 799
of which									
Tertiary	150	200	200	200	200	400	210	210	230
Workshops	2 500	2 500	2 500	2 500	2 500	5 000	2 510	2 510	2 530
Seminars	7	10	10	10	10	20	15	15	35
Other	4	4	4	4	4	8	4	4	4
Number of bursaries offered	150	200	200	200	200	400	200	200	220
External									
Internal	150	200	200	200	200	400	200	200	220
Number of interns appointed	169	175	175	175	175	350	175	175	195
Number of learnerships appointed									
Number of days spent on training	6 746	6 790	6 790	6 820	6 820	6 820	6 900	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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	14 623	13 716	15 984	13 066	13 066	14 013	15 724	16 514	17 274
Sale of goods and services produced by dept. (excl. capital assets)	12 746	12 355	15 976	13 066	13 066	14 013	15 724	16 514	17 274
Sales by market establishments	2 935	3 288	4 364	3 290	3 290	4 220	4 948	4 971	5 662
Administrative fees	1 640	1 504	1 583	1 841	1 841	1 753	1 841	1 942	2 049
Other sales	8 171	7 563	10 029	7 935	7 935	8 040	8 935	9 601	9 563
<i>of which</i>									
Tuition fees	4 178	3 448	4 188	2 616	2 616	2 973	3 116	3 760	3 643
Laboratory services(soil and animal testing)	2 896	2 923	3 039	3 653	3 653	3 480	4 153	5 136	4 067
Sale of surplus agricultural produce	117	330	393	195	195	186	195	205	216
Other	980	862	2 409	1 471	1 471	1 401	1 471	500	1 637
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	1 877	1 361	8	-	-	-	-	-	-
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	715	1 487	111	197	197	357	-	-	-
Interest, dividends and rent on land	60	24	44	75	75	41	20	20	21
Interest	53	16	30	30	30	41	15	19	20
Dividends									
Rent on land	7	8	14	45	45	-	5	1	1
Sale of capital assets	3 792	733	5 218	3 088	3 088	7 092	3 240	3 801	3 976
Land and subsoil assets									
Other capital assets	3 792	733	5 218	3 088	3 088	7 092	3 240	3 801	3 976
Transactions in financial assets and liabilities	10 030	2 574	1 330	1 710	1 710	1 147	500	500	500
Total	29 220	18 534	22 687	18 136	18 136	22 650	19 484	20 835	21 771

Table 3.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
				2012/13					
Current payments	1 284 185	1 309 684	1 570 439	1 710 646	1 922 668	1 922 668	1 931 370	2 010 084	2 091 040
Compensation of employees	605 191	673 107	784 502	862 035	865 699	865 699	923 226	978 620	1 023 638
Salaries and wages	520 265	581 299	682 649	745 859	748 741	748 741	800 427	848 456	887 314
Social contributions	84 926	91 808	101 853	116 176	116 958	116 958	122 799	130 164	136 324
Goods and services	678 994	636 534	785 883	848 611	1 056 969	1 056 969	1 008 144	1 031 464	1 067 402
of which									
Administrative fees	271	238	111	1 712	1 655	1 655	542	591	638
Advertising	40 973	8 706	13 391	11 743	21 173	21 173	23 080	23 455	23 698
Assets <R5000	7 180	6 904	7 018	15 549	15 690	15 690	10 478	11 285	11 966
Audit cost: External	4 307	4 472	4 527	4 329	4 329	4 329	4 627	4 869	5 093
Bursaries (employees)	5 268	5 286	6 486	5 752	5 752	5 752	5 541	5 846	6 115
Catering: Departmental activities	6 345	7 691	11 622	4 303	4 303	4 303	4 665	4 851	5 151
Communication	30 019	31 645	27 092	31 879	32 373	32 373	36 079	36 774	38 688
Computer services	16 413	20 952	13 971	24 350	24 350	24 350	21 218	22 052	22 475
Cons/prof: Business & advisory services	38 943	12 351	2 694	9 287	7 194	7 194	8 884	9 334	9 763
Cons/prof: Infrastructure & planning	80 002	57 019	49 845	181 210	235 652	235 652	155 015	151 106	155 403
Cons/prof: Laboratory services	14	138	1	874	879	879	894	944	989
Cons/prof: Legal cost	6 743	8 881	5 073	6 918	5 027	5 027	5 327	5 625	5 875
Contractors	8 541	11 864	30 714	28 019	30 013	30 013	53 552	55 974	55 887
Agency & support/outsourced services	116 038	137 788	135 489	143 296	183 459	183 459	136 802	143 555	150 327
Entertainment	-	86	157	362	319	319	382	403	421
Fleet services (incl. GMT)	18 173	18 000	24 732	21 353	25 343	25 343	31 084	34 770	35 385
Housing	-	-	36	-	-	-	-	-	-
Inventory: Food and food supplies	279	123	122	1 813	1 758	1 758	607	711	804
Inventory: Fuel, oil and gas	5 343	8 556	24 966	3 151	3 108	3 108	8 138	8 784	9 412
Inventory: Learner and teacher supp material	793	1 471	1 366	2 434	2 370	2 370	2 358	2 500	2 624
Inventory: Materials and supplies	15 314	3 452	4 525	3 298	3 290	3 290	8 424	8 717	8 998
Inventory: Medical supplies	6 637	2 930	1 179	8 407	13 309	13 309	9 815	9 884	9 873
Inventory: Medicine	-	13 694	10 874	-	45	45	10 100	10 230	10 395
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	140 500	141 077	242 825	186 575	249 984	249 984	271 805	268 790	277 166
Inventory: Stationery and printing	9 688	8 194	10 850	11 519	13 609	13 609	13 100	13 852	14 499
Operating leases	15 859	16 260	12 920	15 835	15 362	15 362	20 325	21 318	22 209
Property payments	26 231	31 833	30 864	34 566	38 436	38 436	38 205	40 386	42 343
Transport provided: Departmental activity	368	2 421	5 491	2 204	2 589	2 589	2 220	2 341	2 449
Travel and subsistence	62 535	59 757	74 966	64 322	91 083	91 083	95 008	101 181	106 341
Training and development	8 600	7 829	14 098	18 134	17 507	17 507	20 704	21 524	22 193
Operating expenditure	1 005	836	6 363	1 895	3 174	3 174	5 522	5 899	6 125
Venues and facilities	6 612	6 080	11 515	3 522	3 834	3 834	3 643	3 913	4 097
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	43	54	-	-	-	-	-	-
Interest	-	43	54	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	455 495	639 291	661 883	643 132	712 068	712 068	733 290	748 331	778 938
Provinces and municipalities	6 085	7 268	1 548	1 415	1 575	1 575	1 972	2 021	2 072
Provinces	385	308	648	415	575	575	972	1 021	1 072
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	385	308	648	415	575	575	972	1 021	1 072
Municipalities	5 700	6 960	900	1 000	1 000	1 000	1 000	1 000	1 000
Municipalities	5 700	6 960	900	1 000	1 000	1 000	1 000	1 000	1 000
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	397 598	535 454	592 078	571 942	615 653	615 653	669 034	681 187	709 272
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	397 598	535 454	592 078	571 942	615 653	615 653	669 034	681 187	709 272
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	36 067	86 370	47 561	48 949	72 348	72 348	50 792	52 966	55 146
Public corporations	36 067	86 370	47 561	48 949	72 348	72 348	50 792	52 966	55 146
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	36 067	86 370	47 561	48 949	72 348	72 348	50 792	52 966	55 146
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	2 004	3 086	9 295	15 290	15 320	15 320	5 627	5 940	6 195
Households	13 741	7 113	11 401	5 536	7 172	7 172	5 865	6 217	6 253
Social benefits	11 368	6 822	6 677	5 536	6 004	6 004	5 865	6 217	6 253
Other transfers to households	2 373	291	4 724	-	1 168	1 168	-	-	-
Payments for capital assets	142 322	96 881	242 634	300 056	219 484	219 484	197 922	188 424	197 480
Buildings and other fixed structures	80 991	44 738	96 623	116 985	116 985	116 985	144 868	132 187	138 342
Buildings	19 348	17 230	7 158	16 628	16 628	16 628	17 980	18 969	19 917
Other fixed structures	61 643	27 508	89 465	100 357	100 357	100 357	126 888	113 218	118 425
Machinery and equipment	59 849	51 616	138 414	182 089	92 089	92 089	52 017	55 138	57 994
Transport equipment	11 728	5 152	24 779	57 529	17 406	17 406	17 523	18 305	19 147
Other machinery and equipment	48 121	46 464	113 635	124 560	74 683	74 683	34 494	36 833	38 847
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	360	138	7 354	523	9 951	9 951	553	586	609
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 122	389	243	459	459	459	484	513	535
Payments for financial assets	88 010	-	422	-	-	-	-	-	-
Total	1 970 012	2 045 856	2 475 378	2 653 834	2 854 220	2 854 220	2 862 582	2 946 839	3 067 458
Unauth. exp. (1 st charge) not available for spending	(84 974)	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	1 885 038	2 045 856	2 475 378	2 653 834	2 854 220	2 854 220	2 862 582	2 946 839	3 067 458

Table 3.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	234 891	224 802	221 814	248 822	281 816	281 816	285 002	301 946	315 663
Compensation of employees	93 037	102 392	118 785	128 619	136 144	136 144	136 330	144 510	152 603
Salaries and wages	82 142	93 657	108 094	115 411	122 154	122 154	122 403	129 747	137 013
Social contributions	10 895	8 735	10 691	13 208	13 990	13 990	13 927	14 763	15 590
Goods and services	141 854	122 410	102 975	120 203	145 672	145 672	148 672	157 436	163 060
of which									
Administrative fees	9	18	-	31	31	31	33	35	37
Advertising	8 736	7 376	9 621	8 955	18 385	18 385	20 128	20 340	20 440
Assets <R5000	3 131	2 325	936	1 985	2 415	2 415	2 054	2 167	2 267
Audit cost: External	4 307	4 472	4 527	4 000	4 000	4 000	4 276	4 511	4 719
Bursaries (employees)	5 268	5 286	4 273	5 200	5 200	5 200	5 500	5 803	6 070
Catering: Departmental activities	2 118	1 585	882	1 785	1 785	1 785	1 891	1 995	2 087
Communication	14 086	13 095	11 672	12 557	12 877	12 877	15 949	15 483	16 397
Computer services	13 943	18 880	13 157	20 443	20 443	20 443	19 437	20 149	20 821
Cons/prof: Business & advisory services	35 618	10 115	938	3 809	2 434	2 434	4 017	4 238	4 433
Cons/prof: Infrastructure & planning	3 139	3 843	29	1 450	187	187	150	185	210
Cons/prof: Laboratory services	-	-	-	-	5	5	-	-	-
Cons/prof: Legal cost	6 508	8 604	5 062	6 784	4 893	4 893	5 205	5 496	5 741
Contractors	1 103	1 390	2 729	823	2 817	2 817	2 320	2 421	2 516
Agency & support/outsourced services	9 593	9 082	8 882	8 422	7 147	7 147	6 846	7 134	7 522
Entertainment	-	-	18	84	41	41	90	95	99
Fleet services (incl. GMT)	3 929	2 307	4 048	4 145	8 055	8 055	8 678	11 683	11 330
Housing									
Inventory: Food and food supplies	61	46	60	196	141	141	201	212	222
Inventory: Fuel, oil and gas	36	-	-	80	37	37	84	89	93
Inventory: Learner and teacher supp material	124	-	84	250	186	186	244	257	269
Inventory: Materials and supplies	217	405	94	145	137	137	150	158	165
Inventory: Medical supplies	12	37	8	6	3	3	6	6	6
Inventory: Medicine	-	87	38	-	45	45	-	-	-
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	507	809	673	790	1 020	1 020	853	897	938
Inventory: Stationery and printing	3 824	2 551	4 567	3 148	5 238	5 238	5 352	5 652	5 920
Operating leases	1 359	1 158	1 436	1 759	1 286	1 286	1 746	1 842	1 927
Property payments	7 655	9 211	11 181	9 587	13 517	13 517	12 124	12 870	13 561
Transport provided: Departmental activity	261	1 304	288	-	385	385	-	-	-
Travel and subsistence	11 695	12 808	14 043	16 548	25 054	25 054	23 454	25 328	26 494
Training and development	2 210	3 758	1 993	6 568	5 995	5 995	6 999	7 384	7 724
Operating expenditure	160	174	1 143	194	1 473	1 473	375	396	414
Venues and facilities	2 245	1 684	593	459	440	440	510	610	638
Rental and hiring									
Interest and rent on land	-	-	54	-	-	-	-	-	-
Interest	-	-	54	-	-	-	-	-	-
Rent on land									
Transfers and subsidies to	6 295	554	3 356	290	1 488	1 488	438	460	483
Provinces and municipalities	2 214	263	291	290	290	290	438	460	483
Provinces	214	263	291	290	290	290	438	460	483
Provincial Revenue Funds									
Provincial agencies and funds	214	263	291	290	290	290	438	460	483
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	-	-	-	-	30	30	-	-	-
Households	4 076	291	3 065	-	1 168	1 168	-	-	-
Social benefits	1 728	-	-	-	-	-	-	-	-
Other transfers to households	2 348	291	3 065	-	1 168	1 168	-	-	-
Payments for capital assets	28 427	23 968	31 559	39 757	39 787	39 787	42 090	44 525	46 749
Buildings and other fixed structures	19 348	17 230	6 448	16 628	16 628	16 628	17 980	18 969	19 917
Buildings	19 348	17 230	6 448	16 628	16 628	16 628	17 980	18 969	19 917
Other fixed structures									
Machinery and equipment	8 884	6 590	25 111	23 059	23 089	23 089	24 037	25 479	26 753
Transport equipment	5 160	5 152	16 745	15 287	15 287	15 287	15 287	15 935	16 668
Other machinery and equipment	3 724	1 438	8 366	7 772	7 802	7 802	8 750	9 544	10 085
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	195	148	-	70	70	70	73	77	79
Payments for financial assets	84 974	-	422	-	-	-	-	-	-
Total	354 587	249 324	257 151	288 869	323 091	323 091	327 530	346 931	362 895
Unauth. exp. (1 st charge) not available for spending	(84 974)	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	269 613	249 324	257 151	288 869	323 091	323 091	327 530	346 931	362 895

Table 3.D: Details of payments and estimates by economic classification - Programme 2: Agricultural Development Services

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	867 939	891 522	1 129 632	1 226 917	1 364 601	1 364 601	1 408 125	1 456 101	1 512 119
Compensation of employees	453 849	506 267	594 076	648 623	645 018	645 018	697 047	738 870	771 396
Salaries and wages	387 476	431 997	512 680	555 799	552 194	552 194	598 885	634 821	662 536
Social contributions	66 373	74 270	81 396	92 824	92 824	92 824	98 162	104 049	108 860
Goods and services	414 090	385 212	535 556	578 294	719 583	719 583	711 078	717 231	740 723
of which									
Administrative fees	126	142	83	1 423	1 423	1 423	212	242	273
Advertising	31 495	898	1 340	2 229	2 229	2 229	2 324	2 452	2 564
Assets <R5000	2 825	2 976	3 966	12 878	12 878	12 878	7 618	8 267	8 809
Audit cost: External	-	-	-	-	-	-	12	-	-
Bursaries (employees)	-	-	2 213	484	484	484	-	-	-
Catering: Departmental activities	3 343	5 875	8 730	1 930	1 930	1 930	2 155	2 203	2 380
Communication	14 989	17 181	14 259	18 303	18 303	18 303	19 040	20 141	21 068
Computer services	2 423	1 837	676	3 068	3 068	3 068	871	942	1 045
Cons/prof: Business & advisory services	23	207	447	449	449	449	486	474	496
Cons/prof: Infrastructure & planning	66 526	52 665	49 661	179 760	235 465	235 465	154 865	150 921	155 193
Cons/prof: Laboratory services	14	138	1	789	789	789	839	886	928
Cons/prof: Legal cost	105	277	4	-	-	-	-	-	-
Contractors	7 394	9 220	26 994	24 845	24 845	24 845	48 348	50 511	50 189
Agency & support/outourced services	19 279	24 268	28 460	21 048	21 048	21 048	19 694	20 675	21 735
Entertainment	-	86	139	258	258	258	272	287	300
Fleet services (incl. GMT)	13 971	15 343	19 920	17 152	17 152	17 152	22 350	23 028	23 993
Housing	-	-	36	-	-	-	-	-	-
Inventory: Food and food supplies	158	69	47	1 579	1 579	1 579	366	457	538
Inventory: Fuel, oil and gas	1 719	3 774	6 697	3 051	3 051	3 051	8 034	8 674	9 297
Inventory: Learner and teacher supp material	667	1 165	834	1 988	1 988	1 988	1 910	2 027	2 129
Inventory: Materials and supplies	14 278	2 842	4 406	3 124	3 124	3 124	8 245	8 529	8 800
Inventory: Medical supplies	6 556	2 728	175	8 365	13 270	13 270	9 745	9 811	9 797
Inventory: Medicine	-	13 607	10 836	-	-	-	10 100	10 230	10 395
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	137 632	138 312	240 161	178 779	241 958	241 958	263 162	258 958	266 882
Inventory: Stationery and printing	5 139	4 535	5 423	6 873	6 873	6 873	6 077	6 436	6 733
Operating leases	14 307	14 952	11 137	13 457	13 457	13 457	17 926	18 787	19 561
Property payments	18 573	22 622	19 683	24 809	24 809	24 809	25 883	27 307	28 564
Transport provided: Departmental activity	-	1 096	4 014	-	-	-	-	-	-
Travel and subsistence	42 225	40 347	52 180	38 643	56 143	56 143	62 084	65 759	69 304
Training and development	6 157	3 898	11 339	9 360	9 360	9 360	11 351	11 657	11 873
Operating expenditure	604	593	4 478	1 461	1 461	1 461	4 899	5 241	5 437
Venues and facilities	3 562	3 559	7 217	2 189	2 189	2 189	2 210	2 329	2 440
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	43	-	-	-	-	-	-	-
Interest	-	43	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	45 605	197 296	161 852	124 900	154 219	154 219	120 191	126 209	131 510
Provinces and municipalities	171	45	357	125	285	285	534	561	589
Provinces	171	45	357	125	285	285	534	561	589
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	171	45	357	125	285	285	534	561	589
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	104 072	100 761	60 000	65 760	65 760	63 000	66 465	69 522
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	104 072	100 761	60 000	65 760	65 760	63 000	66 465	69 522
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	36 062	86 370	47 561	48 949	72 348	72 348	50 792	52 966	55 146
Public corporations	36 062	86 370	47 561	48 949	72 348	72 348	50 792	52 966	55 146
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	36 062	86 370	47 561	48 949	72 348	72 348	50 792	52 966	55 146
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	35	-	4 905	10 290	10 290	10 290	-	-	-
Households	9 337	6 809	8 268	5 536	5 536	5 536	5 865	6 217	6 253
Social benefits	9 312	6 809	6 615	5 536	5 536	5 536	5 865	6 217	6 253
Other transfers to households	25	-	1 653	-	-	-	-	-	-
Payments for capital assets	110 506	70 152	210 140	258 421	177 819	177 819	153 902	141 853	148 153
Buildings and other fixed structures	61 293	27 237	90 175	100 357	100 357	100 357	126 888	113 218	118 425
Buildings	-	-	710	-	-	-	-	-	-
Other fixed structures	61 293	27 237	89 465	100 357	100 357	100 357	126 888	113 218	118 425
Machinery and equipment	48 624	42 683	112 368	157 152	67 122	67 122	26 050	27 613	28 663
Transport equipment	6 568	-	8 034	42 119	2 119	2 119	2 236	2 370	2 479
Other machinery and equipment	42 056	42 683	104 334	115 033	65 003	65 003	23 814	25 243	26 184
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	360	138	7 354	523	9 951	9 951	553	586	609
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	229	94	243	389	389	389	411	436	456
Payments for financial assets	3 036	-	-	-	-	-	-	-	-
Total	1 027 086	1 158 970	1 501 624	1 610 238	1 696 639	1 696 639	1 682 218	1 724 163	1 791 782

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	73 268	55 596	63 209	91 630	92 335	92 335	94 068	90 593	94 663
Compensation of employees	19 163	22 204	23 359	21 549	21 549	21 549	22 863	24 234	25 349
Salaries and wages	16 532	19 330	20 354	20 103	20 103	20 103	21 323	22 602	23 642
Social contributions	2 631	2 874	3 005	1 446	1 446	1 446	1 540	1 632	1 707
Goods and services	54 105	33 392	39 850	70 081	70 786	70 786	71 205	66 359	69 314
of which									
Administrative fees	-	78	-	40	40	40	-	-	-
Advertising	-	-	72	40	40	40	-	-	-
Assets <R5000	140	77	56	495	495	495	495	595	622
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	100	100	100	-	-	-
Catering: Departmental activities	83	-	213	230	230	230	235	235	246
Communication	226	243	266	482	482	482	483	564	587
Computer services	424	223	337	488	488	488	496	527	551
Cons/prof: Business & advisory services	-	-	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	40 586	21 836	22 094	46 361	47 066	47 066	44 788	38 316	39 935
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	178	100	927	480	480	480	504	668	699
Agency & support/outsourced services	-	14	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	2	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	3 098	109	5	80	80	80	20	26	30
Inventory: Medical supplies	604	-	-	17	17	17	16	16	17
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	3 310	7 725	10 757	16 024	16 024	16 024	17 190	18 171	19 007
Inventory: Stationery and printing	124	59	75	322	322	322	394	406	425
Operating leases	11	-	62	78	78	78	78	78	82
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	2 502	2 862	4 598	4 189	4 189	4 189	5 779	5 983	6 294
Training and development	2 646	66	174	430	430	430	482	464	485
Operating expenditure	24	-	182	85	85	85	195	260	277
Venues and facilities	149	-	30	140	140	140	50	50	57
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	374	4 045	163	1 908	1 908	1 908	2 060	2 183	2 284
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	-	-	-	1 550	1 550	1 550	1 657	1 756	1 837
Public corporations	-	-	-	1 550	1 550	1 550	1 657	1 756	1 837
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	1 550	1 550	1 550	1 657	1 756	1 837
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	374	701	163	358	358	358	403	427	447
Social benefits	374	701	163	358	358	358	403	427	447
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	15 395	1 824	943	2 215	2 215	2 215	2 286	2 423	2 534
Buildings and other fixed structures	14 389	1 311	182	-	-	-	-	-	-
Buildings	-	-	182	-	-	-	-	-	-
Other fixed structures	14 389	1 311	-	-	-	-	-	-	-
Machinery and equipment	925	478	761	2 155	2 155	2 155	2 222	2 355	2 463
Transport equipment	56	-	-	-	-	-	-	-	-
Other machinery and equipment	869	478	761	2 155	2 155	2 155	2 222	2 355	2 463
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	81	35	-	60	60	60	64	68	71
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	89 037	61 465	64 315	95 753	96 458	96 458	98 414	95 199	99 481

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		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
Current payments	541 132	556 528	746 796	773 334	887 908	887 908	920 881	948 877	981 649
Compensation of employees	265 517	297 210	329 834	387 171	383 566	383 566	407 986	432 610	451 022
Salaries and wages	225 454	252 094	280 251	329 441	325 836	325 836	347 224	368 202	383 651
Social contributions	40 063	45 116	49 583	57 730	57 730	57 730	60 762	64 408	67 371
Goods and services	275 615	259 318	416 962	386 163	504 342	504 342	512 895	516 267	530 627
of which									
Administrative fees	12	19	-	986	986	986	40	47	58
Advertising	31 444	831	1 082	1 492	1 492	1 492	1 574	1 661	1 737
Assets <R5000	1 447	1 644	2 474	9 079	9 079	9 079	4 578	5 005	5 370
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	384	384	384	-	-	-
Catering: Departmental activities	1 170	5 477	8 431	1 561	1 561	1 561	1 797	1 838	1 998
Communication	13 274	14 980	12 713	16 300	16 300	16 300	17 165	18 105	18 943
Computer services	1 947	1 568	160	2 423	2 423	2 423	256	347	421
Cons/prof: Business & advisory services	23	207	447	449	449	449	474	474	496
Cons/prof: Infrastructure & planning	20 770	29 180	24 897	111 420	166 420	166 420	83 520	83 631	84 975
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	105	277	4	-	-	-	-	-	-
Contractors	4 124	5 696	20 089	17 542	17 542	17 542	39 562	41 222	40 562
Agency & support/outsourced services	6 071	11 114	14 496	4 833	4 833	4 833	5 099	5 379	5 626
Entertainment	-	86	139	258	258	258	272	287	300
Fleet services (incl. GMT)	13 449	14 281	18 295	15 097	15 097	15 097	20 461	21 024	21 889
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	108	64	40	1 447	1 447	1 447	227	311	385
Inventory: Fuel, oil and gas	384	2 570	5 135	785	785	785	6 328	6 874	7 414
Inventory: Learner and teacher supp material	4	230	1	99	99	99	104	110	115
Inventory: Materials and supplies	856	232	2 327	1 410	1 410	1 410	6 488	6 670	6 842
Inventory: Medical supplies	186	7	12	116	116	116	122	129	135
Inventory: Medicine	-	13 607	6 144	-	-	-	10 100	10 230	10 395
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	116 969	85 921	215 049	135 867	199 046	199 046	223 693	216 945	222 786
Inventory: Stationery and printing	2 191	2 704	2 344	3 941	3 941	3 941	3 158	3 337	3 489
Operating leases	13 543	14 098	9 846	11 819	11 819	11 819	16 469	17 255	17 960
Property payments	17 092	20 740	18 277	21 539	21 539	21 539	22 724	23 974	25 077
Transport provided: Departmental activity	-	1 096	4 014	-	-	-	-	-	-
Travel and subsistence	25 695	25 349	29 714	21 864	21 864	21 864	37 933	40 194	42 307
Training and development	2 127	3 550	11 010	3 114	3 114	3 114	5 785	6 016	5 925
Operating expenditure	304	231	2 882	930	930	930	3 481	3 635	3 783
Venues and facilities	2 320	3 559	6 940	1 408	1 408	1 408	1 485	1 567	1 639
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	42 506	191 805	154 196	112 281	141 600	141 600	117 590	123 453	128 632
Provinces and municipalities	171	45	355	125	285	285	436	458	481
Provinces	171	45	355	125	285	285	436	458	481
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	171	45	355	125	285	285	436	458	481
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	100 728	100 761	60 000	65 760	65 760	63 000	66 465	69 522
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	100 728	100 761	60 000	65 760	65 760	63 000	66 465	69 522
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	36 062	86 370	47 561	47 399	70 798	70 798	49 135	51 210	53 309
Public corporations	36 062	86 370	47 561	47 399	70 798	70 798	49 135	51 210	53 309
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	36 062	86 370	47 561	47 399	70 798	70 798	49 135	51 210	53 309
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	35	-	-	-	-	-	-	-	-
Households	6 238	4 662	5 519	4 757	4 757	4 757	5 019	5 320	5 320
Social benefits	6 238	4 662	5 472	4 757	4 757	4 757	5 019	5 320	5 320
Other transfers to households	-	-	47	-	-	-	-	-	-
Payments for capital assets	66 652	62 562	193 381	221 419	140 817	140 817	117 187	103 047	107 788
Buildings and other fixed structures	24 148	23 577	83 073	79 200	79 200	79 200	104 296	89 382	93 494
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	24 148	23 577	83 073	79 200	79 200	79 200	104 296	89 382	93 494
Machinery and equipment	42 461	38 985	102 956	142 182	52 152	52 152	12 852	13 624	14 251
Transport equipment	6 493	-	6 564	42 119	2 119	2 119	2 236	2 370	2 479
Other machinery and equipment	35 968	38 985	96 392	100 063	50 033	50 033	10 616	11 254	11 772
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	7 196	23	9 451	9 451	24	25	26
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	43	-	156	14	14	14	15	16	17
Payments for financial assets	3 036	-	-	-	-	-	-	-	-
Total	653 326	810 895	1 094 373	1 107 034	1 170 325	1 170 325	1 155 658	1 175 377	1 218 069

Table 3.G: Details of payments and estimates by economic classification - Sub-programme: Veterinary Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	103 960	118 213	109 228	123 243	145 648	145 648	130 539	138 372	144 738
Compensation of employees	70 606	69 956	83 879	82 151	82 151	82 151	87 490	92 740	97 006
Salaries and wages	61 112	59 944	72 725	72 374	72 374	72 374	77 111	81 738	85 498
Social contributions	9 494	10 012	11 154	9 777	9 777	9 777	10 379	11 002	11 508
Goods and services	33 354	48 257	25 349	41 092	63 497	63 497	43 049	45 632	47 732
of which									
Administrative fees	98	36	79	328	328	328	95	114	130
Advertising	-	-	182	186	186	186	195	206	215
Assets <R5000	252	28	87	908	908	908	407	410	456
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	81	11	53	68	68	68	71	75	78
Communication	418	524	415	529	529	529	537	567	593
Computer services	10	2	11	107	107	107	62	68	73
Cons/prof: Business & advisory services									
Cons/prof: Infrastructure & planning	-	-	-	25	25	25	26	27	28
Cons/prof: Laboratory services	14	132	1	477	477	477	505	533	558
Cons/prof: Legal cost									
Contractors	44	377	2 358	372	372	372	3 393	3 465	3 534
Agency & support/outsourced services	1 162	355	367	3 997	3 997	3 997	711	887	1 037
Entertainment									
Fleet services (incl. GMT)	-	-	60	443	443	443	265	291	313
Housing	-	-	36	-	-	-	-	-	-
Inventory: Food and food supplies	1	1	-	24	24	24	25	26	27
Inventory: Fuel, oil and gas	129	130	177	620	620	620	653	689	721
Inventory: Learner and teacher supp material	24	5	8	234	234	234	51	65	77
Inventory: Materials and supplies	8 166	1 471	50	274	274	274	289	305	319
Inventory: Medical supplies	5 330	2 255	163	7 404	12 309	12 309	8 723	8 733	8 669
Inventory: Medicine	-	-	4 060	-	-	-	-	-	-
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	9 444	35 624	5 738	14 645	14 645	14 645	11 287	12 241	12 955
Inventory: Stationery and printing	404	463	1 751	1 035	1 035	1 035	1 087	1 147	1 200
Operating leases	59	69	74	253	253	253	135	141	146
Property payments	-	20	44	388	388	388	79	83	87
Transport provided: Departmental activity									
Travel and subsistence	7 396	6 627	8 833	7 022	24 522	24 522	12 861	13 766	14 624
Training and development	94	43	103	1 133	1 133	1 133	140	205	263
Operating expenditure	151	84	699	279	279	279	1 094	1 210	1 234
Venues and facilities	77	-	-	341	341	341	358	378	395
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	1 371	736	5 380	10 553	10 553	10 553	276	293	306
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	-	-	4 905	10 290	10 290	10 290	-	-	-
Households	1 371	736	475	263	263	263	276	293	306
Social benefits	1 371	736	469	263	263	263	276	293	306
Other transfers to households	-	-	6	-	-	-	-	-	-
Payments for capital assets	842	137	883	2 530	2 530	2 530	2 655	2 814	2 943
Buildings and other fixed structures	343	-	883	-	-	-	-	-	-
Buildings									
Other fixed structures	343	-	883	-	-	-	-	-	-
Machinery and equipment	499	119	-	2 530	2 530	2 530	2 655	2 814	2 943
Transport equipment	19	-	-	-	-	-	-	-	-
Other machinery and equipment	480	119	-	2 530	2 530	2 530	2 655	2 814	2 943
Heritage assets									
Specialised military assets									
Biological assets	-	18	-	-	-	-	-	-	-
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	106 173	119 086	115 491	136 326	158 731	158 731	133 470	141 479	147 987

Table 3.H: Details of payments and estimates by economic classification - Sub-programme: Research and Technology Development Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	90 874	108 244	118 729	121 122	121 122	121 122	130 668	138 647	145 027
Compensation of employees	70 750	86 953	93 035	99 253	99 253	99 253	112 076	118 801	124 266
Salaries and wages	60 493	74 828	79 986	81 080	81 080	81 080	92 650	98 209	102 727
Social contributions	10 257	12 125	13 049	18 173	18 173	18 173	19 426	20 592	21 539
Goods and services	20 124	21 248	25 694	21 869	21 869	21 869	18 592	19 846	20 761
of which									
Administrative fees	14	9	1	9	9	9	10	10	11
Advertising	-	-	-	71	71	71	76	80	84
Assets <R5000	292	221	861	875	875	875	773	816	854
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	38	18	20	71	71	71	52	55	58
Communication	24	418	247	252	252	252	116	123	128
Computer services	42	23	22	50	50	50	-	-	-
Cons/prof: Business & advisory services									
Cons/prof: Infrastructure & planning	86	4	82	-	-	-	-	-	-
Cons/prof: Laboratory services	-	6	-	12	12	12	13	14	15
Cons/prof: Legal cost									
Contractors	1 957	1 819	2 545	1 953	1 953	1 953	1 062	1 120	1 172
Agency & support/outsourced services	4 591	5 616	6 048	2 943	2 943	2 943	3 135	3 308	3 460
Entertainment									
Fleet services (incl. GMT)	41	214	246	1 125	1 125	1 125	1 203	1 269	1 327
Housing									
Inventory: Food and food supplies	1	4	7	3	3	3	3	3	4
Inventory: Fuel, oil and gas	1 029	1 069	1 294	1 182	1 182	1 182	558	589	616
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	601	440	913	960	960	960	1 026	1 083	1 133
Inventory: Medical supplies	287	238	-	520	520	520	556	586	613
Inventory: Medicine	-	-	293	-	-	-	-	-	-
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	6 029	6 958	5 951	9 006	9 006	9 006	7 558	8 205	8 582
Inventory: Stationery and printing	461	449	366	505	505	505	305	321	336
Operating leases	89	117	215	277	277	277	153	161	168
Property payments	803	385	616	289	289	289	309	326	341
Transport provided: Departmental activity									
Travel and subsistence	3 582	3 087	5 623	1 662	1 662	1 662	1 621	1 710	1 789
Training and development	86	82	1	47	47	47	50	53	55
Operating expenditure	71	71	343	57	57	57	13	14	15
Venues and facilities									
Rental and hiring									
Interest and rent on land	-	43	-	-	-	-	-	-	-
Interest	-	43	-	-	-	-	-	-	-
Rent on land									
Transfers and subsidies to	722	685	453	-	-	-	-	-	-
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	722	685	453	-	-	-	-	-	-
Social benefits	722	685	453	-	-	-	-	-	-
Other transfers to households									
Payments for capital assets	26 460	4 606	9 936	26 235	26 235	26 235	25 434	26 856	27 870
Buildings and other fixed structures	22 371	2 349	5 509	19 450	19 450	19 450	20 792	21 936	22 945
Buildings									
Other fixed structures	22 371	2 349	5 509	19 450	19 450	19 450	20 792	21 936	22 945
Machinery and equipment	3 969	2 225	4 328	6 643	6 643	6 643	4 490	4 759	4 760
Transport equipment									
Other machinery and equipment	3 969	2 225	4 328	6 643	6 643	6 643	4 490	4 759	4 760
Heritage assets									
Specialised military assets									
Biological assets	108	32	99	142	142	142	152	161	165
Land and sub-soil assets									
Software and other intangible assets	12	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	118 056	113 535	129 118	147 357	147 357	147 357	156 102	165 503	172 897

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		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
				2012/13					
Current payments	1 968	1 498	1 620	3 071	3 071	3 071	3 231	3 388	3 541
Compensation of employees	1 568	1 385	1 514	2 658	2 658	2 658	2 741	2 902	3 036
Salaries and wages	1 426	1 247	1 370	2 349	2 349	2 349	2 414	2 559	2 677
Social contributions	142	138	144	309	309	309	327	343	359
Goods and services	400	113	106	413	413	413	490	486	505
of which									
Administrative fees									
Advertising									
Assets <R5000	-	1	-	-	-	-	-	-	-
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities									
Communication	-	-	-	24	24	24	6	7	7
Computer services									
Cons/prof: Business & advisory services									
Cons/prof: Infrastructure & planning	146	1	-	147	147	147	299	282	295
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	33	23	20	20	20	21	22	25
Operating leases									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	231	78	83	222	222	222	164	175	178
Training and development									
Operating expenditure									
Venues and facilities									
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	309	-	1	-	-	-	-	-	-
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	-	1	-	-	-	-	-	-
Social benefits	309	-	1	-	-	-	-	-	-
Other transfers to households									
Payments for capital assets	-	-	-	49	49	49	52	55	60
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	-	-	-	49	49	49	52	55	60
Transport equipment									
Other machinery and equipment	-	-	-	49	49	49	52	55	60
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 277	1 498	1 621	3 120	3 120	3 120	3 283	3 443	3 601

Table 3.J: Details of payments and estimates by economic classification - Sub-programme: Structured Agricultural Education and Training

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	56 737	51 443	90 050	114 517	114 517	114 517	128 738	136 224	142 501
Compensation of employees	26 245	28 559	62 455	55 841	55 841	55 841	63 891	67 583	70 717
Salaries and wages	22 459	24 554	57 994	50 452	50 452	50 452	58 163	61 511	64 341
Social contributions	3 786	4 005	4 461	5 389	5 389	5 389	5 728	6 072	6 376
Goods and services	30 492	22 884	27 595	58 676	58 676	58 676	64 847	68 641	71 784
of which									
Administrative fees	2	-	3	60	60	60	67	71	74
Advertising	51	67	4	440	440	440	479	505	528
Assets <R5000	694	1 005	488	1 521	1 521	1 521	1 365	1 441	1 507
Audit cost: External	-	-	-	-	-	-	12	-	-
Bursaries (employees)	-	-	2 213	-	-	-	-	-	-
Catering: Departmental activities	1 971	369	13	-	-	-	-	-	-
Communication	1 047	1 016	618	716	716	716	733	775	810
Computer services	-	21	146	-	-	-	57	-	-
Cons/prof: Business & advisory services	-	-	-	-	-	-	12	-	-
Cons/prof: Infrastructure & planning	4 938	1 644	2 588	21 807	21 807	21 807	26 232	28 665	29 960
Cons/prof: Laboratory services	-	-	-	300	300	300	321	339	355
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	1 091	1 228	1 075	4 498	4 498	4 498	3 827	4 036	4 222
Agency & support/outsourced services	7 455	7 169	7 549	9 275	9 275	9 275	10 749	11 101	11 612
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	481	848	1 317	487	487	487	421	444	464
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	48	-	-	105	105	105	111	117	122
Inventory: Fuel, oil and gas	177	5	91	464	464	464	495	522	546
Inventory: Learner and teacher supp material	639	930	825	1 655	1 655	1 655	1 755	1 852	1 937
Inventory: Materials and supplies	1 557	590	1 111	400	400	400	422	445	476
Inventory: Medical supplies	149	228	-	308	308	308	328	347	363
Inventory: Medicine	-	-	339	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	1 880	2 084	2 666	3 237	3 237	3 237	3 434	3 396	3 552
Inventory: Stationery and printing	1 936	827	864	1 050	1 050	1 050	1 112	1 203	1 258
Operating leases	605	668	940	1 030	1 030	1 030	1 091	1 152	1 205
Property payments	678	1 477	746	2 593	2 593	2 593	2 771	2 924	3 059
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	2 819	2 344	3 329	3 684	3 684	3 684	3 726	3 931	4 112
Training and development	1 204	157	51	4 636	4 636	4 636	4 894	4 919	5 145
Operating expenditure	54	207	372	110	110	110	116	122	128
Venues and facilities	1 016	-	247	300	300	300	317	334	349
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	323	25	1 659	158	158	158	265	280	288
Provinces and municipalities	-	-	2	-	-	-	98	103	108
Provinces	-	-	2	-	-	-	98	103	108
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	2	-	-	-	98	103	108
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	323	25	1 657	158	158	158	167	177	180
Social benefits	298	25	57	158	158	158	167	177	180
Other transfers to households	25	-	1 600	-	-	-	-	-	-
Payments for capital assets	1 157	1 023	4 997	5 973	5 973	5 973	6 288	6 658	6 958
Buildings and other fixed structures	42	-	528	1 707	1 707	1 707	1 800	1 900	1 986
Buildings	-	-	528	-	-	-	-	-	-
Other fixed structures	42	-	-	1 707	1 707	1 707	1 800	1 900	1 986
Machinery and equipment	770	876	4 323	3 593	3 593	3 593	3 779	4 006	4 186
Transport equipment	-	-	1 470	-	-	-	-	-	-
Other machinery and equipment	770	876	2 853	3 593	3 593	3 593	3 779	4 006	4 186
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	252	88	59	358	358	358	377	400	418
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	93	59	87	315	315	315	332	352	368
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	58 217	52 491	96 706	120 648	120 648	120 648	135 291	143 162	149 747

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	181 355	193 360	218 993	234 907	276 251	276 251	238 243	252 037	263 258
Compensation of employees	58 305	64 448	71 641	84 793	84 537	84 537	89 849	95 240	99 639
Salaries and wages	50 647	55 645	61 875	74 649	74 393	74 393	79 139	83 888	87 765
Social contributions	7 658	8 803	9 766	10 144	10 144	10 144	10 710	11 352	11 874
Goods and services	123 050	128 912	147 352	150 114	191 714	191 714	148 394	156 797	163 619
of which									
Administrative fees	136	78	28	258	201	201	297	314	328
Advertising	742	432	2 430	559	559	559	628	663	694
Assets <R5000	1 224	1 603	2 116	686	397	397	806	851	890
Audit cost: External	-	-	-	329	329	329	339	358	374
Bursaries (employees)	-	-	-	68	68	68	41	43	45
Catering: Departmental activities	884	231	2 010	588	588	588	619	653	684
Communication	944	1 369	1 161	1 019	1 193	1 193	1 090	1 150	1 223
Computer services	47	235	138	839	839	839	910	961	609
Cons/prof. Business & advisory services	3 302	2 029	1 309	5 029	4 311	4 311	4 381	4 622	4 834
Cons/prof. Infrastructure & planning	10 337	511	155	-	-	-	-	-	-
Cons/prof. Laboratory services	-	-	-	85	85	85	55	58	61
Cons/prof. Legal cost	130	-	7	134	134	134	122	129	134
Contractors	44	1 254	991	2 351	2 351	2 351	2 884	3 042	3 182
Agency & support/outsourced services	87 166	104 438	98 147	113 826	155 264	155 264	110 262	115 746	121 070
Entertainment	-	-	-	20	20	20	20	21	22
Fleet services (incl. GMT)	273	350	764	56	136	136	56	59	62
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	60	8	15	38	38	38	40	42	44
Inventory: Fuel, oil and gas	3 588	4 782	18 269	20	20	20	20	21	22
Inventory: Learner and teacher supp material	2	306	448	196	196	196	204	216	226
Inventory: Materials and supplies	819	205	25	29	29	29	29	30	33
Inventory: Medical supplies	69	165	996	36	36	36	64	67	70
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	2 361	1 956	1 991	7 006	7 006	7 006	7 790	8 935	9 346
Inventory: Stationery and printing	725	1 108	860	1 498	1 498	1 498	1 671	1 764	1 846
Operating leases	193	150	347	619	619	619	653	689	721
Property payments	3	-	-	170	110	110	198	209	218
Transport provided: Departmental activity	107	21	1 189	2 204	2 204	2 204	2 220	2 341	2 449
Travel and subsistence	8 615	6 602	8 743	9 131	9 886	9 886	9 470	10 094	10 543
Training and development	233	173	766	2 206	2 152	2 152	2 354	2 483	2 596
Operating expenditure	241	69	742	240	240	240	248	262	274
Venues and facilities	805	837	3 705	874	1 205	1 205	923	974	1 019
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	4 028	6 973	1 368	1 400	1 868	1 868	1 400	1 400	1 400
Provinces and municipalities	3 700	6 960	900	1 000	1 000	1 000	1 000	1 000	1 000
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	3 700	6 960	900	1 000	1 000	1 000	1 000	1 000	1 000
Municipalities	3 700	6 960	900	1 000	1 000	1 000	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	400
Households	328	13	68	-	468	468	-	-	-
Social benefits	328	13	62	-	468	468	-	-	-
Other transfers to households	-	-	6	-	-	-	-	-	-
Payments for capital assets	3 389	2 761	935	1 878	1 878	1 878	1 930	2 046	2 578
Buildings and other fixed structures	350	271	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	350	271	-	-	-	-	-	-	-
Machinery and equipment	2 341	2 343	935	1 878	1 878	1 878	1 930	2 046	2 578
Transport equipment	-	-	-	123	-	-	-	-	-
Other machinery and equipment	2 341	2 343	935	1 755	1 878	1 878	1 930	2 046	2 578
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	698	147	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	188 772	203 094	221 296	238 185	279 997	279 997	241 573	255 483	267 236

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	2 441	2 646	2 847	5 486	5 025	5 025	5 780	6 127	6 440
Compensation of employees	1 343	1 492	1 835	2 965	2 504	2 504	3 152	3 341	3 495
Salaries and wages	1 183	1 312	1 613	2 737	2 276	2 276	2 912	3 087	3 229
Social contributions	160	180	222	228	228	228	240	254	266
Goods and services	1 098	1 154	1 012	2 521	2 521	2 521	2 628	2 786	2 945
of which									
Administrative fees	7	-	-	-	-	-	-	-	-
Advertising	-	-	-	108	108	108	110	116	121
Assets <R5000	-	5	50	-	-	-	-	-	-
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	25	35	54	155	155	155	165	174	182
Communication	24	37	29	85	85	85	97	102	138
Computer services	-	105	138	100	100	100	100	106	111
Cons/prof: Business & advisory services	-	-	114	862	862	862	867	915	957
Cons/prof: Infrastructure & planning	382	409	155	-	-	-	-	-	-
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	226	277	-	221	221	221	299	329	344
Operating leases	-	1	-	-	-	-	-	-	-
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	339	251	351	910	910	910	910	960	1 004
Training and development									
Operating expenditure	-	-	44	-	-	-	-	-	-
Venues and facilities	95	34	77	80	80	80	80	84	88
Rental and hiring									
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	479	686	221	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	145	539	221	-	-	-	-	-	-
Transport equipment									
Other machinery and equipment	145	539	221	-	-	-	-	-	-
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	334	147	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	4 920	9 332	3 068	5 486	5 025	5 025	5 780	6 127	6 440

Table 3.M: Details of payments and estimates by economic classification - Sub-programme: Compliance and Enforcement

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	37 630	48 133	29 384	30 271	25 870	25 870	32 036	33 970	35 503
Compensation of employees	32 400	43 837	24 171	24 073	22 466	22 466	25 485	27 015	28 258
Salaries and wages	27 939	37 832	20 996	21 267	19 660	19 660	22 533	23 886	24 985
Social contributions	4 461	6 005	3 175	2 806	2 806	2 806	2 952	3 129	3 273
Goods and services	5 230	4 296	5 213	6 198	3 404	3 404	6 551	6 955	7 245
of which									
Administrative fees	77	-	-	57	-	-	68	72	75
Advertising	10	17	63	10	10	10	10	11	12
Assets <R5000	57	9	36	315	26	26	375	396	414
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	153	3	282	16	16	16	10	11	12
Communication	546	871	584	284	458	458	315	332	337
Computer services									
Cons/prof: Business & advisory services	-	-	-	718	-	-	699	737	770
Cons/prof: Infrastructure & planning	147	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services									
Cons/prof: Legal cost	12	-	7	42	42	42	50	53	54
Contractors	1	1	-	57	57	57	57	60	62
Agency & support/outsourced services	-	-	53	-	-	-	-	-	-
Entertainment									
Fleet services (incl. GMT)	59	92	96	18	98	98	18	19	20
Housing									
Inventory: Food and food supplies	13	1	-	1	1	1	1	1	1
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	2	-	-	51	51	51	51	54	56
Inventory: Materials and supplies	6	1	-	8	8	8	9	9	9
Inventory: Medical supplies	-	1	-	-	-	-	1	1	1
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	145	13	44	227	227	227	245	289	302
Inventory: Stationery and printing	110	146	173	233	233	233	282	298	312
Operating leases	193	149	138	260	260	260	280	295	309
Property payments	3	-	-	60	-	-	65	69	72
Transport provided: Departmental activity	102	-	391	496	496	496	475	512	536
Travel and subsistence	3 038	2 980	2 754	3 196	1 326	1 326	3 395	3 583	3 731
Training and development	223	-	-	54	-	-	50	53	55
Operating expenditure	231	-	203	58	58	58	54	57	60
Venues and facilities	102	12	389	37	37	37	41	43	45
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	947	-	33	-	-	-	-	-	-
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	147	-	33	-	-	-	-	-	-
Social benefits	147	-	27	-	-	-	-	-	-
Other transfers to households	-	-	6	-	-	-	-	-	-
Payments for capital assets	688	146	265	165	165	165	198	210	220
Buildings and other fixed structures	303	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures	303	-	-	-	-	-	-	-	-
Machinery and equipment	385	146	265	165	165	165	198	210	220
Transport equipment									
Other machinery and equipment	385	146	265	165	165	165	198	210	220
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	39 265	48 279	29 682	30 436	26 035	26 035	32 234	34 180	35 723

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	12 913	12 265	26 506	38 570	39 584	39 584	41 041	43 552	45 162
Compensation of employees	9 931	7 702	19 575	28 615	28 615	28 615	30 344	32 164	33 644
Salaries and wages	8 565	6 612	16 816	25 041	25 041	25 041	26 489	28 078	29 370
Social contributions	1 366	1 090	2 759	3 574	3 574	3 574	3 855	4 086	4 274
Goods and services	2 982	4 563	6 931	9 955	10 969	10 969	10 697	11 388	11 518
of which									
Administrative fees	27	78	28	113	113	113	138	146	153
Advertising	88	-	845	110	110	110	155	164	172
Assets <R5000	235	71	23	48	48	48	36	38	40
Audit cost: External	-	-	-	329	329	329	339	358	374
Bursaries (employees)	-	-	-	68	68	68	41	43	45
Catering: Departmental activities	134	83	24	69	69	69	77	81	85
Communication	63	42	256	130	130	130	130	137	143
Computer services	-	-	-	739	739	739	810	855	498
Cons/prof. Business & advisory services	300	1 776	824	1 049	1 049	1 049	1 415	1 493	1 562
Cons/prof. Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof. Laboratory services	-	-	-	85	85	85	55	58	61
Cons/prof. Legal cost	-	-	-	92	92	92	72	76	80
Contractors	21	458	131	567	567	567	567	598	626
Agency & support/outsourced services	250	868	516	467	467	467	377	398	416
Entertainment	-	-	-	20	20	20	20	21	22
Fleet services (incl. GMT)	-	6	4	25	25	25	24	25	26
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	14	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	20	20	20	20	21	22
Inventory: Learner and teacher supp material	-	6	-	13	13	13	14	15	16
Inventory: Materials and supplies	1	35	3	11	11	11	11	12	13
Inventory: Medical supplies	-	-	-	36	36	36	63	66	69
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	73	1	14	278	278	278	319	394	412
Inventory: Stationery and printing	236	73	165	269	269	269	288	304	318
Operating leases	-	-	-	306	306	306	319	337	353
Property payments	-	-	-	110	110	110	133	140	146
Transport provided: Departmental activity	-	-	65	1 708	1 708	1 708	1 745	1 829	1 913
Travel and subsistence	1 318	953	1 602	1 242	2 256	2 256	1 321	1 449	1 516
Training and development	5	-	68	1 694	1 694	1 694	1 822	1 922	2 010
Operating expenditure	10	48	230	58	58	58	67	71	74
Venues and facilities	207	65	2 133	299	299	299	319	337	353
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	905	960	914	1 000	1 468	1 468	1 000	1 000	1 000
Provinces and municipalities	900	960	900	1 000	1 000	1 000	1 000	1 000	1 000
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	900	960	900	1 000	1 000	1 000	1 000	1 000	1 000
Municipalities	900	960	900	1 000	1 000	1 000	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	-	14	-	468	468	-	-	-
Social benefits	5	-	14	-	468	468	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 650	1 185	400	1 403	1 403	1 403	1 434	1 520	2 028
Buildings and other fixed structures	47	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	47	-	-	-	-	-	-	-	-
Machinery and equipment	1 239	1 185	400	1 403	1 403	1 403	1 434	1 520	2 028
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 239	1 185	400	1 403	1 403	1 403	1 434	1 520	2 028
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	364	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	15 468	14 410	27 820	40 973	42 455	42 455	43 475	46 072	48 190

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	117 718	123 106	127 793	136 625	172 548	172 548	133 997	141 454	147 960
Compensation of employees	8 258	7 933	8 964	11 759	13 571	13 571	12 531	13 283	13 894
Salaries and wages	7 421	6 937	7 813	10 579	12 391	12 391	11 354	12 035	12 589
Social contributions	837	996	1 151	1 180	1 180	1 180	1 177	1 248	1 305
Goods and services	109 460	115 173	118 829	124 866	158 977	158 977	121 466	128 171	134 066
of which									
Administrative fees	-	-	-	30	30	30	30	32	33
Advertising	15	119	14	20	20	20	25	26	27
Assets <R5000	815	1 504	1 419	124	124	124	185	195	204
Audit cost: External									
Bursaries (employees)				-	-	-	-	-	-
Catering: Departmental activities	232	1	63	-	-	-	-	-	-
Communication	248	370	263	45	45	45	47	50	52
Computer services	47	130	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	3 002	253	371	2 400	2 400	2 400	1 400	1 477	1 545
Cons/prof: Infrastructure & planning	9 808	102	-	-	-	-	-	-	-
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	-	795	471	1 670	1 670	1 670	2 200	2 321	2 428
Agency & support/outsourced services	86 628	103 570	92 907	113 359	147 470	147 470	109 885	115 348	120 654
Entertainment									
Fleet services (incl. GMT)	204	252	658	-	-	-	-	-	-
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas	3 588	4 782	18 269	-	-	-	-	-	-
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	55	169	22	10	10	10	9	9	11
Inventory: Medical supplies	69	158	176	-	-	-	-	-	-
Inventory: Medicine									
Medcas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	2 143	1 128	1 933	5 061	5 061	5 061	5 571	6 495	6 794
Inventory: Stationery and printing	133	324	102	217	217	217	213	212	222
Operating leases	-	-	16	30	30	30	30	32	33
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	2 426	1 495	1 664	1 805	1 805	1 805	1 776	1 874	1 959
Training and development	5	-	338	25	25	25	25	26	27
Operating expenditure	-	21	142	70	70	70	70	74	77
Venues and facilities	42	-	1	-	-	-	-	-	-
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	-	-	21	-	-	-	-	-	-
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	-	-	21	-	-	-	-	-	-
Social benefits	-	-	21	-	-	-	-	-	-
Other transfers to households									
Payments for capital assets	369	730	24	123	123	123	100	106	110
Buildings and other fixed structures	-	271	-	-	-	-	-	-	-
Buildings	-	271	-	-	-	-	-	-	-
Other fixed structures									
Machinery and equipment	369	459	24	123	123	123	100	106	110
Transport equipment	-	-	-	123	-	-	-	-	-
Other machinery and equipment	369	459	24	-	123	123	100	106	110
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	118 087	123 836	127 838	136 748	172 671	172 671	134 097	141 560	148 070

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	10 653	7 210	32 463	23 955	33 224	33 224	25 389	26 934	28 193
Compensation of employees	6 373	3 484	17 096	17 381	17 381	17 381	18 337	19 437	20 348
Salaries and wages	5 539	2 952	14 637	15 025	15 025	15 025	15 851	16 802	17 592
Social contributions	834	532	2 459	2 356	2 356	2 356	2 486	2 635	2 756
Goods and services	4 280	3 726	15 367	6 574	15 843	15 843	7 052	7 497	7 845
of which									
Administrative fees	25	-	-	58	58	58	61	64	67
Advertising	629	296	1 508	311	311	311	328	346	362
Assets <R5000	117	14	588	199	199	199	210	222	232
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	340	109	1 587	348	348	348	367	387	405
Communication	63	49	29	475	475	475	501	529	553
Computer services									
Cons/prof: Business & advisory services									
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	118	-	-	-	-	-	-	-	-
Contractors	22	-	389	57	57	57	60	63	66
Agency & support/outsourced services	288	-	4 671	-	7 327	7 327	-	-	-
Entertainment									
Fleet services (incl. GMT)	10	-	6	13	13	13	14	15	16
Housing									
Inventory: Food and food supplies	33	7	15	37	37	37	39	41	43
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	-	300	448	132	132	132	139	147	154
Inventory: Materials and supplies	757	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	6	820	-	-	-	-	-	-
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	814	-	1 440	1 440	1 440	1 655	1 757	1 838
Inventory: Stationery and printing	20	288	420	558	558	558	589	621	650
Operating leases	-	-	193	23	23	23	24	25	26
Property payments									
Transport provided: Departmental activity	5	21	733	-	-	-	-	-	-
Travel and subsistence	1 494	923	2 372	1 978	3 589	3 589	2 068	2 228	2 333
Training and development	-	173	360	433	433	433	457	482	504
Operating expenditure	-	-	123	54	54	54	57	60	63
Venues and facilities	359	726	1 105	458	789	789	483	510	533
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	176	13	400	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	400
Households	176	13	-	-	-	-	-	-	-
Social benefits	176	13	-	-	-	-	-	-	-
Other transfers to households									
Payments for capital assets	203	14	25	187	187	187	198	210	220
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	203	14	25	187	187	187	198	210	220
Transport equipment									
Other machinery and equipment	203	14	25	187	187	187	198	210	220
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	11 032	7 237	32 888	24 542	33 811	33 811	25 987	27 544	28 813

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
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									
Operating leases									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence									
Training and development									
Operating expenditure									
Venues and facilities									
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	399 567	434 468	495 307	516 542	554 493	554 493	611 261	620 262	645 545
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	397 598	431 382	491 317	511 942	549 893	549 893	606 034	614 722	639 750
Social security funds									
Entities receiving funds	397 598	431 382	491 317	511 942	549 893	549 893	606 034	614 722	639 750
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	1 969	3 086	3 990	4 600	4 600	4 600	5 227	5 540	5 795
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	399 567	434 468	495 307	516 542	554 493	554 493	611 261	620 262	645 545

Table 3.R: Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	96 795	74 718	134 281	209 143	204 088	204 088	216 991	218 519	230 748
Compensation of employees	-	-	-	13 845	13 845	13 845	14 745	15 703	15 703
Salaries and wages	-	-	-	13 845	13 845	13 845	14 745	15 703	15 703
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	96 795	74 718	134 281	195 298	190 243	190 243	202 246	202 816	215 045
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	96 795	74 718	125 965	185 590	180 535	180 535	201 696	202 816	215 045
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency & support/outsourced services	-	-	8 316	9 708	9 708	9 708	550	-	-
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	25 424	104 072	100 761	60 000	65 760	65 760	63 000	66 465	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	100 761	60 000	65 760	65 760	63 000	66 465	66 465
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	104 072	100 761	60 000	65 760	65 760	63 000	66 465	66 465
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	25 424	-	-	-	-	-	-	-	-
Public corporations	25 424	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	25 424	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	4 705	6 824	6 980	7 595	7 595	7 595	7 595	7 595	7 595
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 705	6 824	6 980	7 595	7 595	7 595	7 595	7 595	7 595
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	4 705	6 824	6 980	7 595	7 595	7 595	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	126 924	185 614	242 022	276 738	277 443	277 443	287 586	292 579	304 808

Table 3.S: Payments and estimates by economic classification: Land Care grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	8 227	8 245	9 015	20 304	21 009	21 009	18 746	10 854	10 854
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	8 227	8 245	9 015	20 304	21 009	21 009	18 746	10 854	10 854
of which									
Cons/prof: Infrastructure & planning	8 227	8 245	9 015	20 304	21 009	21 009	18 746	10 854	10 854
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	8 227	8 245	9 015	20 304	21 009	21 009	18 746	10 854	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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	76 068	36 473	56 950	116 131	110 371	110 371	131 927	138 572	148 345
Compensation of employees	-	-	-	13 845	13 845	13 845	14 745	15 703	15 703
Salaries and wages	-	-	-	13 845	13 845	13 845	14 745	15 703	15 703
Goods and services	76 068	36 473	56 950	102 286	96 526	96 526	117 182	122 869	132 642
of which									
Cons/prof: Infrastructure & planning	76 068	36 473	56 950	102 286	96 526	96 526	117 182	122 869	132 642
Transfers and subsidies to	25 424	104 072	100 761	60 000	65 760	65 760	63 000	66 465	66 465
Departmental agencies and accounts	-	104 072	100 761	60 000	65 760	65 760	63 000	66 465	66 465
Entities receiving funds	-	104 072	100 761	60 000	65 760	65 760	63 000	66 465	66 465
Public corporations and private enterprises	25 424	-	-	-	-	-	-	-	-
Public corporations	25 424	-	-	-	-	-	-	-	-
Other transfers	25 424	-	-	-	-	-	-	-	-
Payments for capital assets	4 705	6 824	6 980	7 595	7 595	7 595	7 595	7 595	7 595
Machinery and equipment	4 705	6 824	6 980	7 595	7 595	7 595	7 595	7 595	7 595
Other machinery and equipment	4 705	6 824	6 980	7 595	7 595	7 595	7 595	7 595	7 595
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	106 197	147 369	164 691	183 726	183 726	183 726	202 522	212 632	222 405

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	5 000	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	5 000	-	-	-	-	-	-	-	-
of which									
Cons/prof: Infrastructure & planning	5 000	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	7 500	30 000	60 000	63 000	63 000	63 000	65 768	69 093	71 549
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	7 500	30 000	60 000	63 000	63 000	63 000	65 768	69 093	71 549
of which									
Cons/prof: Infrastructure & planning	7 500	30 000	60 000	63 000	63 000	63 000	65 768	69 093	71 549
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	7 500	30 000	60 000	63 000	63 000	63 000	65 768	69 093	71 549

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	-	-	8 316	9 708	9 708	9 708	550	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	8 316	9 708	9 708	9 708	550	-	-
of which									
Agency & support/outsourced services	-	-	8 316	9 708	9 708	9 708	550	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	8 316	9 708	9 708	9 708	550	-	-

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	2013/14	2014/15	2015/16
R thousand														
New and replacement assets														
1.	Mushroom bases	Various	Mushroom satellite	2 per annum	Ongoing	Ongoing	Equitable share	Programme 2	-	34 440	-	18 800	20 525	21 043
2.	Farm structures	Various	Fencing, irrigation, poultry, piggery, etc	Various	Ongoing	Ongoing	Equitable share	Programme 2	-	-	-	2 145	1 021	1 082
3.	Makhathini	Jozini	Irrigation, fencing, drainage canals, etc	Various	1 Apr 13	31 Mar 16	Equit. & cond. grant	Programme 2	-	-	-	23 151	25 235	26 749
4.	Office accommodation (HO & districts)	Various	Office accommodation	Various	1 Apr 13	31 Mar 16	Equitable share	Programme 1	-	-	-	4 000	4 200	4 452
Total New and replacement assets									-	34 440	-	48 096	50 981	53 326
Upgrades and additions														
Rehabilitation, renovations and refurbishments														
1.	Office accommodation (HO & districts)	Various	Office accommodation	Various	Ongoing	Ongoing	Equitable share	Programme 1	-	-	-	9 856	10 439	10 875
2.	Makhathini	Jozini	Irrigation, fencing, drainage canals, etc	Various	Ongoing	Ongoing	Equit. & cond. grant	Programme 2	-	-	-	61 554	36 474	37 962
3.	Irrigation schemes	Various	Irrigation schemes	Various	Ongoing	Ongoing	Equit. & cond. grant	Programme 2	-	-	-	11 388	12 520	13 671
4.	Farm structures	Various	Handling facilities, poultry, piggery, etc	Various	Ongoing	Ongoing	Equitable share	Programme 2	-	-	-	9 850	17 443	17 918
5.	Cedara facilities	uMngeni	Access roads, dairy parlour, etc	Various	1 Apr 13	31 Mar 16	Equitable share	Programme 1	-	-	-	4 124	4 330	4 590
Total Rehabilitation, renovations and refurbishments									-	-	-	96 772	81 206	85 016
Maintenance and repairs														
1.	Office accommodation	Various	Office accommodation	Various	Ongoing	Ongoing	Equitable share	Programme 1	-	-	-	7 295	7 780	7 908
2.	Farm structures	Various	Fencing, irrigation, poultry, piggery, etc	Various	Ongoing	Ongoing	Equitable share	Programme 2	-	-	-	7 439	12 316	13 055
3.	Makhathini	Jozini	Irrigation, fencing , drainage canals, etc	Various	Ongoing	Ongoing	Equit. & cond. grant	Programme 2	-	-	-	8 095	4 103	4 349
Total Maintenance and repairs									-	-	-	22 829	24 199	25 312
Infrastructure transfers - current														
Infrastructure transfers - capital														
Total Infrastructure									-	34 440	-	167 697	156 386	163 654

Table 3.Y: Summary of transfers to local government

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	850	1 515	100	-	-	-	-	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	150	15	100	-	-	-	-	-	-
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	500	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	200	1 500	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	2 200	265	-	-	-	-	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	2 000	265	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	-	-	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	200	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	450	1 500	-	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	200	-	-	-	-	-	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	-	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	250	-	-	-	-	-	-	-	-
B KZN236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	1 500	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	400	400	-	-	-
B KZN241 Endumeni	-	-	-	-	400	400	-	-	-
B KZN242 Nqutu	-	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	-	-	-	-	-	-	-
B KZN245 Umvoti	-	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	1 500	150	400	-	400	400	-	-	-
B KZN252 Newcastle	1 500	150	400	-	400	400	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
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	-	1 500	-	-	-	-	-	-	-
B KZN271 Umhlabuyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	-	-	-	-	-	-	-	-	-
B KZN274 Hlabisa	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	1 500	-	-	-	-	-	-	-
Total: uThungulu Municipalities	700	515	400	-	-	-	-	-	-
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	500	515	-	-	-	-	-	-	-
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	400	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	200	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	1 500	-	-	100	100	-	-	-
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	100	100	-	-	-
C DC29 Ilembe District Municipality	-	1 500	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	100	100	-	-	-
B KZN431 Ingwe	-	-	-	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	100	100	-	-	-
B KZN434 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 Umzimkulu	-	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	1 000	-	-	1 000	1 000	1 000
Total	5 700	6 960	900	1 000	1 000	1 000	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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	500	1 500	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	500	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	1 500	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	1 500	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	1 500	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	1 500	-	-	-	-	-	-	-	-
B KZN252 Newcastle	1 500	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	1 500	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	1 500	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	1 500	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	1 500	-	-	-	-	-	-	-
Unallocated									
Total	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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
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 Emnambithi/Ladysmith	200	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	200	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	200	-	-	-	-	-	-	-	-
Unallocated									
Total	800	-	-	-	-	-	-	-	-

Table 3.(iii): Transfers to local government - Greenest Municipality Competition

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	150	15	100	-	-	-	-	-	-
B KZN212 Umdoni	150	15	100	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	265	-	-	-	-	-	-	-
B KZN222 uMngeni	-	265	-	-	-	-	-	-	-
Total: Uthukela Municipalities	250	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	250	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	400	400	-	-	-
B KZN241 Endumeni	-	-	-	-	400	400	-	-	-
Total: Amajuba Municipalities	-	150	400	-	400	400	-	-	-
B KZN252 Newcastle	-	150	400	-	400	400	-	-	-
Total: Zululand Municipalities	-	15	-	-	-	-	-	-	-
B KZN261 eDumbe	-	15	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	500	515	400	-	-	-	-	-	-
B KZN282 uMhlathuze	500	515	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	400	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	100	100	-	-	-
B KZN294 Maphumulo	-	-	-	-	100	100	-	-	-
Total: Sisonke Municipalities	-	-	-	-	100	100	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	100	100	-	-	-
Unallocated	-	-	-	1 000	-	-	1 000	1 000	1 000
Total	900	960	900	1 000	1 000	1 000	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 (EKZNW)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	207 971	192 548	197 436	180 532	210 563	225 775	242 096
Sale of goods and services other than capital assets	165 134	160 761	165 549	154 818	173 272	186 268	200 238
Fines penalties and forfeits	1 416	1 607	1 324	-	-	-	-
Interest, dividends and rent on land	14 437	10 565	11 409	8 286	8 300	8 923	9 592
Other non-tax revenue	26 984	19 615	19 154	17 429	28 991	30 585	32 267
Transfers received*	397 578	431 382	491 317	519 734	615 407	614 722	639 750
Sale of capital assets	36 243	54 271	90 337	-	3 500	-	-
Total revenue	641 792	678 201	779 090	700 266	829 469	840 497	881 846
Expenses							
Current expense	679 880	663 387	853 732	898 257	975 107	1 028 138	1 084 941
Compensation of employees	402 785	426 635	469 634	513 317	569 534	612 250	658 168
Use of goods and services	189 904	164 465	165 898	165 181	185 268	195 457	206 208
Depreciation	47 346	(23 427)	97 508	97 508	97 508	97 508	97 508
Non-exchange transaction expense	39 818	54 060	95 688	95 688	95 688	95 688	95 688
Net loss on disposal of assets	-	41 567	24 806	24 806	24 806	24 806	24 806
Interest, dividends and rent on land	27	87	198	1 757	2 303	2 430	2 563
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	679 880	663 387	853 732	898 257	975 107	1 028 138	1 084 941
Surplus / (Deficit)	(38 088)	14 814	(74 642)	(197 991)	(145 638)	(187 641)	(203 095)
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	42 521	(5 255)	79 816	81 375	81 921	82 048	82 181
Adjustments for:							
Depreciation	47 346	(23 427)	97 508	97 508	97 508	97 508	97 508
Interest	27	87	198	1 757	2 303	2 430	2 563
Net (profit) / loss on disposal of fixed assets	(249)	41 567	24 806	24 806	24 806	24 806	24 806
Proceeds on disposal of assets	(1 028)	(19 533)	(37 345)	(37 345)	(37 345)	(37 345)	(37 345)
Other - External projects	(3 575)	(3 949)	(5 351)	(5 351)	(5 351)	(5 351)	(5 351)
Operating surplus / (deficit) before changes in working capital	4 433	9 559	5 174	(116 616)	(63 717)	(105 594)	(120 913)
Changes in working capital	(23 624)	62 934	(51 125)	(51 125)	(51 125)	(51 125)	(51 125)
(Decrease) / increase in accounts payable	(17 896)	37 198	(9 433)	(9 433)	(9 433)	(9 433)	(9 433)
Decrease / (increase) in inventories	(408)	811	(721)	(721)	(721)	(721)	(721)
Decrease / (increase) in accounts receivable	(119)	22 059	(17 025)	(17 025)	(17 025)	(17 025)	(17 025)
(Decrease) / increase in provisions	(5 201)	2 866	(23 946)	(23 946)	(23 946)	(23 946)	(23 946)
Cash flow from operating activities	(19 191)	72 493	(45 951)	(167 741)	(114 842)	(156 719)	(172 038)
Cash flow from investing activities	35 746	7 404	12 069	20 011	72 364	76 344	80 543
Acquisition of assets	35 746	7 404	12 069	20 011	72 364	76 344	80 543
All buildings	-	-	659	-	-	-	-
Capital work in progress	9 870	-	-	-	-	-	-
Computer equipment	9 689	905	2 442	-	-	-	-
Furniture and office equipment	5 846	1 524	2 039	-	-	-	-
Other machinery and equipment	694	648	615	-	-	-	-
Transport assets	9 546	4 327	5 071	-	-	-	-
Dams, reservoirs and boreholes	101	-	13	-	-	-	-
Fencing	-	-	1 230	-	-	-	-
Buildings	-	-	-	715	34 934	36 856	38 883
Machinery and equipment	-	-	-	17 554	30 524	32 203	33 974
Other	-	-	-	1 742	6 906	7 286	7 686
Other flows from investing activities	-	-	-	-	-	-	-
Cash flow from financing activities	(7 531)	14 898	4 992	4 992	4 992	4 992	4 992
Deferred Income	(2 646)	23 557	3 157	3 157	3 157	3 157	3 157
Other - Non-exchange transactions	(4 885)	(8 659)	1 835	1 835	1 835	1 835	1 835
Net increase / (decrease) in cash and cash equivalents	9 024	94 795	(28 890)	(142 738)	(37 486)	(75 383)	(86 503)
Balance sheet data							
Carrying value of assets	846 308	924 210	594 384	589 507	589 507	589 507	589 507
Buildings	682 019	647 864	413 674	546 129	546 129	546 129	546 129
Other structures (Infrastructure assets)	35 145	105 444	99 775	-	-	-	-
Computer equipment	11 879	10 920	11 249	-	-	-	-
Furniture and office equipment	31 758	32 042	9 710	-	-	-	-
Other machinery and equipment	3 993	3 351	2 089	-	-	-	-
Transport assets	35 780	69 011	25 922	-	-	-	-
Dams, reservoirs and boreholes	1 435	869	547	-	-	-	-
Fencing	1 657	29 867	30 384	-	-	-	-
Capital work in progress	42 642	24 842	1 034	-	-	-	-
Machinery and equipment	-	-	-	40 602	40 602	40 602	40 602
Other	-	-	-	2 776	2 776	2 776	2 776
Investments	85 994	82 041	119 568	119 568	119 568	119 568	119 568
Floating	50 814	31 603	70 613	70 613	70 613	70 613	70 613
Current	35 180	50 438	48 955	48 955	48 955	48 955	48 955
Cash and cash equivalents	37 354	87 019	77 962	77 962	77 962	77 962	77 962
Bank	35 216	84 179	75 124	75 124	75 124	75 124	75 124
Cash on Hand	392	1 475	1 339	1 339	1 339	1 339	1 339
Other	1 746	1 365	1 499	1 499	1 499	1 499	1 499
Receivables and prepayments	10 040	32 099	15 074	15 074	15 074	15 074	15 074
Inventory	7 408	8 219	7 498	7 498	7 498	7 498	7 498
Total assets	987 104	1 133 588	814 486	809 609	809 609	809 609	809 609
Capital and reserves	803 963	831 108	537 290	537 290	537 290	537 290	537 290
Trade and other payables	51 028	88 226	78 793	78 793	78 793	78 793	78 793
Deferred income	19 585	28 011	28 011	-	-	-	-
Provisions	130 206	139 481	129 415	129 415	129 415	129 415	129 415
Funds managed (e.g. Poverty Alleviation Fund)	40 290	31 631	33 466	33 466	33 466	33 466	33 466
Contingent liabilities	(57 968)	15 131	7 511	30 645	30 645	30 645	30 645
Total equity and liabilities	987 104	1 118 457	806 975	778 964	778 964	778 964	778 964

*Note: Some of the amounts reflected as Transfers received do not equal the amounts reflected in Table 3.12, as portion of the transfers is reflected against other Balance Sheet items.

Table 3.(vi): Financial summary for Mjindi Farming (Pty) Ltd (Mjindi)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	5 805	5 066	5 341	2 877	3 538	4 360	5 387
Sale of goods and services other than capital assets	5 553	4 901	4 995	2 492	3 115	3 894	4 875
Interest, dividends and rent on land	252	165	346	385	423	466	512
Transfers received	9 127	26 706	28 593	91 798	46 607	48 530	50 506
Sale of capital assets							
Total revenue	14 932	31 772	33 934	94 675	50 145	52 890	55 893
Expenses							
Current expense	16 358	32 514	31 268	47 017	50 145	52 890	55 893
Compensation of employees	1 698	3 514	8 193	12 508	17 794	22 051	23 319
Use of goods and services	14 411	26 717	22 441	33 186	29 072	26 969	27 313
Depreciation	247	246	615	1 323	3 279	3 870	5 061
Unauthorised expenditure	2	2 037	19	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	23 983	-	-	-
Total expenses	16 358	32 514	31 268	71 000	50 145	52 890	55 893
Surplus / (Deficit)	(1 426)	(742)	2 666	23 675	-	-	-
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	26	320	288	939	2 856	3 404	4 549
Adjustments for:							
Depreciation	247	246	615	1 323	3 279	3 870	5 061
Interest	(250)	1 872	(327)	(385)	(423)	(466)	(512)
Net (profit) / loss on disposal of fixed assets	29	74	-	1	-	-	-
Other	-	(1 872)	-	-	-	-	-
Operating surplus / (deficit) before changes in working capital	(1 400)	(422)	2 954	24 614	2 856	3 404	4 549
Changes in working capital	1 410	9 256	11 473	(4 818)	(6 855)	(7 163)	(2 740)
(Decrease) / increase in accounts payable	1 268	2 791	10 571	(2 699)	(4 672)	(4 173)	659
Decrease / (increase) in accounts receivable	(4 752)	198	879	(2 069)	(1 185)	(876)	(714)
(Decrease) / increase in provisions	4 894	6 267	23	(50)	(999)	(2 113)	(2 685)
Cash flow from operating activities	10	8 834	14 427	19 796	(4 000)	(3 759)	1 809
Cash flow from investing activities	(487)	(2 097)	(2 398)	(23 217)	(1 392)	(207)	(216)
Acquisition of assets	(499)	(2 097)	(2 398)	(23 217)	(1 392)	(207)	(216)
Dwellings	-	(28)	(1 055)	-	(700)	-	-
Computer equipment	-	(362)	(477)	(2 000)	-	-	-
Furniture and office equipment	-	(391)	(64)	(100)	-	-	-
Other machinery and equipment	(39)	(211)	(794)	(10 371)	(692)	(207)	(216)
Transport assets	(460)	(1 105)	(8)	(10 746)	-	-	-
Other flows from investing activities	12	-	-	-	-	-	-
Cash flow from financing activities	-	-	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	(477)	6 737	12 029	(3 421)	(5 392)	(3 966)	1 593
Balance sheet data							
Carrying value of assets	2 433	4 269	20 833	53 544	51 657	47 994	44 533
Land	465	60	60	-	-	-	-
Dwellings	693	1 076	16 806	29 002	28 421.96	27 854	27 296
Computer equipment	12	370	705	2 362	1 582.54	1 060	710.40
Furniture and office equipment	22	409	432	569	512.10	460.89	414.80
Other machinery and equipment	178	310	999	12 696	13 008.80	11 914.04	10 139.23
Transport assets	1 063	2 044	1 831	8 915	8 132.00	6 705.60	5 972.48
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	4 512	11 247	23 603	20 567	15 598	12 098	12 820
Bank	4 508	11 242	23 598	20 562	15 593	12 093	12 815
Cash on Hand	4	5	5	5	5	5	5
Receivables and prepayments	2 031	1 784	943	2 573	3 824	4 701	5 415
Trade receivables	1 888	1 739	883	2 513	3 764	4 641	5 355
Other receivables	143	43	59	59	60	60	60
Prepaid expenses	-	2	1	1	-	-	-
Inventory	60	111	73	512	445	445	445
Total assets	9 036	17 411	45 452	77 196	71 525	65 238	63 213
Capital and reserves	(4 184)	(4 866)	12 580	47 073	47 073	47 073	47 073
Accumulated reserves	(12 097)	(13 523)	(14 265)	(11 599)	12 076	12 076	12 076
Surplus / (Deficit)	(1 426)	(742)	2 666	23 675	-	-	-
Other	9 339	9 399	24 179	34 997	34 997	34 997	34 997
Borrowings	-	-	-	-	-	-	-
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	12 867	15 658	26 230	23 531	18 859	14 685	15 345
Trade payables	8 185	4 415	2 632	2 969	3 266	2 592	2 530
Accrued interest	175	-	-	-	-	-	-
Other	4 507	11 243	23 598	20 562	15 593	12 093	12 815
Deferred income	-	-	-	-	-	-	-
Provisions	352	6 619	6 642	6 592	5 593	3 480	795
Funds managed (e.g. Poverty Alleviation Fund)	-	-	-	-	-	-	-
Contingent liabilities	1	-	-	-	-	-	-
Total equity and liabilities	9 036	17 411	45 452	77 196	71 525	65 238	63 213

*Note: Some of the amounts reflected as Transfers received do not equal the amounts reflected in Table 3.12, as portion of the transfers is reflected against other Balance Sheet items.

Table 3.(vii): Personnel summary for EKZNW

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Details of personnel numbers, compensation of employees and unit cost							
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	402 785	426 635	469 634	513 317	569 534	612 250	658 168
Personnel numbers (head count)	2 487	2 539	2 484	2 534	2 437	2 620	2 816
Unit cost	162	168	189	203	234	234	234
B. Part-time and temporary contract employees							
Personnel cost (R thousand)							
Personnel numbers (head count)	749	870	635	710	851	915	983
Unit cost	-	-	-	-	-	-	-
C. Interns							
Personnel cost (R thousand)							
Personnel numbers (head count)	21	43	45	38	93	100	107
Unit cost	-	-	-	-	-	-	-
Total for entity							
Personnel cost (R thousand)	402 785	426 635	469 634	513 317	569 534	612 250	658 168
Personnel numbers (head count)	3 257	3 452	3 164	3 282	3 381	3 635	3 907
Unit cost	124	124	148	156	168	168	168
D. Learnerships							
Personnel cost (R thousand)							
Personnel numbers (head count)	29	-	12	19	30	30	30
Unit cost	-	-	-	-	-	-	-
Details of personnel numbers according to salary level							
Salary level							
Board Members	10	15	13	15	15	15	15
Executive Management	1	1	1	1	1	1	1
Senior Management	11	11	9	10	13	13	13
Middle Management	182	185	187	185	183	183	183
Professionals	176	186	198	200	186	186	186
Semi-skilled	1 346	1 381	1 354	1 377	1 364	1 364	1 364
Very low skilled	771	775	735	761	690	690	690
Total	2 497	2 554	2 497	2 549	2 452	2 452	2 452

Table 3.(viii): Financial summary for Mjindi

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Details of personnel numbers, compensation of employees and unit cost							
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	1 698	3 127	8 189	12 508	17 794	22 051	23 319
Personnel numbers (head count)	30	38	50	65	81	81	81
Unit cost	57	82	164	192	220	272	288
B. Part-time and temporary contract employees							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost	-	-	-	-	-	-	-
Total for entity							
Personnel cost (R thousand)	1 698	3 127	8 189	12 508	17 794	22 051	23 319
Personnel numbers (head count)	30	38	50	65	81	81	81
Unit cost	57	82	164	192	220	272	288
Details of personnel numbers according to salary level							
Salary Level							
Board Members	241	1 631	948	1 172	1 500	1 589	1 677
Executive Management	-	368	1 883	2 008	2 106	2 229	2 354
Senior Management	-	-	909	1 454	2 173	2 437	2 573
Middle Management	825	688	735	2 190	3 800	5 556	5 867
Professionals	290	658	704	3 917	6 127	6 599	6 968
Semi-skilled	-	242	1 240	2 406	2 687	3 990	4 214
Very low skilled	583	1 171	2 718	533	901	1 240	1 343
Total	1 939	4 758	9 137	13 680	19 294	23 640	24 996

VOTE 4

Economic Development and Tourism

Operational budget	R 1 835 362 776
MEC remuneration	R 1 652 224
Total amount to be appropriated	R 1 837 015 000
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

The department has revised its vision, mission and strategic goals during its 2013/14 MTEF planning processes to link its plan with national and provincial priorities, as part of the 2030 provincial vision.

Vision

The vision of the Department of Economic Development and Tourism (DEDT) is: *Leading the attainment of inclusive growth for job creation and economic sustenance.*

Mission statement

The department's mission is to: *Develop and implement strategies that drive economic growth, be a catalyst for economic transformation and development, provide leadership and facilitate integrated economic planning and development, and create a conducive environment for investment.*

Strategic goals and 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 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 Enterprise Development and Growth Funds. 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 goals and objectives:

Lead and co-ordinate integrated economic planning and development.

- To facilitate the implementation of B-BBEE strategy and policies.
- To provide macro-economic analysis and develop provincial economic policies/strategies.
- To provide research on priority economic sectors.
- To champion special economic zones (SEZ).
- To drive growth of the provincial economy.
- To facilitate implementation of local economic development strategies.
- To forge strategic partnerships for the development of the provincial economy (leverage resources).
- To develop and maintain an efficient regulatory and governance framework for sustained economic development.

Facilitate sustainable and inclusive economic growth to ensure job creation.

- To promote SMME and entrepreneurial development (informal and social enterprises).
- To facilitate creation of new markets.
- To enhance sector and industrial development through trade, investment and exports logistics, Information Communication Technology (ICT), manufacturing, green economy, agri-business, tourism, creative industries, maritime, aerotropolis and aviation.
- To develop the knowledge base to enhance the knowledge economy.
- Development of ICT infrastructure.
- To investigate and develop viable alternative energy generation options.

Develop and transform the tourism sector to achieve destination competitiveness.

- To develop and fund the implementation of tourism sector specific products.
- To enhance the contribution of tourism to the KZN economy.
- To implement interventions that drive transformation, diversification and service excellence in the tourism sector.
- To foster strategic linkages (tourism corridors, leverage infrastructure development strategy).
- To promote responsible tourism practices and champion tourism response to climate change.

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
- KZN Dube TradePort Corporation Act 2010 (Act No. 2 of 2010)

The following bills have recently been promulgated and have been forwarded to the Premier for assenting, and the department awaits notification of the respective Act numbers:

- Richards Bay Industrial Development Zone Bill.
- Agri-business Development Agency (ADA) Bill.
- KZN Consumer Protection Bill.

2. Review of the 2012/13 financial year

Section 2 provides a review of 2012/13, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

Integrated economic development

In pursuit of facilitating access to markets for small enterprises, the department hosted the KZN Hall of Business Growth at the Royal Show, with 24 SMMEs and co-operatives exhibiting their goods and services and using the opportunity to network and promote their businesses.

The department established a three-year Diploma in Management of Co-operatives scholarship for students who are enrolled at the University of Zululand. Currently, the department is paying scholarships for 104 students. The mentorship of 75 co-operatives, who are participating in the school nutrition programme and bakery business, was completed.

The department verified that all provincial departments comply in terms of B-BBEE implementation, and each department received a B-BBEE verification certificate indicating its compliance level. The department continues to train youth on technical skills such as hospitality, IT support, project management, human resource management, business administration, plumbing, carpentry, etc., with 1 660 youth trained.

The department is currently rolling out B-BBEE policies and legislation training. To date, more than 500 people have been trained in this regard. There were 11 B-BBEE awareness and advocacy campaigns held in KZN. A total of 500 women were trained in business management, and six workshops organised for South African Women in Business. The department continues to support women in tourism, construction, maritime, hospitality, etc.

With regard to the Mthonjaneni trading centre, the construction of the market stalls was completed in November 2012 and funds were transferred to the municipality. The Umlalazi and Mandeni trading centre projects are in progress. Regarding the Nyoni trading centre, a contractor has been appointed and implementation has begun. The Okhahlamba Development Agency deals with construction of trading centres, with these being at the contracting stage.

Trade and sector development

The department completed the Provincial Integrated Maritime Industry Development Strategy and provided support and empowerment to 80 emerging enterprises *via* Durban Tradeport. In terms of progress for 2012/13, the following achievements were made:

Agri-business: Support to emerging beekeepers was expanded to unlock the economic potential of this industry. Over 200 beekeepers (20 projects) were supported with honey production inputs to increase productivity and sustain the industry. The Goat Commercialisation project was expanded in collaboration with the Department of Agriculture, Environmental Affairs and Rural Development (DAEARD), with 14

projects (over 110 goat farmers) supported. The leather processing skills training programme was successfully implemented and over 280 rural people were trained on hides and skins processing skills.

Clothing and textiles: Three fashion designers were supported to showcase their products. Some 27 beneficiaries completed MSC Textile Technology through the Technical University of Liberec. The department has joined with the National Departments of Arts and Culture, Trade and Industry, the eThekweni Metro and the Fashion Council to establish a KZN Fashion hub.

Creative industries: The KZN Music Studio recorded 72 musicians and distributed 28 037 CDs to various distribution agencies. Approximately 400 local and international movies were showcased during the Durban International Film Festival.

Business regulation and governance

The KZN Liquor Authority (KZNLA) was established and is headed by a CEO, and the organisational structure is approximately 60 per cent staffed. The KZN Liquor Licensing Act and its regulations have totally revised the fee structure pertaining to liquor licences, with this fee being reviewed on an annual basis. These reviewed fees will immediately become effective once the Legislature assents to the amendment Bill, which is currently before the Legislature.

The KZN Consumer Protection Bill is currently awaiting final approval from the Legislature. Events had overtaken the development of the draft Bill relating to the review of the Business Act by the province. The Department of Trade Industry (DTI) had commenced a national review process and had requested provinces to align their review to the timelines of the DTI. Regrettably, the DTI has been delayed with these processes, hence delaying the provinces' progress. KZN has nevertheless taken the lead in providing a consolidated approach to the proposed amendments and submitted them for input to the DTI.

Economic planning

The department, in partnership with Trade and Investment KwaZulu-Natal (TIK), established a Green Economy Technical Assistance Fund to assist project developers with funding to develop bankable business plans. A Solar Energy Map was purchased as part of stimulating the solar market uptake in the province. A KZN Green Economy blog was established in partnership with TIK to allow for all Green Economy publications and information to be centralised and easily accessible to all industry role players.

The department continued to implement the Emerging Researchers Capacity Building Programme, with a view to enhance capacity of monitoring and evaluating practitioners. To this end, more than 100 practitioners have benefited from the programme. The programme also gave birth to the KZN Monitoring, Evaluation and Research Association (KZNMERA), creating a network for these practitioners with the intention of forming a platform for engaging on monitoring and evaluation issues.

Ithala Development Finance Corporation (Ithala)

Ithala is a provincial development finance institution, 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 KZN, the main focus being to promote, support and facilitate social and economic development.

The 2012/13 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 low interest rates.

Ithala Limited has seen pressure on profitability as a result of a decreasing customer base due to competition from other commercial banks also now targeting rural banking. This has been further exacerbated by the contracted IT service provider's inability to support the roll-out of new product offerings. Given Ithala's mandate of economic development, the entity provides financial assistance to individuals and businesses on less stringent criteria than would be provided by other commercial institutions, hence has a higher risk profile. As a result, Ithala has a legacy of substantially non-performing loans. While significant strides are being made in improving processes, staffing and collections, the results will only be seen in the longer term.

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 protected beaches along the KZN coastline. During 2012/13, the KZNSB maintained 23.7 km of shark netting and 79 drum-lines off the KZN coast.

The KZNSB continued research on the biodiversity of sharks, as contracted by the national Department of Environmental Affairs. The entity also continued its research work into non-lethal means of protecting bathers in the form of shark repellent technology. The KZNSB also documented all catches, and collected biological information and material to improve understanding of marine animals. The KZNSB addressed capital backlogs, which included the replacement of boats, outboard motors and vehicles.

The entity was also given a mandate to establish a Maritime Centre of Excellence, which was launched in 2012/13. The centre is aimed at skilling persons for employment in the maritime sector. Highlights included, among others, the conversion of workshops to classrooms, accreditation of the centre (locally and internationally) and nine courses. In addition, moderators, assessors and facilitators have been secured, and the centre enrolled 53 students, with another 23 pending, for courses such as boat building and skipper certification.

KZN Tourism Authority (TKZN)

TKZN is responsible directly and indirectly for the development, promotion and marketing of tourism into and within KZN. The vision of TKZN is to position KZN as Africa's leading tourism destination, nationally and internationally. During the year, TKZN continued to develop a tourism strategy for 2013 to 2018, aligned to the National Development Plan (NDP), the National Tourism Sector Strategy (NTSS), the PGDP and the Provincial Tourism Master Plan. TKZN also formulated relevant strategies aimed at increasing KZN's attractiveness for tourism and investment.

TKZN successfully hosted the Tourism *Indaba*. TKZN also participated in key co-ordination forums and initiated strategic business development and special-interest marketing initiatives in order to grow and expand tourism.

Among the 2012/13 highlights, TKZN and its partners successfully hosted events like the World Golf Amateur Championship, Volvo European Golf Championship, East 3 Route, to name a few. 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. The entity ran campaigns and activations nationally and regionally, with a focus on African countries like Botswana and Zimbabwe.

TKZN also embarked on a strategy to develop materials to increase tourism safety awareness and to render tourism emergency support. Access to new markets is also an area that saw TKZN travel to countries like Mexico and Korea, taking KZN product owners along to expose them to these markets.

The entity received funding for the KZN Convention Bureau Bid and the Travel Agencies Federation of India (TAFI) to host the conference that presents TKZN with a platform to educate the Indian trade on KZN products and attractions that appeal to their markets for creation of new packages and itineraries that will feature KZN.

Agri-business Development Agency (ADA)

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.

During 2012/13, ADA continued to build its internal capacity. ADA also partnered with DAEARD and the National Department of Rural Development and Land Reform (DRDLR) and supported 50 projects. Of these projects, eight are in sugarcane, 30 are in other crops and 12 are in livestock.

The entity was challenged in its efforts to balance the basket of own projects *viz-a-viz* those implemented on behalf of DAEARD. During 2012/13, ADA was able assist 50 projects with infrastructure development, capacity building and linking farmers to formal markets. The nature of ADA business calls

for a different approach in procurement, which takes into account the nature of farming, which is unpredictable. Hence, the entity established a panel of service providers and suppliers which could be contracted at short notice, instead of having to advertise tenders.

ADA, together with DEDT, is currently engaged in drafting the ADA Bill, to be promulgated by the Legislature, which will ensure that governance of the agency is regulated. The reassignment of ADA to DAEARD, as per a Cabinet resolution, will take place once the necessary legislation requirements have been met.

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 the TradePort. The TradePort is a multi-nodal development, which is being phased in over 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, TradeZone, King Shaka International Airport (KSIA), Dube City and the AgriZone.

During 2012/13, the focus was on further development of the airside and landside service provision and expanding air to road trucking operations to Johannesburg, Cape Town and Port Elizabeth, and the establishment of new direct routes with a regional carrier between Durban and identified commercial centres in the South African Development Community (SADC) region, among others.

DTP took over the operation of the cargo terminal and significant year-on-year growth has been seen in cargo volumes since. The TradeHouse at the TradeZone is now fully occupied, and demand for other available sites remains high. However, difficulties have been experienced in finding suitable tenants for Dube City, due to the over-supply of office and commercial space in the surrounding areas. Additional land adjacent to that already owned by DTP was purchased in 2012/13 to enable future development of the planned aerotropolis, as provided in DTP's Master Plan. DTP continued expanding the AgriZone by bringing more greenhouses into operation and developing a new packhouse and, in terms of its ICT offerings, DTP expanded voice and broadband services to all new property developments within the DTP precinct.

Regarding the provisioning of the Hlawe River sewer pipeline, significant delays were experienced as the Environmental Impact Assessment (EIA) approvals required to proceed with developments were delayed due to stakeholders disagreeing on the long term feasibility of the sewer line, and this negatively impacted on the progress of construction projects that were scheduled for 2012/13. The entity is currently reviewing alternative options.

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 KZN.

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. The entity promoted KZN in the Middle East, in partnership with Consumer News and Business Channel (CNBC) Arabia, and successfully hosted the export week and the Trade and Investment Conference.

The projects undertaken by TIK include activities to promote and facilitate an increase in the growth of fixed investment in KZN, and to encourage and retain business. In addition, the entity is seeking to develop export opportunities and the generation of export leads. TIK is also undertaking programmes to increase the awareness of the services which it offers.

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 KZN, in order to enhance business growth.

Richards Bay Industrial Development Zone (RBIDZ)

RBIDZ is a Schedule 3D public entity established to undertake the development of industrial land in the Richards Bay area. The entity was listed as a provincial business enterprise in 2012/13, whereas it was responsible to Ithala prior to the listing. A new board of directors was appointed in July 2012, to address the strategic leadership of the entity.

The entity experienced numerous challenges in 2012/13, of which various outcomes were dependent on negotiations with uMhlathuze Municipality. Examples include delayed negotiations regarding payment of service contribution guarantees of R74.500 million (which was a condition in terms of the Development Facilitation Act), purchase price of land and municipal service charges, location of the arterial road in Phase 1F, etc. Delays in the transfer of land, as a result of Eskom servitudes that needed to be deregistered, further impacted on planned projects.

Development on wetlands was also more costly and complicated than anticipated, as the RBIDZ had to undertake EIA processes, and provide landfill before it could initiate any further capital works, due to the high water table. Nevertheless, the entity completed the landfill exercise in respect of Phase 1, and erected a fence around Phase 1A. The entity commenced with Phase 2 Bulk Earthworks, while finalising the traffic assessment for Phase 1F and submitting a rezoning application that incorporates the revised layout.

During 2012/13, the entity developed a master plan, outlining major projects and timing of implementation over 50 years. The entity initiated negotiations with Transnet regarding a container terminal, and is currently awaiting feedback. Similarly, the entity approached several potential tenants to establish manufacturing plants in the IDZ.

3. Outlook for the 2013/14 financial year

Section 3 looks at the key areas of 2013/14, 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 dynamic and complex environment in which small enterprises operate demand an integrated intervention by all stakeholders. Similarly, the skills level in KZN does not match the demands and dynamics of the various sectors. The demand by small enterprises for business support services remains high, putting pressure on government's resources to deliver quality services. The mitigation measure has been, and will continue to be, the implementation of an integrated business development strategy. In line with the above, the recommendations in the KZN Co-operative and SMME Development Strategies will continue to be implemented.

DEDT will conclude the review of the provincial B-BBEE Strategy and Youth Economic Empowerment Strategy, and will develop the KZN Gender and Women Economic Empowerment Strategy.

Trade and sector development

In the area of sector development, the department will continue to intensify its efforts in:

- Increasing export awareness for SMMEs through the Durban Tradepoint, for these SMMEs to increase their exports to international markets.
- Providing relevant accredited training in consultation with Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA), Transport Education and Training Authority (TETA), South African Maritime Training Academy (SAMTRA), South African Maritime Safety Authority (SAMSA) and South African Qualifications Authority (SAQA) in the short to medium term, and develop a local partnership between the industry and institutions of higher learning such as FET Colleges in the long term, so that the critical skills in economic development are available in the skills market for companies to employ them.
- Working jointly with other institutions, such as the Department of Science and Technology, Technology Innovation Agency, and municipalities in addressing innovation challenges in the maritime sector.

- Encouraging companies, both local and international, to prioritise re-investment into their businesses for future growth, this being part of business retention.

Business regulation

The focus of the Consumer Protection campaigns will be geared toward schools, as well as churches in order to maximise reach. The department will use radio dramas, as this has done well in previous years to increase awareness of consumer issues. There is a need to be more visible in monitoring ports to ensure that all goods that enter the country are safe for use and consumption by the South African market and that they fully comply with the South African Bureau of Standards. There is also an urgent need to increase the capacity of the enforcement and awareness functions of the department, and this will receive focus in 2013/14.

Economic Planning

Some of the projects for the forthcoming year will include the following:

- Green Strategy Implementation Plan projects, where plans will be geared toward assisting KZN on the use of possible sources of alternative energy, for example solar and wind energy.
- DTP will focus on its SEZ feasibility which will start with the development and implementation of getting the DTP SEZ to be functional in line with the SEZ Bill. The SEZ Bill was introduced by the National Minister of Trade and Industry to provide a clear policy framework with regard to the development, operations and management of SEZs, and it is envisaged that, once passed, will expand the strategic focus to cover diverse regional development needs and contexts, and improve the design deficiencies of the SEZs programme. The bill is currently in the public domain for comment.
- The KZN District Industrial Economic Hubs Research, which will be conducted by the department to come up with strategies on how these will be implemented per district and the recommended sector to be prioritised per district.
- Sponsoring researchers in areas such as agro-processing, renewable energy, innovation, beneficiation and productivity.

Ithala Development Finance Corporation (Ithala)

Over the 2013/14 MTEF, emphasis will be placed on marketing and improving product offerings, in order to ensure that the market share increases and revenue is enhanced. Ithala will also focus on IT enhancements – e.g. internet banking. 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 2013/14.

Ithala's focus in 2013/14 is to develop individual programmes to ensure improved sustainability of the independent business units. As such, Ithala is looking at rationalising the property portfolio to ensure consistency and improvement in both occupancy levels and rental rates achieved. In addition, the entity will focus on increasing the loan throughput, by providing better support to customers through mentor-type programmes and new offerings to potential customers. The entity will continue to work toward obtaining a full banking licence to ultimately become the bank of the provincial government.

Ithala faces a challenge in balancing the need to upgrade and maintain its infrastructure portfolio, (as this will require substantial financial investment) with the cost of the interest in respect of such capital expenditure. If Ithala does not implement an infrastructure maintenance programme, eroding assets will continue to impact on business profitability, as a result of a decrease in occupancy and rental rates.

KwaZulu-Natal Sharks Board (KZNSB)

For the 2013/14 MTEF, KZNSB will continue protecting bathers against shark attacks, while at the same time striving to conserve marine species. It will therefore continue with the research efforts on producing a shark repellent prototype cable which can be installed at a suitable location, and the efficacy and human safety aspects 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.

The entity plans to attend local and international expos and trade shows to vigorously market the activities of KZNSB and the Maritime Centre of Excellence, aimed at increasing the entity's revenue. In addition, the KZNSB will host the second International Shark Conference in 2014, which will provide the entity with an international platform to showcase its research efforts and promote wider use of the shark safety gear patented by KZNSB.

With regard to the Maritime Centre of Excellence, the KZNSB plans to adopt a school (Sithengile High School) to introduce maritime as a subject at a basic education level. Other planned activities include the drafting of a bill to include the Maritime Centre of Excellence as a core function of KZNSB, as well as the accreditation of additional courses. Furthermore, the KZNSB will enter into partnership agreements with 15 high schools and four FET colleges to offer maritime courses to interested students, while at the same time partnering with other key players in the South African Maritime Chamber of Commerce and industries to facilitate creation of jobs for qualified students.

KZN Tourism Authority (TKZN)

The entity will continue its current activities, and also focus on creation of new and strengthening of existing tourism trade platforms, such as packages for special interest groups, tour operators, specific events, etc.

Highlights for 2013/14 include the hosting of the 2013 Tourism *Indaba* and a partnership with Emirates Holidays to embark on a joint global promotion in support of the Dubai-Durban route. In addition, the entity will partner with the tour operator hosting the 2013 Ecco Tours Academy, which invites all tourist ground operators, and provides for two days of information sharing and training and one day of experiencing/showcasing tourist offerings in KZN.

The entity will also continue its marketing drive, by promoting the East 3 Route.

Agri-business Development Agency (ADA)

For 2013/14, ADA will continue to increase the scope of its operations to become fully operational in all of its programmes. The entity will expand its efforts in capacity building, technical assistance and on-and-off farm infrastructure and inputs and will focus on attracting leverage funding for farmers, as well as implement enterprise and value chain development initiatives. 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 2013/14 strategic goals include improving agricultural productivity and competitiveness of previously disadvantaged commercial farmers, and increasing income and employment in commercial agriculture.

It is envisaged that the ADA Bill will be promulgated by the Legislature in 2013/14. As mentioned, the transfer of the entity from DEDT to DAEARD is pending the enactment of this Bill.

Dube TradePort Corporation (DTP)

The focus during 2013/14 will continue to be on managing the strategic property development of the TradeZone and Dube City, and will focus on cargo shed ramp handling facilities, additional AgriZone works and re-capitalisation of the cargo terminal. Work will continue on the Watson Highway link road, as well as the Hlawe River sewer pipeline, once the outstanding EIAs have been resolved. Over the MTEF, DTP's strategy will include establishing catering facilities, facilities for maintenance and parking, structures for cargo and aircraft, additional greenhouses for the further expansion of the AgriZone, access roads on site and other public infrastructure amenities. This is in line with the strategy to develop the TradePort's infrastructure to enable future growth and promote economic activity.

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 Brazil,

Russia, India and China and South Africa (BRICS) countries to market business development programmes and growth opportunities.

The entity will continue to focus on outward investment initiatives, such as the Mining Convention in Canada, Property Development Conference in France, Film and Animation Festival in India, etc. Furthermore, the entity will assist traders in export readiness for competitive export markets, comprising export promotion and awareness activities, such as facilitating export finance and exporter training.

Richards Bay Industrial Development Zone (RBIDZ)

The entity will focus on further developments in line with the newly developed Master Plan. These include bulk earthworks, EIA for expansion of Medway Road and installation of services in Phase 1F. The entity will continue developing strategies for infrastructure development, and develop a sustainability framework and conduct value engineering studies, while focussing on expanding available land that is suitable for development.

In 2013/14, the entity will develop an institutional model to support the SEZ Bill. In addition, the entity will develop a cost benefit model to determine various development options for the IDZ. The RBIDZ will also design attractive packages to present to prospective tenants and further pursue the issuing of a cargo terminal operator licence from Transnet, tax and cost (SARS and municipal rates and service charges) incentives, etc., to attract developers to the IDZ.

4 Receipts and financing

4.1 Summary of receipts and financing

Table 4.1 shows the sources of funding for the department over the seven-year period 2009/10 to 2015/16. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 4.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Provincial allocation	2 492 401	1 624 798	1 486 950	1 640 018	1 659 018	1 659 018	1 837 015	1 950 293	2 029 698
Conditional grants	-	-	536	1 000	1 000	1 000	-	-	-
EPWP Integrated Grant for Provinces	-	-	536	1 000	1 000	1 000	-	-	-
Total receipts	2 492 401	1 624 798	1 487 486	1 641 018	1 660 018	1 660 018	1 837 015	1 950 293	2 029 698
Total payments	2 425 317	1 624 311	1 534 168	1 641 018	1 789 685	1 789 685	1 837 015	1 950 293	2 029 698
Surplus/(Deficit) before financing	67 084	487	(46 682)	-	(129 667)	(129 667)	-	-	-
Financing									
of which									
Provincial roll-overs	-	-	-	-	28 256	28 256	-	-	-
Provincial cash resources	-	100 000	90 072	-	101 411	101 411	-	-	-
Surplus/(deficit) after financing	67 084	100 487	43 390	-	-	-	-	-	-

The department continuously under-spent from 2009/10 to 2011/12. In 2009/10, the under-spending of R67.084 million 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 the KZN Youth Training programme, 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 from provincial cash resources, which was returned to the Provincial Revenue Fund by Ithala. This funding had been transferred to Ithala in previous years for land purchased for RBIDZ. This funding was subsequently transferred to RBIDZ. The department under-spent its budget by R100.487 million due to non-filling of posts, delays in various projects such as uMlalazi and Okhahlamba Development Agency for construction of trading centres and also delays in establishing the KZNLA.

The department received conditional grant funding of R536 000 for the EPWP Integrated Grant for Provinces in 2011/12. However this was not spent, as the department could not find project which would meet the grant requirements. In 2012/13, the department received a further R1 million against this grant.

The department under-spent by R43.390 million in 2011/12, due to expenditure of R25.423 million which was deemed to be prepayments relating to the Top Gear Festival and KZN Convention Bureau Bid Fund, the delays in establishment of the KZNLA, as well as non-filling of posts. An amount of R90.072 million allocated in the form of provincial cash resources was for DTP strategic projects such as cargo shed ramp handling facilities, additional AgriZone works and re-capitalisation of the cargo terminal, for the SMME risk sharing fund with Standard Bank, and the transfer to TKZN for the UCI/BMX events.

The fairly substantial increase in the provincial allocation from 2012/13 to 2015/16 is due to increased transfers from the provincial fiscus to DTP for capital projects in terms of the DTP 60-year Master Plan, as well as increased transfers to the KZNLA and TKZN.

In the 2012/13 Adjusted Appropriation, the department's budget allocation was increased by an amount of R148.667 million as explained below:

- A roll-over amounting to R28.256 million relating to previous years' commitments for events such as Top Gear Festival, TAFI and the KZN Convention Bureau Bid Fund.
- The provincial allocation increased by R19 million related to the Women's Golf Championship, Nelson Mandela Golf Tournament and Volvo European Golf Championship which were previously held under Provincial Treasury against the Strategic Cabinet Initiatives fund.
- Provincial cash resources of R101.411 million for major provincial events, such as the North Sea Jazz Festival, Metro FM Awards, BRICS Summit, etc. Additional funding was also allocated to ADA for feasibility studies, capacity building and project management of aspiring commercial farmers, to TKZN for their SAP and VIP payroll system, and to KZNSB largely for capital requirements.

Despite the reduction in the 2013/14 equitable share allocation brought about by the baseline cuts (explained in greater detail in Section 5.2), the allocation increases steadily over the 2013/14 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*.

Table 4.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Tax receipts	4 831	5 023	465	48 400	48 400	5 600	5 727	6 015	6 292
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	4 831	5 023	465	48 400	48 400	5 600	5 727	6 015	6 292
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	111	113	223	151	151	228	159	168	176
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	14	-	-	-
Sale of capital assets	-	350	304	-	-	411	-	-	-
Transactions in financial assets and liabilities	614	100 008	301	44	44	4 644	46	49	51
Total	5 556	105 494	1 293	48 595	48 595	10 897	5 932	6 232	6 519

The main revenue collected by the department is in respect of liquor licence fees. The substantial increase in the budgeted revenue in the 2012/13 Main Appropriation was based on expectations that the KZN Liquor Licensing Act would be promulgated in that year. In previous years, the same prospect led to huge under-collection by the department. Due to the slow pace in promulgating the KZN Liquor Licensing Act and delays in the formulation of regulations, Provincial Treasury advised the department to rather be conservative in their projections until such time as all the processes have been concluded. The conservative projections are reflected over the MTEF. The KZN Liquor Licensing Act proposed the establishment of a new entity, the KZNLA, which will be responsible for the liquor licensing functions. One of its roles will be surveillance to ensure that compliance of licences is enhanced, including the collection of licence fees. Thus far, the KZNLA has reviewed the licence types and their respective tariffs. Once implemented, it is envisaged that revenue from this source will increase substantially.

Revenue from *Sale of goods and services other than capital assets* relates to commission on insurance and parking rental for staff. In 2010/11, revenue increased due to increased parking fees from departmental officials. In addition, as more vacancies were filled, the revenue collections against this category grew. The increase over the MTEF is based on inflationary increments.

The revenue reflected against *Sale of capital assets* in 2010/11 to 2012/13 relates to the proceeds from the sale of redundant vehicles. Over the MTEF, no vehicle sales are anticipated.

Transactions in financial assets and liabilities across the seven-year period relates to the once-off recovery of prior year's expenditure. The fluctuating trend shows that receipts from this category are difficult to predict. 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 the RBIDZ. This money was allocated back to the department in 2010/11 for direct transfer to the RBIDZ.

4.3 Donor funding

Table 4.3 and 4.4 reflects the expenditure in respect of donor funding over the seven-year period.

Table 4.3: Details of donor funding receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Donor funding	31 291	42 626	-	-	-	-	-	-	-
European Union - Gijima	31 291	42 626	-	-	-	-	-	-	-
Total	31 291	42 626	-	-	-	-	-	-	-

Table 4.4: Details of payments and estimates of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Donor funding	28 067	36 364	-	-	-	-	-	-	-
European Union - Gijima	28 067	36 364	-	-	-	-	-	-	-
Total	28 067	36 364	-	-	-	-	-	-	-

In 2009/10 and 2010/11, the department acted as a contracting authority with regard to a local economic development funding partnership with the European Union (EU) and the *Gijima* KZN LED Support Programme, bringing 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 (close-out audit) of projects is still underway. Once the close-out audit has been finalised by the EU, the donor funds balance as reflected in Table 4.3 will then be returned by the department to the EU. The bulk of this R42.626 million is mainly interest that has been earned over the life of the fund, which will be returned to the EU once the final close-out report is issued.

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 conforms to the uniform budget and programme structure for the Economic Development sector. The main difference to the budget and programme structure for the sector is that, in KZN, Gambling and Betting falls under Vote 1: Office of the Premier.

5.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- The expanded cost-cutting measures, as re-issued by Provincial Treasury in 2013/14, will continue to be adhered to over the 2013/14 MTEF.
- Provision was made through internal reprioritisation for the carry-through costs of the 2012 wage agreement and an inflationary wage adjustment of 6.3, 6.1 and 5.9 per cent for each of the three years of the 2013/14 MTEF. The department also provided for the 1.5 per cent pay progression.
- Provision was made for the filling of vacant posts. However, with the moratorium on the filling of non-critical posts, these funds may be reallocated in the Adjustments Estimate process.
- All inflation related increases are based on headline CPI.

5.2 Additional allocations for the 2011/12 to 2013/14 MTEF

Table 4.5 shows the additional funding received by the department over the three MTEF periods: 2011/12, 2012/13 and 2013/14. The purpose of the above 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 2011/12 and 2012/13 MTEF periods (i.e. for the financial years 2015/16) are based on the incremental percentage used in the 2013/14 MTEF.

Table 4.5: Summary of additional provincial allocations for the 2011/12 to 2013/14 MTEF

R thousand	2011/12	2012/13	2013/14	2014/15	2015/16
2011/12 MTEF period	13 672	14 372	18 566	19 680	20 585
Carry-through of 2010 Adjustments Estimate - 2010 wage agreement	2 955	3 681	5 937	6 293	6 583
Implementation of Consumer Protection Act	4 000	3 400	3 400	3 604	3 770
KZNSB - Research on non-lethal shark deterrent	2 000	2 500	4 500	4 770	4 989
TKZN - Tourism Indaba	5 500	5 800	6 000	6 360	6 653
National Cabinet decision to cut provinces by 0.3 per cent	(783)	(1 009)	(1 271)	(1 347)	(1 409)
2012/13 MTEF period		78 499	211 539	253 442	265 100
Carry-through of the 2011/12 Adjustments Estimate		4 684	6 352	6 733	7 043
UCI/BMX cycling events		4 684	6 352	6 733	7 043
DTP - Infrastructure and development		50 000	180 000	220 000	230 120
ADA - Operating costs		21 591	22 851	24 257	25 373
Carry-through of 2011 Adjustments Estimate -2011 wage agreement		2 224	2 336	2 452	2 565
2013/14 MTEF period			(25 330)	(53 003)	(65 750)
Census data update and 1%, 2% and 3% baseline cuts			(25 330)	(53 003)	(65 750)
Total	13 672	92 871	204 775	220 119	219 936

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 promulgated in 2011. In terms of this Act, the rights of consumers have been legislated so as to protect them from exploitation by business. KZNSB received funding for research on an electronic shark repellent to replace the current methods being used.

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. 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 should be 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 have undertaken to fund the remaining 50 per cent from within their existing baselines.

The allocation over the 2012/13 MTEF makes provision for the carry-through costs of the higher than anticipated 2011 wage agreement. Also, additional funding was allocated for the operational costs of

ADA and DTP to fund strategic projects, such as cargo shed ramp handling facilities, additional AgriZone works and re-capitalisation of the cargo terminal, among others. There was an additional allocation for the UCI/BMX cycling events.

In the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period. The major impact of the baseline cuts was the reduction of the Enterprise Development Fund to be a fixed allocation over the MTEF. The department's entities, such as TKZN and TIK, were also cut by stipulated percentages. The remainder of the cut was made within the department against *Goods and services*, mainly within consultants' fees, whereby the department reprioritised certain projects planned over the 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 2009/10 to 2015/16.

The budget structure, which largely conforms to the uniform budget and programme structure for the Economic Development sector, is made up of six 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, Economic Planning and Tourism. Tourism is a new programme added in 2013/14 to fully conform to the sector structure, and prior year figures were restated for comparatives purposes. As mentioned, the main difference to the budget and programme structure for the sector is that, in KZN, Gambling and Betting falls under Vote 1: Office of the Premier (OTP).

Table 4.6: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	146 275	181 666	209 594	177 599	208 694	208 694	193 905	203 979	212 630
2. Integrated Economic Development Services	231 305	420 361	427 553	506 042	453 366	453 366	496 187	509 576	521 028
3. Trade and Sector Development	1 898 299	866 727	676 921	708 951	744 718	748 318	861 428	938 532	985 013
4. Business Regulation and Governance	21 130	24 876	37 313	77 653	65 749	65 749	72 566	76 233	80 037
5. Economic Planning	10 299	11 777	18 302	21 078	18 908	18 908	29 776	31 373	32 777
6. Tourism	118 009	118 904	164 485	149 695	298 250	294 650	183 153	190 600	198 213
Total	2 425 317	1 624 311	1 534 168	1 641 018	1 789 685	1 789 685	1 837 015	1 950 293	2 029 698

Note: Programme 1 includes MEC remuneration: Salary: R1 652 224

Table 4.7: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	443 038	417 435	471 540	541 055	705 230	705 230	578 208	620 359	658 306
Compensation of employees	100 183	118 136	121 912	172 915	141 516	141 516	172 109	182 609	193 374
Goods and services	342 855	299 299	349 628	368 140	563 714	563 714	406 099	437 750	464 932
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 971 450	1 192 644	1 058 880	1 096 621	1 081 113	1 081 113	1 255 314	1 326 334	1 367 734
Provinces and municipalities	5	106	14	3 543	5 692	5 692	2 412	2 533	2 649
Departmental agencies and accounts	158 355	153 503	193 221	183 327	244 876	244 876	251 557	260 174	269 300
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	100 000	280 000	280 000	331 906	249 500	249 500	280 000	280 000	280 000
Non-profit institutions	1 712 916	758 899	575 006	577 845	580 900	580 900	721 345	783 627	815 785
Households	174	136	10 639	-	145	145	-	-	-
Payments for capital assets	10 829	13 469	3 746	3 342	3 342	3 342	3 493	3 600	3 658
Buildings and other fixed structures	3 261	741	-	-	-	-	-	-	-
Machinery and equipment	6 815	5 978	3 363	2 177	3 342	3 342	3 441	3 546	3 603
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	450	-	-	-	-	-	-	-	-
Software and other intangible assets	303	6 750	383	1 165	-	-	52	54	55
Payments for financial assets	-	763	2	-	-	-	-	-	-
Total	2 425 317	1 624 311	1 534 168	1 641 018	1 789 685	1 789 685	1 837 015	1 950 293	2 029 698

The fluctuating trend relates to capital requirements of projects undertaken by DTP and RBIDZ up to 2011/12. The high expenditure for the vote as a whole in 2009/10 relates to the airport construction project undertaken by DTP. The decrease thereafter was due to the completion of the airport portion of the project and delays in the establishment of the KZNLA. The increase in the 2012/13 Adjusted Appropriation was mainly due to an additional allocation of R148.667 million received by the department. Of this amount, R51.126 million was to provide for increased transfers to the public entities – KZNSB, TKZN and ADA, as mentioned previously, R69.285 million was for provincial strategic events, among others, the North Sea Jazz Festival and the Volvo European Golf Championship. Also, R28.256 million was rolled over from 2011/12, relating to commitments with regard to projects such as the Top Gear Festival and KZN Convention Bureau Bid Fund. Despite the baseline cuts, the 2013/14 MTEF shows steady growth.

The increase in 2010/11 against Programme 1: Administration is mainly due to costs associated with the 2010 Soccer World Cup, additional costs for the new Ministry, as well as communication costs relating to the marketing strategies for the province beyond 2010. The increase in 2011/12 is attributable to several events that were approved by Cabinet including the World Golf Championship and the Top Gear Festival, which were allocated to the office of the HOD, and were moved to Tourism in the 2012/13 Adjustments Estimate. In the 2012/13 Adjusted Appropriation, a roll-over was received relating to Top Gear Festival and KZN Convention Bureau Bid Fund commitments, hence there is a significant decrease in 2013/14. The decrease in 2013/14 is also due to baseline cuts, as previously mentioned. The allocation over the two outer years of the 2013/14 MTEF increases at an inflationary rate.

The low spending in 2009/10 against Programme 2: Integrated Economic Development Services emanated from the delays in implementing projects relating to the Enterprise Development and Growth Funds. This also explains the significant increase in 2010/11 against *Transfers and subsidies to: Public corporations and private enterprises*. The increase in 2011/12 was also attributed to SMME and co-operatives rehabilitation projects in the bakery, school nutrition and agricultural products sectors. The decrease in the 2012/13 Adjusted Appropriation relates to reprioritisation of savings to offset spending pressures in other programmes, and this explains the increase in 2013/14. The growth in the two outer years is below an inflationary rate due to baseline cuts, as previously mentioned.

The high spending in 2009/10 against Programme 3: Trade and Sector Development relates to substantial allocations to DTP and RBIDZ, while the decrease in 2010/11 was due to the completion of the airport portion of DTP. The lower spending in 2011/12 reflects the lower capital requirements of DTP. The above reasons account for the decrease in *Transfers and subsidies to: Non-profit institutions*. The increase in the 2012/13 Adjusted Appropriation relates to additional funding received in respect of ADA for a feasibility study to be undertaken, business plans and capacity building, and for events such as the BRICS Summit. The significant growth over the 2013/14 MTEF relates to additional funding to DTP for infrastructure and development, and for ADA operating costs, as previously mentioned.

The spending against Programme 4: Business Regulation and Governance in 2009/10 relates to the services provided by this programme, and included the cost of higher levels of advertising, and awareness campaigns related to the Consumer Protection Act. In 2010/11, the KZNLA was not established due to delays in the promulgation of the KZN Liquor Licensing Act. The increase in 2011/12 relates to the costs of the establishment of KZNLA, and this also explains the growth from 2012/13 onward. The decrease in the 2012/13 Adjusted Appropriation relates to slow progress in the establishment of the KZNLA, and savings were moved to offset spending pressures in other programmes. The growth in 2013/14 relates to additional funding for the implementation of the Consumer Protection Act across the province. The allocation over the two outer years of the 2013/14 MTEF increases at a steady rate.

The increase in 2011/12 against Programme 5: Economic Planning relates to research projects, such as the socio-economic impact of DTP and inner-city regeneration projects. The decrease in the 2012/13 Adjusted Appropriation is mainly due to savings against *Software and other intangible assets* and *Compensation of employees* being moved to other programmes to offset cost pressures in these programmes. As this reprioritisation was once-off, there is a sharp increase in 2013/14. The allocation over the two outer years of the 2013/14 MTEF increases at a steady rate.

Programme 6: Tourism is a new programme that includes transfers to KZNSB and TKZN, as well as the Tourism projects. Tourism was previously a sub-programme under Programme 3, and historical figures were restated for comparative purposes. The increase in 2011/12 relates to critical repairs to the roofing of KZNSB headquarters in Umhlanga, to investigate more environmentally friendly shark repellent technology and to fill critical vacancies in its SCM unit. Additional funding was also allocated to TKZN for the Tourism *Indaba* and the UCI/BMX events. The significant increase in the 2012/13 Adjusted Appropriation is attributed to additional funding received in respect of various events including the North Sea Jazz Festival, the Metro FM Awards and the Volvo European Golf Championship, and for KZNSB capital requirements, which includes replacement of boats, outboard motors and vehicles. This explains the significant decrease in 2013/14. The allocation over the two outer years of the 2013/14 MTEF increases at a steady rate.

Compensation of employees increases steadily from 2009/10 to 2011/12. In 2012/13, the department budgeted to fill numerous vacant posts. This did not materialise due to the difficulty in acquiring the required skills and savings were moved to other category such as *Goods and services* to offset cost pressures. The significant increase in 2013/14 relates to the planned filling of posts. The allocation over the two outer years of the 2013/14 MTEF grows at an inflationary rate.

The high spending in 2009/10 against *Goods and services* was due to the rejuvenation of trading centres in townships project, co-operative projects, and the creation of Public Viewing Areas (PVA) for the viewing of the 2009 Confederation Cup and the 2010 Soccer World Cup matches. It also included the cost of temporary staff employed to assist the Liquor Regulation section with the backlog of liquor licence applications. The decrease in 2010/11 relates to cost-cutting and the establishment of ADA resulting in its establishment expenditure being moved from *Goods and services* to *Transfers and subsidies to: Non-profit institutions*. In 2011/12, the high spending relates to various projects, with more details provided under Section 6. The allocation against this category increases at a steady rate over the 2013/14 MTEF.

Transfers and subsidies to: Provinces and municipalities relates to motor licensing costs and transfers to municipalities for the development of trading centres. In 2010/11, spending was due to a donation to the International Newcastle Alliance Summit. The increase in the 2012/13 Adjusted Appropriation relates to joint project funding for the Inyoni craft centre and Ndundulu trading centre in the Mthonjaneni Municipality, as well as once-off funding to rehabilitate beach structures which were damaged by storms in uMhlathuze, KwaDukuza and Hibiscus Coast Municipalities. The allocation over the 2013/14 MTEF includes development of trading centres, and increases at a steady rate.

The spending against *Transfers and subsidies to: Departmental agencies and accounts* relates to funding provided to TIK, KZNSB, TKZN, *Ezemvelo KZN Wildlife* (EKZNW) and the KZNLA (which was shifted to this category in the 2012/13 Adjusted Appropriation). The high spending in 2009/10 was due to additional funding for the costs of the 2010 Tourism *Indaba*. In 2010/11, TKZN was allocated funding for the UCI/BMX Tour of SA cycling. The increase in 2011/12 relates to TKZN for the Tourism *Indaba*, promotion of the East 3 Route and the UCI/BMX events. Also included were the costs for research on shark repellent technology and for implementation of biometric access control by KZNSB. In the 2012/13 Adjusted Appropriation, funds relating to community development based projects for the Bhambatha Lodge, the Ingodini Border Caves and the Ntsikeni and May Lodge were shifted from *Goods and services* to EKZNW under this category. Also, the budget for the KZNLA was shifted to this category from *Transfers and subsidies to: Public corporations and private enterprises* due to delays with DTI in repealing the National Liquor Licensing Act. This explains the increase over the 2013/14 MTEF.

Transfers and subsidies to: Public corporations and private enterprises consists of transfers to the Growth and Enterprise Development Funds and Ithala share capital. The Enterprise Development Fund was introduced in 2012/13, combining the funding streams of the former Co-operatives and SMMEs Funds. The historical figures have not been restated as, although no new loans are approved in respect of the Co-operatives (not shown in the table) and SMMEs Funds, the funds are still active in so far as loan repayments are concerned. The decrease in the 2012/13 Adjusted Appropriation emanates from savings realised in the Growth Fund which were moved to *Goods and services* to cater for the KZN Convention

Bureau Bid Fund and TAFI, as well as to *Transfers and subsidies to: Departmental agencies and accounts* for TKZN in respect of the Tourism *Indaba* and to the KZNSB for the Maritime Centre of Excellence. The allocation for the KZNLA was also shifted from this category, as mentioned previously. The funding of both the Enterprise Development and Growth Funds will remain fixed over the 2013/14 MTEF, due to the baseline cuts.

Transfers and subsidies to: Non-profit institutions comprises transfers to DTP, RBIDZ, ADA, etc. The downward trend in 2010/11 relates to the construction and completion of the airport portion of DTP. This also explains the decrease in 2011/12. The increase in the 2012/13 Adjusted Appropriation is attributed to additional funding to ADA, as mentioned previously, and savings rationalised from DTP, which were allocated to cater for various projects, such as the Tourism Enterprise Programme, Ekhasya Multi-Art Centre, Integrated Craft Hub (ICH) and Cycling SA. The higher allocation over the 2013/14 MTEF reflects the higher capital requirements of DTP.

Transfers and subsidies to: Households relates to staff exit costs. The increase in 2011/12 relates to a once-off transfer to the Office of the Premier in respect of bursaries for non-employees.

The spending against *Buildings and other fixed structures* in 2009/10 and 2010/11 relates to the costs of establishing a regional office in the Mkuze area, which entailed the purchase of park homes.

The high spending against *Machinery and equipment* in 2009/10 and 2010/11 relates to the purchase of vehicles and the cost of security improvements to the offices of the department. The increase in the 2012/13 Adjusted Appropriation relates to the purchasing of new office furniture for the KZNLA. The allocation over the 2013/14 MTEF provides for computer equipment (servers) that needs to be replaced. In the subsequent years, servers will also be replaced in all eleven district offices.

The once-off expenditure in 2009/10 against *Land and sub-soil assets* relates to land purchased for establishing a regional office in the Mkuze area.

The high spending against *Software and other intangible assets* in 2010/11 relates to the upgrading of various software licences. The allocations over the 2013/14 MTEF relate to Legal Services contract management software, process management software, and software packages for new regional offices.

Payments for financial assets reflect various losses which were written-off.

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		
	2011/12	2012/13	2013/14	2014/15	2015/16
eThekweni	846 737	1 012 685	1 083 288	1 145 524	1 188 709
Ugu	468	792	834	881	922
uMgungundlovu	296 262	366 101	316 742	343 130	358 912
Uthukela	-	3 000	3 150	3 308	3 460
Umzinyathi	468	2 492	2 619	2 755	2 882
Amajuba	1 466	2 539	3 199	3 375	3 530
Zululand	10 710	11 246	11 865	12 577	13 156
Umkhanyakude	2 499	5 024	5 288	5 580	5 837
uThungulu	61 623	103 031	70 153	74 343	77 762
Ilembe	107	2 216	2 327	2 443	2 555
Sisonke	468	992	1 044	1 101	1 151
Total	1 220 808	1 510 118	1 500 509	1 595 017	1 658 876

As Table 4.8 shows, spending is largely split between the eThekweni Metro and the uMgungundlovu District Municipality. This is due to the allocation of province-wide projects to uMgungundlovu, which is the location of the department's head office. The high allocation to the eThekweni Metro includes funding for DTP, KZNSB, TKZN, etc., as these entities are situated in that area.

The 2011/12 spending in eThekweni reflects the lower allocations to DTP in that period. The spending in the uThungulu District Municipality can be ascribed to the development of the RBIDZ. The significant increase relates to various projects such as the construction of various trading centres.

The spending in the Zululand District Municipality relates to various LED projects, such as the construction of trading centres.

5.5 Summary of conditional grant payments and estimates

Tables 4.9 and 4.10 below relate to the summary of conditional grants receipts and payments, by grant name and economic classification. Further details are provided in the *Annexure – Vote 4: Economic Development and Tourism*.

Note that the historical figures set out in Table 4.9 and 4.10 below reflect actual expenditure per grant, and should not be compared to those figures reflected in Table 4.1 which represent the actual receipts for a grant.

The department received the EPWP Integrated Grant for Provinces grant funding of R536 000 in 2011/12 as shown in Table 4.1, however, no expenditure was incurred. In 2012/13, the department received R1 million in respect of the EPWP Integrated Grant for Provinces grant, which is allocated against *Goods and services*. This funding was utilised for weed eradication at the Dukuduku Resettlement Programme, with the Department of Public Works as the implementing agent. There are no allocations over the 2013/14 MTEF at this stage.

Table 4.9: Summary of conditional grants payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
EPWP Integrated Grant for Provinces	-	-	-	1 000	1 000	1 000	-	-	-
Total	-	-	-	1 000	1 000	1 000	-	-	-

Table 4.10: Summary of conditional grants payments and estimates by economic classification

R thousand	Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	Audited 2009/10	Audited 2010/11	Audited 2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	-	-	-	1 000	1 000	1 000	-	-	-
Compensation of employees									
Goods and services	-	-	-	1 000	1 000	1 000	-	-	-
Other									
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	-	-	-	1 000	1 000	1 000	-	-	-

5.6 Summary of infrastructure payments and estimates

Table 4.11 below summarises the infrastructure payments and estimates relating by category for the department. A more detailed listing of infrastructure projects to be undertaken by the department can be found in Annexure – *Vote 4: Economic Development and Tourism*.

Table 4.11: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
New and replacement assets	3 261	741	-	-	-	-	-	-	-
Existing infrastructure assets	-	-	-	-	-	-	-	-	-
Upgrades and additions									
Rehabilitation, renovations and refurbishments									
Maintenance and repairs									
Infrastructure transfers	1 677 091	651 927	470 529	455 613	415 613	415 613	599 655	655 747	682 459
Current									
Capital	1 677 091	651 927	470 529	455 613	415 613	415 613	599 655	655 747	682 459
<i>Capital infrastructure</i>	1 680 352	652 668	470 529	455 613	415 613	415 613	599 655	655 747	682 459
<i>Current infrastructure</i>									
Total	1 680 352	652 668	470 529	455 613	415 613	415 613	599 655	655 747	682 459

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 relates to the purchase of park homes for an office park.

The allocation to *Infrastructure transfers: Capital* relates to both DTP and RBIDZ. The high spending in 2009/10 was predominantly due to the funding requirements of DTP. The decrease from 2010/11 onward was due to decreasing funding requirements of DTP due to the completion of the airport portion of the project. There is steady growth over the 2013/14 MTEF, as both DTP and RBIDZ are implementing capital projects in line with their capital infrastructure plans.

5.7 Summary of Public Private Partnerships – Nil

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA

Table 4.12 provides a summary of departmental transfers to the public entities that fall under the auspices of the department, as well as EKZNW which falls under DAEARD, but is used to assist the department in implementing specific projects. Financial summaries in respect of the various public entities are presented in the *Annexure – Vote 4: Economic Development and Tourism*.

Table 4.12: 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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Ithala	100 000	280 000	280 000	100 000	249 500	249 500	280 000	280 000	280 000
of which									
SMMEs	100 000	180 000	-	-	-	-	-	-	-
Enterprise Development Fund	-	-	-	-	189 500	189 500	185 000	185 000	185 000
Ithala Share Capital	-	40 000	-	-	-	-	-	-	-
Growth Fund	-	60 000	100 000	100 000	60 000	60 000	95 000	95 000	95 000
EKZNW	-	-	970	-	4 500	4 500	-	-	-
KZNSB	25 337	25 551	41 334	30 938	50 371	50 371	49 485	50 109	50 678
TKZN	78 602	71 444	89 381	87 776	104 586	100 986	90 912	94 209	98 047
ADA	-	24 051	26 000	36 591	74 974	74 974	38 150	39 945	41 571
DTP	1 598 254	526 905	448 334	432 308	392 308	392 308	575 402	630 375	656 053
TIK	54 416	56 508	61 536	64 613	61 013	64 613	67 240	70 342	73 207
RBIDZ	103 750	156 975	59 636	62 618	62 618	62 618	65 164	68 170	70 947
Total	1 960 359	1 141 434	1 007 191	814 844	999 870	999 870	1 166 353	1 233 150	1 270 503

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 figure consisted of an allocation to the SMMEs Fund, which continued in 2010/11. In addition, Ithala received a once-off amount of R40 million in respect of Ithala share capital, to assist it with its capital adequacy ratios, which had fallen below that required by the Reserve Bank, which could have resulted in the loss of their banking licence. The allocation to the Growth Fund grows from R60 million to R100 million from 2010/11 to 2011/12. In the 2012/13 Adjusted Appropriation, the allocation to the Growth Fund was reduced to R60 million, due to the actual pipeline of qualifying projects being less than expected. The Enterprise Development Fund was introduced in 2012/13, combining the funding streams toward the former Co-operatives and SMMEs Funds. The historical figures have not been restated as, although no new loans are approved in respect of the Co-operatives (not shown in the table) and SMMEs Funds, the funds are still active in so far as loan repayments are concerned. The allocations to the Enterprise Development and Growth Funds over the 2013/14 MTEF are at slightly lower levels, and this is ascribed to the baseline cuts. The Growth Fund will fund these cuts through savings on maintenance of properties.

In 2011/12, funding was provided 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 in KZN. In 2012/13, DEDT allocated funds to EKZNW toward the Bhambatha/Ngome Lodge, Ingodini Border Caves and for the Ntsikeni and May Lodge in the Ntsikeni Reserve. These funds are for the development and funding of the management of community-based projects managed by EKZNW.

The allocation to KZNSB increased in 2011/12, to cater for once-off costs in respect of critical roof repairs at the entity's headquarters in Umhlanga and the purchase and installation of a biometric access control system, explaining the slight decrease in the 2012/13 Main Appropriation. In addition, the entity received funding in 2011/12 to investigate more environmentally friendly shark repellent technology and to fill critical vacancies in its SCM unit.

In the 2012/13 Adjustments Estimate, R14.433 million was provided to the KZNSB largely for once-off capital requirements, which included the replacement of boats, outboard motors and vehicles, as well as Caseware (software solutions for accounting, auditing, financial, risk and governance) licence fees and legal fees. In addition, the entity received a once-off amount of R5 million, through reprioritisation by the department, toward activities of the Maritime Centre of Excellence, including learning materials, accreditation of courses, conversion of workshops to classrooms, etc. The entity was not affected by the equitable share reduction over the 2013/14 MTEF, due to the entity expanding its operations to also include maritime-related training and certification.

The allocation to TKZN in 2009/10 includes additional funding for the costs of the 2010 Tourism *Indaba*. The transfer to TKZN was increased by R7.120 million in 2011/12 to provide for, among others, the promotion of the East 3 Route, which is a promotion of northern KZN, Mozambique and Swaziland. Also, R3.150 million was allocated for the UCI/BMX events held in KZN.

During the 2012/13 Adjustments Estimate, TKZN received additional funding through internal reprioritisation by the department to host the Tourism *Indaba* (R7 million), East 3 Route (R6 million) and KZN Summer Campaign (R1.500 million), which is a marketing strategy to increase tourism in KZN. It also received an additional R2.310 million for its SAP and VIP payroll system. The Revised Estimate for 2012/13 decreases by R3.600 million to address an error which occurred during the 2012/13 Adjustments Estimate, where this amount was inadvertently deducted from TIK (to effect a virement to the department) in respect of TKZN's contribution toward various cycling events, including Mountain Bike (MTB) National Series Event, UCI MTB World Cup and the Cycling SA KZN Challenge. The correction will be formalised in the final audit close-out process. Over the 2013/14 MTEF, the entity's baseline shows negative real growth, due to baseline cuts. This will be funded through savings on international travel and hosting of delegates for events.

ADA was formed in 2010/11 to accelerate land reform projects in KZN. The transfer from DEDT caters mainly for operational costs of the entity. The 2012/13 Main Appropriation shows a substantial increase from 2011/12, due to additional operational costs, such as audit fees, travel costs, additional staff, telephone and fleet costs. The budget for 2012/13 is adjusted upward by R4 million through reprioritisation by the department for a cut-flower project, as well as R34 million in additional funds for

feasibility studies to be undertaken, business plans, capacity building and project management support to aspiring commercial farmers in KZN. Over the 2013/14 MTEF, the entity's baseline shows negative real growth, due to baseline cuts. The entity will cut back on advertising by entering into period contracts for suppliers of farming inputs.

The major allocation to DTP in 2009/10 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 spending decreases from 2010/11, due to the completion of the airport portion of the project, while the remaining amounts relate to the development of the multi-nodal logistics hub at the airport site.

The spending decreased in 2011/12, as some major capital developments were completed. The 2012/13 Main Appropriation caters for operational costs and capital developments, as per the DTP 60-year Master Plan. The 2012/13 Adjusted Appropriation allocation was reduced by R40 million to fund other areas of critical need within the department, such as the MTV Awards and the Project Tour Mentor Partnerships, Integrated Craft Hubs, etc. The entity was able to absorb the reduction by phasing in capital developments over a longer period. The negative real growth over the 2013/14 MTEF relates to the baseline cuts. The entity intends to phase in some projects over a longer period, in order to accommodate this cut.

The allocation to TIK grows steadily from 2009/10 to 2012/13. During the 2012/13 Adjustments Estimate, the entity's budget was reduced erroneously by R3.600 million to effect a virement to the department, who incurred the cost on behalf of TKZN, in respect of its contribution toward various cycling events, as mentioned above. The Revised Estimate reflects the reversal of this error which will be corrected as an audit adjustment. Due to baseline cuts, the growth over the 2013/14 MTEF is slightly less than projected CPI-inflation. The entity will cut back on subsistence and travel in order to fund the cuts.

The 2009/10 and 2010/11 transfers to RBIDZ included capital and establishment costs. The 2010/11 amount increased to cater for land purchases, estimated at R100 million. The allocation from 2012/13 and over the 2013/14 MTEF grows steadily. However, due to the baseline cuts, this growth is slightly less than projected CPI-inflation. The entity will phase in some projects over a longer period to fund the cuts.

5.9 Transfers to other entities

Table 4.13 gives a summary of departmental transfers to other entities, details of which are given below.

Table 4.13: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Anglican Church/uniform sponsorship	1.2 Office of the HOD	-	241	24	-	-	-	-	-	-
Durban International Airport	2.2 Reg / Local Eco Dev	-	-	-	1 000	1 000	1 000	-	-	-
Ilembe Chamber of Business	2.2 Reg / SMME	-	-	-	-	500	500	-	-	-
Okhahlamba Dev Agency	2.2 Reg / Local Eco Dev	-	-	-	3 000	3 000	3 000	5 000	5 250	5 492
Co-operatives entity	3.1 Trade and Invest	59	-	-	-	-	-	-	-	-
Clothing and Textile Sector cluster entity	3.2 Sector Development	1 643	-	-	-	-	-	-	-	-
Durban Film Festival	3.2 Sector Development	860	1 200	1 500	1 500	1 500	1 500	1 329	1 409	1 474
Furniture cluster project	3.2 Sector Development	450	-	-	-	-	-	-	-	-
ICTe cluster	3.2 Sector Development	1 800	-	-	-	-	-	-	-	-
Indigenous Music	3.2 Sector Development	1 000	-	-	-	-	-	-	-	-
KZN Film Commission	3.2 Sector Development	-	-	-	4 828	-	-	-	-	-
KZN Music Studio	3.2 Sector Development	-	15 229	-	3 000	-	-	-	-	-
Moses Kotane Institute	3.2 Sector Development	4 500	34 297	39 512	33 000	33 000	33 000	36 300	38 478	40 248
SEDA eThekweni	3.2 Sector Development	600	-	-	-	-	-	-	-	-
Ekhaya	3.2 Trade and Sector	-	-	-	-	1 900	1 900	-	-	-
ICH	3.2 Sector Development	-	-	-	-	6 000	6 000	-	-	-
Cycling SA	3.1 Trade and Invest	-	-	-	-	3 600	3 600	-	-	-
Tourism enterprise programme	3.4 Tourism Development	-	-	-	-	500	500	-	-	-
KZNLA	4.3 Liquor Regulation	-	-	-	42 406	24 406	24 406	43 920	45 514	47 368
Total		10 912	50 967	41 036	88 734	75 406	75 406	86 549	90 651	94 582

The amount transferred to the Moses Kotane Institute increased substantially in 2010/11 as this was the first year of their operation, and this was for both the operational and capital costs of the entity. In 2011/12, the increase in spending relates to establishment of computer laboratories (training in BPO and Computer Engineering) in four additional districts. This explains the lower allocation from 2012/13 onward. The allocation over the 2013/14 MTEF increases at an inflationary rate.

The higher spending in 2010/11 against the KZN Music Studio included the once-off establishment costs of the entity (i.e. the set up of the actual KZN Music Studio). Future management of the KZN Music Studio is undertaken on an outsourced basis through contracts with a specialised service provider and will be disbursed out of *Goods and services*, hence no allocation in the 2012/13 Adjusted Appropriation and over the MTEF.

KZNLA has not been fully established as it is awaiting the National Minister of DTI to repeal the KZN Liquor Licensing Act of 1989. In the 2012/13 Adjusted Appropriation, R18 million was shifted to *Goods and services* to cater for expenditure incurred by the department on behalf of the entity as establishment costs, e.g. purchase of office accommodation, furniture, etc. The significant allocation over the 2013/14 MTEF relates to the transfer to KZNLA, which will administer the collection of liquor licence fees, as well as the issuing of liquor licences. As per communication from the DTI, the national Act will be repealed as from 1 April 2013, whereafter the provincial Act will come into full effect.

The funding against Okhahlamba Development Agency relates to the construction of trading centres. The allocation over the 2013/14 MTEF increases at a steady rate.

The decrease in 2013/14 against the Durban Film Festival relates to the baseline cuts mentioned earlier.

In the 2012/13 Adjusted Appropriation, small amounts were allocated to various projects such as the ICH, Cycling SA, Durban International Airport, Ekhaya Multi-Art Centre, through reprioritisation by DEDT.

5.10 Transfers to municipalities

Tables 4.14 and 4.15 below indicate transfers to municipalities per category. Details of these transfers are given in *Annexure – Vote 4: Economic Development and Tourism*.

Table 4.14 below indicates transfers to local government, by category of municipality. It is also noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence these are excluded from the table below.

Table 4.14: Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Category A	-	-	-	-	-	-	-	-	-
Category B	-	100	-	3 516	5 665	5 665	2 384	2 503	2 618
Category C	-	-	-	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
Total	-	100	-	3 516	5 665	5 665	2 384	2 503	2 618

Table 4.15: 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		
		2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Newcastle Alliance Summit	1.1 Office of the MEC	-	100	-	-	-	-	-	-	-
Joint Project Funding	2.2 LED	-	-	-	3 516	4 465	4 465	2 384	2 503	2 618
Beaches Rehabilitation	6.3 Tourism Sector Trans.	-	-	-	-	1 200	1 200	-	-	-
Total		-	100	-	3 516	5 665	5 665	2 384	2 503	2 618

The expenditure in 2010/11 relates to a donation toward the costs of the International Newcastle Alliance Summit, under category B.

In the 2012/13 Adjusted Appropriation, funds were reprioritised to cater for the Inyoni craft hub centre and Ndundulu trading centre in Mandeni and Mthonjaneni Municipalities, respectively, as well as the beaches rehabilitation project undertaken in the Hibiscus Coast, KwaDukuza and uMhlathuze Municipalities. The allocation to the municipalities over the 2013/14 MTEF relate to finalisation of joint project funding in the Mthonjaneni and Mandeni Municipalities for trading centres, explaining the decrease over the MTEF period.

5.11 Transfers and subsidies

Table 4.16 below is a summary of spending on *Transfers and subsidies* by programme and main category.

Table 4.16: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	173	346	499	27	117	117	28	30	31
Provinces and municipalities	5	106	14	27	27	27	28	30	31
Motor vehicle licences	5	6	14	27	27	27	28	30	31
International Newcastle Alliance Summit	-	100	-	-	-	-	-	-	-
Non-profit institutions	-	242	24	-	-	-	-	-	-
Anglican Church - Mothers' Union	-	242	-	-	-	-	-	-	-
Sponsorship of choir uniforms	-	-	24	-	-	-	-	-	-
Households	168	(2)	461	-	90	90	-	-	-
Social benefits	168	(2)	461	-	90	90	-	-	-
2. Integrated Economic Development Services	100 059	280 030	291 098	296 016	257 508	257 508	287 384	287 753	288 110
Provinces and municipalities	-	-	-	3 516	4 465	4 465	2 384	2 503	2 618
Joint project funding	-	-	-	3 516	4 465	4 465	2 384	2 503	2 618
Departmental agencies and accounts	-	-	970	-	-	-	-	-	-
EKZNW	-	-	970	-	-	-	-	-	-
Public corporations and private enterprises	100 000	280 000	280 000	289 500	249 500	249 500	280 000	280 000	280 000
Enterprise Development Fund	-	-	180 000	189 500	189 500	189 500	185 000	185 000	185 000
SMMES Fund	100 000	180 000	-	-	-	-	-	-	-
Growth Fund	-	60 000	100 000	100 000	60 000	60 000	95 000	95 000	95 000
Ithala Share Capital	-	40 000	-	-	-	-	-	-	-
Non-profit institutions	59	-	-	3 000	3 500	3 500	5 000	5 250	5 492
Co-operatives	59	-	-	-	-	-	-	-	-
Okhahlamba Dev Agency	-	-	-	3 000	3 000	3 000	5 000	5 250	5 492
Ilembe Chamber of Business	-	-	-	-	500	500	-	-	-
Households	-	30	10 128	-	43	43	-	-	-
Social benefits	-	30	10 128	-	43	43	-	-	-
3. Trade and Sector Development	1 767 273	815 244	636 518	639 458	634 313	637 913	783 585	848 719	883 500
Departmental agencies and accounts	54 416	56 508	61 536	64 613	61 013	64 613	67 240	70 342	73 207
TIK	54 416	56 508	61 536	64 613	61 013	64 613	67 240	70 342	73 207
Non-profit institutions	1 712 857	758 657	574 982	574 845	573 300	573 300	716 345	778 377	810 293
ADA	-	24 051	26 000	36 591	74 974	74 974	38 150	39 945	41 571
DTP	1 598 254	526 905	448 334	432 308	392 308	392 308	575 402	630 375	656 053
Durban Film Festival	860	1 200	1 500	1 500	1 500	1 500	1 329	1 409	1 474
KZN Film Commission	-	-	-	4 828	-	-	-	-	-
KZN Music Studio	-	15 229	-	3 000	-	-	-	-	-
RBIDZ	103 750	156 975	59 636	62 618	62 618	62 618	65 164	68 170	70 947
Moses Kotane Institute	4 500	34 297	39 512	33 000	33 000	33 000	36 300	38 478	40 248
Clothing and Textiles Sector Cluster entity	1 643	-	-	-	-	-	-	-	-
ICTe cluster	1 800	-	-	-	-	-	-	-	-
Iqhaza Co-operative	-	-	-	-	-	-	-	-	-
SEDA eThekweni	600	-	-	-	-	-	-	-	-
Indigenous Music	1 000	-	-	-	-	-	-	-	-
Furniture Cluster project	450	-	-	-	-	-	-	-	-
Durban International Airport	-	-	-	1 000	1 000	1 000	-	-	-
Ekhaya	-	-	-	-	1 900	1 900	-	-	-
ICH	-	-	-	-	6 000	6 000	-	-	-
Households	-	79	-	-	-	-	-	-	-
Social Benefits	-	79	-	-	-	-	-	-	-
4. Business Regulation and Governance	-	-	-	42 406	24 418	24 418	43 920	45 514	47 368
Departmental agencies and accounts	-	-	-	-	24 406	24 406	43 920	45 514	47 368
KZNLA	-	-	-	-	24 406	24 406	43 920	45 514	47 368
Public corporations and private enterprises	-	-	-	42 406	-	-	-	-	-
KZNLA	-	-	-	42 406	-	-	-	-	-
Households	-	-	-	-	12	12	-	-	-
Social benefits	-	-	-	-	12	12	-	-	-
5. Economic Planning	6	29	50	-	-	-	-	-	-
Households	6	29	50	-	-	-	-	-	-
Social benefits	6	29	50	-	-	-	-	-	-
6. Tourism	103 939	96 995	130 715	118 714	164 757	161 157	140 397	144 318	148 725
Provinces and municipalities	-	-	-	-	1 200	1 200	-	-	-
Beaches rehabilitation	-	-	-	-	1 200	1 200	-	-	-
Departmental agencies and accounts	103 939	96 995	130 715	118 714	159 457	155 857	140 397	144 318	148 725
KZNSB	25 337	25 551	41 334	30 938	50 371	50 371	49 485	50 109	50 678
TKZN	78 602	71 444	89 381	87 776	104 586	100 986	90 912	94 209	98 047
EKZNW	-	-	-	-	4 500	4 500	-	-	-
Non-profit institutions	-	-	-	-	4 100	4 100	-	-	-
Cycling SA	-	-	-	-	3 600	3 600	-	-	-
Tourism enterprise programme	-	-	-	-	500	500	-	-	-
Total	1 971 450	1 192 644	1 058 880	1 096 621	1 081 113	1 081 113	1 255 314	1 326 334	1 367 734

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 donation made to the Newcastle Municipality in respect of the International Newcastle Alliance Summit. Also, includes allocation in respect of motor vehicle licences.
- *Non-profit institutions* relates to a donation made to the Anglican Church – Mothers' Union of the Diocese of Natal, as well as a sponsorship of choir uniforms.
- *Households* relates to staff exit costs.

The category *Transfers and subsidies* under Programme 2 provides for the following:

- Funding against *Provinces and municipalities* relates to joint project funding in the Mthonjaneni and Mandeni Municipalities for the construction of trading centres in these areas. In the 2012/13 Adjusted Appropriation, the funding to these municipalities was increased to cater for the Inyoni craft centre and Ndundulu trading centre. The allocation is provided according to project requirements over the 2013/14 MTEF, accounting for the steady increase.
- The expenditure in 2011/12 against *Departmental agencies and accounts* relates to once-off funding transferred to EKZNW with regard to a corporate social investment project, where dams were built for communities in drought-stricken areas in KZN.
- The allocation to *Public corporations and private enterprises* caters for the SMMEs, Enterprise Development and Growth Funds. The Enterprise Development Fund was introduced in 2011/12, combining the funding streams of the former Co-operatives and SMMEs Funds. The historical figures have not been restated as, although no new loans are approved in respect of the Co-operatives (not shown in the table) and SMMEs Funds, the funds are still active in so far as loan repayments are concerned. The lower expenditure in 2009/10 relates only to the SMMEs Fund, explaining the increase from 2010/11 onward. The decrease in the 2012/13 Adjusted Appropriation was to cater for other funding pressures, as mentioned previously. The allocation over the 2013/14 MTEF remains fixed, due to previously mentioned baseline cuts.
- The increase in the 2012/13 Adjusted Appropriation against *Non profit institution* relates to the once-off transfer to the Ilembe Chamber of Business in respect of a support desk project. This category also includes transfers to Okhahlamba Development Agency for the construction of trading centres. The allocation grows steadily over the MTEF.

The category *Transfers and subsidies* under Programme 3 provides for the following:

- *Departmental agencies and accounts* covers transfer payments made to TIK. The funding allocated to TIK increases steadily over the seven-year period. The Revised Estimate increase of R3.600 million related to an error which occurred during the 2012/13 Adjustments Estimate, where this amount was deducted from TIK for various cycling events instead of TKZN, as explained previously. The correction will be formalised in the final audit close-out process.
- *Non profit institution* includes transfers to various entities as follows:
 - The transfer to ADA caters mainly for the entity's operational costs of the entity. The 2010/11 spending was due to once-off establishment and operating costs. The increase in the 2012/13 Adjusted Appropriation relates to a cut-flower project, as well as additional funds for feasibility studies to be undertaken, business plans, capacity building and project management support to aspiring commercial farmers in KZN. Over the 2013/14 MTEF, the entity's baseline shows negative real growth, due to baseline cuts, as mentioned previously.
 - The spending against DTP is for the development of the multi-nodal portion of the project, and the reduction in 2010/11 was due to the completion of the airport portion of the project. The allocation over the MTEF relates to the development of additional infrastructure in line with the DTP infrastructure plan.

- o The RBIDZ project was delayed until 2009/10, due to land ownership issues. In 2009/10, additional funding was allocated for the purchase of land. In 2010/11, R100 million was allocated to this project, being funds transferred to Ithala in previous years, which were returned to the Provincial Revenue Fund, explaining the decrease from 2011/12 onward. The allocation over the 2013/14 MTEF grows at a steady rate.
- o The increase in 2010/11 against the Moses Kotane Institute was due to set-up costs, and this was for both operational and capital costs. In 2011/12, the increase related to establishment of computer laboratories (training in BPO and Computer Engineering) in four additional districts. This explains the lower allocation from 2012/13 onward. The allocation over the 2013/14 MTEF increases at an inflationary rate.
- o A number of once-off funding was provided against this category since 2010/11, including the KZN Music Studio. The high allocation to the KZN Music Studio in 2010/11 was due to the set-up costs of the entity. The allocation in the 2012/13 Adjusted Appropriation relates to various projects such as Ekhaya Multi-Art Centre, ICH and Durban International Airport.
- *Transfers and subsidies to: Households* relates to staff exit costs.

Programme 4 caters for the transfer of funds to the KZNLA. This transfer falls under *Departmental agencies and accounts*. Due to delays in the promulgation of the KZN Liquor Licensing Act, the funding for this entity was reprioritised to areas of spending pressure in 2009/10. The Act was promulgated in November 2010 and funding was allocated to the entity in 2010/11. The KZN Liquor Licensing Act will be fully implemented as from 1 April 2013. In the 2012/13 Adjusted Appropriation, KZNLA was reclassified and budget was shifted from *Public corporations and private enterprises* to this category. The decrease in the Adjusted Appropriation was due to R18 million which was moved to *Goods and services* to cater for establishment costs of KZNLA incurred by the department. This explains the increase over the 2013/14 MTEF, which relates to the operational and capital costs of the entity.

The only allocation to Programme 5 was for *Transfers and subsidies to: Households* which relates to staff exit costs.

The category *Transfers and subsidies* under Programme 6 provides for the following:

- *Provinces and municipalities*: The 2012/13 Adjusted Appropriation relates to a transfer to the Hibiscus Coast, uMhlathuze and KwaDukuza Municipalities to rehabilitate beaches, as mentioned.
- *Departmental agencies and accounts* covers transfers made to TKZN, KZNSB and EKZNW:
 - o The 2011/12 allocation to KZNSB increased to cater for once-off costs in respect of critical roof repairs at the entity's headquarters in Umhlanga and the purchase and installation of a biometric access control system, explaining the slight decrease in the 2012/13 Main Appropriation. The entity also received funding in 2011/12 to investigate more environmentally friendly shark safety gear and to fill critical vacancies in its SCM unit. In the 2012/13 Adjusted Appropriation, R14.433 million was provided to the KZNSB, largely for once-off capital requirements, which included the replacement of boats, outboard motors and vehicles, as well as Caseware (software solutions for accounting, auditing, financial, risk and governance) computer licence fees and legal fees. In addition, the entity received a once-off amount of R5 million, through reprioritisation by the department, toward activities of the Maritime Centre of Excellence, including learning materials, accreditation of courses, conversion of workshops to classrooms, etc. Despite the baseline cuts, the 2013/14 MTEF shows steady growth.
 - o The transfer to TKZN in 2009/10 includes additional funding for the costs of the 2010 Tourism *Indaba*. The transfer to TKZN was increased in 2011/12 to provide for, among others, the promotion of the East 3 Route. In addition, funding was allocated for the UCI/BMX events held in KZN. In the 2012/13 Adjusted Appropriation, the entity received additional funding through internal reprioritisation by the department to host the Tourism *Indaba*, East 3 Route, KZN Summer Campaign and for its SAP and VIP payroll system. The Revised Estimate decreased by R3.600 million related to an error which occurred during the 2012/13 Adjustments Estimate,

where this amount was deducted from TIK for various cycling events instead of TKZN. The correction will be formalised in the final audit close-out process. Over the 2013/14 MTEF, the entity's baseline shows negative growth, due to the baseline cuts.

- o In 2012/13, DEDT allocated funds to EKZNW toward Bhambatha/Ngome Lodge, Ingodini Border Caves and for the Ntsikeni and May Lodge in the Ntsikeni Reserve. These funds relate to the development and funding of the management of community-based projects managed by EKZNW.
- *Non-profit institutions* includes allocations to Cycling SA and the Tourism Enterprise Programme, which are both once-off transfers.

6. Programme description

The services rendered by this department are categorised under six programmes, which are explained below. Tourism is a new programme that is added to conform to the uniform budget and programme structure for the Economic Development sector. The payments and budgeted estimates for each programme are summarised in terms of sub-programmes and economic classification, details of which are given in *Annexure – Vote 4: Economic Development and Tourism*.

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 4.17 and 4.18 below illustrate the payments and estimates of this programme over the seven-year period 2009/10 to 2015/16.

Table 4.17: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Office of the MEC	15 793	23 393	23 977	27 570	21 968	21 968	28 812	30 756	32 265
Office of the HOD	37 741	44 414	15 297	36 634	56 070	56 070	24 572	26 094	27 106
Financial Management	20 551	16 802	22 355	23 157	22 514	22 514	28 867	29 724	31 401
Corporate Services	72 190	97 057	147 965	90 238	108 142	108 142	111 654	117 405	121 858
Total	146 275	181 666	209 594	177 599	208 694	208 694	193 905	203 979	212 630

Table 4.18: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	136 244	168 208	205 975	176 670	206 727	206 727	191 065	201 052	209 656
Compensation of employees	40 302	49 415	49 262	62 487	54 369	54 369	71 601	75 969	80 451
Goods and services	95 942	118 793	156 713	114 183	152 358	152 358	119 464	125 083	129 205
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	173	346	499	27	117	117	28	30	31
Provinces and municipalities	5	106	14	27	27	27	28	30	31
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	242	24	-	-	-	-	-	-
Households	168	(2)	461	-	90	90	-	-	-
Payments for capital assets	9 858	12 349	3 118	902	1 850	1 850	2 812	2 897	2 943
Buildings and other fixed structures	3 261	741	-	-	-	-	-	-	-
Machinery and equipment	5 922	4 885	2 735	852	1 850	1 850	2 760	2 843	2 888
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	450	-	-	-	-	-	-	-	-
Software and other intangible assets	225	6 723	383	50	-	-	52	54	55
Payments for financial assets	-	763	2	-	-	-	-	-	-
Total	146 275	181 666	209 594	177 599	208 694	208 694	193 905	203 979	212 630

The erratic trend against this programme relates to the addition of new components such as Ministry, and additional allocations for events under Corporate Services. There is also an increase under Corporate Services sub-programme: Auxiliary Services component to cater for office accommodation for the new Ministry and Tourism Development, in respect of function shift from the Department of Arts and Culture. The reduction over the MTEF in comparison to Adjusted Appropriation is due to baseline cuts, as previously mentioned.

The increase in 2010/11 against the Office of the MEC relates to the set-up costs of the temporary ministry office in Durban, as well as operational costs, hence there is only a slight increase in 2011/12. The reduction in the 2012/13 Adjusted Appropriation relates to savings due to delayed filling of posts. The growth over the MTEF includes allocations for furniture for the office of the MEC which will be required for the new permanent office to be based in Pietermaritzburg.

The spending in 2009/10 against the Office of the HOD included the cost of 2010 Soccer World Cup projects, including PVAs and the 2010 communication strategy, while the peak in 2010/11 relates to funding for once-off 2010 Soccer World Cup projects. The decrease in 2011/12 emanates from enforced savings moved to the Corporate Services sub-programme for awareness campaigns in respect of the Consumer Protection Act and the KZN Liquor Licensing Act. The peak in the 2012/13 Adjusted Appropriation relates to a roll-over of R28.256 million in respect of the Top Gear Festival and KZN Convention Bureau Bid Fund. This explains the decrease over the 2013/14 MTEF, which is also explained by certain events, such as the Top Gear Festival, moved from this sub-programme to Tourism.

The spending against the Financial Management sub-programme in 2009/10 includes the expansion of the size of the department's vehicle fleet, and the increased capacity in the SCM component. The reduction in 2010/11 was due to cost-cutting while the peak in 2011/12 relates to a significant increase in audit fees. The slight reduction in the 2012/13 Adjusted Appropriation relates to savings due to non-filling of posts. The allocation increases steadily over the 2013/14 MTEF.

With regard to Corporate Services, the increase in 2010/11 relates to once-off costs of establishing a centralised communications unit, while the substantial increase in 2011/12 was due to a number of educational and awareness campaigns across KZN to educate the public on the KZN Liquor Licensing Act and Consumer Protection Act. The increase in the 2012/13 Adjusted Appropriation relates to Consumer Protection Regulations and TradePort Regulations projects undertaken by the Legal Services unit. The allocation increases steadily over the 2013/14 MTEF.

Compensation of employees shows a fluctuating trend due to delays in filling posts and a high staff turnover rate. The significant increase in 2013/14 relates to funding for vacant posts. However, non-critical posts will not be filled due to the moratorium, and any savings will be reprioritised in-year. The two outer years of the MTEF grow at a steady rate.

The increase in *Goods and services* in 2010/11 was mainly due to the costs of 2010 Soccer 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 Master Systems Plan. The peak in 2011/12 relates to once-off costs in respect of awareness campaigns undertaken to explain the Consumer Protection Act and the KZN Liquor Licensing Act. The further increase in the 2012/13 Adjusted Appropriation was due to commitments with regard to the Top Gear Festival and KZN Convention Bureau Bid Fund. These were paid in 2010/11 but, according to an accounting practice note on expenditure, had to be shown as prepayments in that year. These prepayments were brought into the 2012/13 Adjusted Appropriation as the events all took place in 2012/13. This explains the decrease in 2013/14. The allocation over the MTEF shows steady growth.

The peak in 2010/11 against *Transfers and subsidies to: Provinces and municipalities* relates to the International Newcastle Alliance Summit. The allocation over the 2013/14 MTEF is ascribed to motor vehicle licences.

Transfers and subsidies to: Non-profit institutions comprises donations made in 2010/11 to the Anglican Church – Mother's Union Natal Diocese, while 2011/12 was the sponsorship of choir uniforms.

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 and 2010/11 relates to the establishment of an office park for the Mkuze regional office, while the spending against *Land and sub-soil assets* in 2009/10 was for the purchase of land for the Mkuze office.

The high spending in 2009/10 against *Machinery and equipment* 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, while 2011/12 spending relates to the purchase of additional vehicles for the expanded staffing of the department. The increase in the 2012/13 Adjusted Appropriation was to provide for motor vehicles for the Ministry. The growth over the MTEF relates to provision for computer server equipment for head office and the district offices.

The spending peaked in 2010/11 against *Software and other intangible assets* is 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, as well as process management software packages for the new regional offices.

Payments for financial assets reflects various losses which were written-off.

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.

Tables 4.19 and 4.20 below illustrate payments and estimates for the period 2009/10 to 2015/16.

Table 4.19: Summary of payments and estimates - Programme 2: Integrated Economic Development Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Enterprise Development	146 759	325 201	350 094	395 875	355 913	355 913	388 832	397 551	404 953
Regional and Local Economic Development	37 961	42 661	33 481	81 177	58 332	58 332	73 149	75 741	78 053
Economic Empowerment	46 585	52 499	43 978	28 990	39 121	39 121	34 206	36 284	38 022
Total	231 305	420 361	427 553	506 042	453 366	453 366	496 187	509 576	521 028

Table 4.20: 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	130 992	140 021	136 258	209 271	194 863	194 863	208 583	221 596	232 687
Compensation of employees	32 127	35 697	37 454	50 055	42 803	42 803	53 829	57 112	60 482
Goods and services	98 865	104 324	98 804	159 216	152 060	152 060	154 754	164 484	172 205
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	100 059	280 030	291 098	296 016	257 508	257 508	287 384	287 753	288 110
Provinces and municipalities	-	-	-	3 516	4 465	4 465	2 384	2 503	2 618
Departmental agencies and accounts	-	-	970	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	100 000	280 000	280 000	289 500	249 500	249 500	280 000	280 000	280 000
Non-profit institutions	59	-	-	3 000	3 500	3 500	5 000	5 250	5 492
Households	-	30	10 128	-	43	43	-	-	-
Payments for capital assets	254	310	197	755	995	995	220	227	231
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	206	310	197	755	995	995	220	227	231
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	48	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	231 305	420 361	427 553	506 042	453 366	453 366	496 187	509 576	521 028

The significant increase in 2010/11 against Enterprise Development relates to funding allocated to the Growth and SMMEs Funds and Ithala Share Capital, and this explains the increase in *Transfers and subsidies to: Public corporations and private enterprises*. The reduction in the 2012/13 Adjusted

Appropriation relates to savings from the Growth Fund, being moved to cater for a shortfall in *Goods and services* and *Transfers and subsidies to: Non-profit institutions* in Programme 3. The allocation over the 2013/14 MTEF increases below an inflationary adjustment, as a result of the baseline cuts effected mainly against the Enterprise Development and Growth Funds.

The increase in 2010/11 against the Regional and Local Economic Development sub-programme relates to a number of high impact projects, such as the Richmond Special Development Initiative project. The reduction in 2011/12 was due to savings under *Goods and services* as a result of unforeseen delays in co-operative support projects, such as school nutrition and bakery operations. The aim of these rehabilitation projects is to provide support to co-operatives to ensure that they run more efficiently, as well as several LED projects, such as the Local Competitiveness Fund and the Okhahlamba Development Agency which constructs trading centres, which did not take off as anticipated. The further decrease in the 2012/13 Adjusted Appropriation was largely due to lack of capacity within the partners, such as the DCO Matiwane, Umlalazi trading centres, and lower than anticipated approvals of applications in respect of the KZN Local Competitiveness Fund. The resultant savings were moved to *Transfers and subsidies to: Provinces and municipalities* for the beach rehabilitation and *Transfers and subsidies to: Non-profit institutions* for projects including the Ilembe Chamber of Business. The allocation over the 2013/14 MTEF increases below an inflationary rate due to the baseline cuts.

The increase in 2010/11 against Economic Empowerment relates to once-off additional spending for the youth skills training and placement project. The increase in the 2012/13 Adjusted Appropriation was to cater for the youth skills training and placement project. This explains the decrease in 2013/14. The two outer years of the 2013/14 MTEF grow at an inflationary rate.

The increase against *Compensation of employees* from 2009/10 to 2011/12 reflects the carry-through costs of the wage agreements and the filling of posts. The decrease in the 2012/13 Adjusted Appropriation related to savings identified, as the result of delays in filling posts. This explains the significant increase in 2013/14 as the department is budgeting to fill posts, while taking cognisance of the moratorium on the filling of non-critical posts. The allocation over the two outer years of the 2013/14 MTEF grows at an inflationary rate, and the department will fully adhere to the moratorium on filling only critical posts.

The increase in *Goods and services* in 2010/11 relates to spending on the youth skills training and placement project. In 2011/12, savings in respect of the transfer to the Growth and Enterprise Development Funds were reprioritised to fund the Top Gear Festival, 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 decrease in the 2012/13 Adjusted Appropriation and in 2013/14 relates to funding reprioritised to provide for the Top Gear Festival under *Goods and services* in Programme 6. The allocation grows steadily over the MTEF.

The allocation to *Transfers and subsidies to: Provinces and municipalities* from 2012/13 provides for joint project funding in the Mthonjaneni and Mandeni Municipalities for the construction of trading centres in these areas. In the 2012/13 Adjusted Appropriation, the funding to these municipalities was increased to cater for the Inyoni craft centre and Ndundulu trading centre. The allocation is provided according to project requirements over the 2013/14 MTEF, accounting for the steady increase.

In 2011/12, funds were transferred to EKZNW against *Transfers and subsidies to: Departmental agencies and accounts*, as a result of a partnership with the entity with regard to a corporate social investment project, as previously mentioned.

Transfers and subsidies to: Public corporations and private enterprises from 2009/10 to 2015/16 represents transfers to the Growth and Enterprise Development Funds. The decrease in the 2012/13 Adjusted Appropriation was due to savings realised from the Growth Fund to cater for a shortfall in *Goods and services* and *Transfers and subsidies to: Non-profit institutions*, as previously mentioned.

The allocation from 2012/13 onward against *Transfers and subsidies to: Non-profit institutions* is ascribed to the Okhahlamba Development Agency for the construction of trading centres. The increase in

the 2012/13 Adjusted Appropriation relates to the once-off transfer to the Ilembe Chamber of Business in respect of a support desk project. The allocation grows steadily over the MTEF.

The spending against *Transfers and subsidies to: Households* relates to staff exit costs, and the substantial increase in 2011/12 relates to a once-off transfer to the Office of the Premier in respect of bursaries for non-employees.

The fluctuating trend against *Machinery and equipment* relates to the requirements of new appointments and capital equipment for one-stop-shops. The increase in the 2012/13 Adjusted Appropriation was due to the purchase of computer equipment. The MTEF allocation relates to new appointments' capital equipment requirements and the replacement of redundant equipment.

Service delivery measures – Programme 2: Integrated Economic Development Services

Table 4.21 below shows the main service delivery measures pertaining to Programme 2, both standardised and non-standardised. The performance indicators provided conform fully with the customised measures prescribed for the Economic Development sector.

Table 4.21: Service delivery measures – Programme 2: Integrated Economic Development Services

Table 4.2.1: Service delivery measures – Programme 2: Integrated Economic Development Services						
Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2012/13	2013/14	2014/15	2015/16
1.1	Enterprise Development – SMMEs					
1.1.1	To promote small enterprises (SMMEs and co-operatives) and entrepreneurial development (informal and social enterprise)	• No. of existing SMMEs supported	445	430	430	430
		• No. of new SMMEs developed	2 101	1 259	1 259	1 259
1.1.2	Train and capacitate designated groups to manage and operate their businesses sustainability	• No. of SMMEs registered in KZN that have been in operation for more than 2 years	-	15 622	18 122	27 960
		• No. of new jobs created through establishment of SMMEs	-	1 259	1 259	1 259
		• No. of SMMEs trained in various skills and business programmes	1 665	823	823	823
		• No. of SMMEs trained in pre-finance and business support programmes	436	436	436	436
1.1.3	Facilitate access to markets for the designated groups	• No. of small enterprises assisted to access markets and business opportunities	45	30	33	30
1.2	Enterprise Development – Co-operatives					
1.2.1	To promote the growth and socio-economic transformation of KZN economy that will enable creation of 1 million jobs by end of 2020	• No. of co-operatives supported	123	100	100	100
		• No. of new co-operatives developed	15	15	15	15
1.2.2	Train and capacitate designated groups to manage and operate their businesses sustainably	• No. of primary co-operatives trained and mentored in business and co-operative management and technical skills	123	100	100	100
1.2.3	Facilitate access to markets for the designated groups	• No. of co-operatives assisted to access markets	15	15	15	15
2.	Regional and Local Economic Development					
2.1	To promote a conducive environment for competitiveness and creation of jobs	• No. of economic development projects supported at local and regional levels	12	12	10	8
2.2	To develop and fund the implementation of sector specific projects	• No. of sustainable local employment opportunities supported	120	177	200	300
2.3	To build the capacity of stakeholders to plan and manage the local economy	• No. of capacity building interventions to municipalities	1	1	1	1
		• No. of people trained	100	600	150	150
		• No. of LED plans developed and reviewed	2	10	10	10
3.	Economic Empowerment					
3.1	To facilitate and co-ordinate implementation of B-BBEE strategy	• No. of target groups specific opportunities identified	1 500	2 000	2 500	3 000

Table 4.21: Service delivery measures – Programme 2: Integrated Economic Development Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16
3.2 To verify B-BBEE compliance by government departments	• No. of B-BBEE verification certificates issued	1	5	10	12
3.3 To co-ordinate key stakeholders / structures to comply with economic empowerment strategies and policies	• No. of key stake-holders/structures or strategic partnership co-ordinated	8	11	13	16

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 three sub-programmes, namely Trade and Investment Promotion, Sector Development and Strategic Initiatives. This programme used to house the Tourism Development sub-programme which has now become a stand-alone programme in line with the sector specific programme structure.

Tables 4.22 and 4.23 below give a summary of payments and estimates relating to Programme 3 for the period 2009/10 to 2015/16.

Table 4.22: Summary of payments and estimates - Programme 3: Trade and Sector Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Trade and Investment Promotion	1 661 483	591 511	512 798	517 002	512 009	515 609	654 169	719 821	756 324
Sector Development	133 062	118 241	104 487	129 331	170 091	170 091	142 095	150 541	157 742
Strategic Initiatives	103 754	156 975	59 636	62 618	62 618	62 618	65 164	68 170	70 947
Total	1 898 299	866 727	676 921	708 951	744 718	748 318	861 428	938 532	985 013

Table 4.23: 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	130 930	51 427	40 318	69 293	110 302	110 302	77 793	89 761	101 460
Compensation of employees	5 826	6 660	8 239	14 174	10 023	10 023	8 524	9 044	9 578
Goods and services	125 104	44 767	32 079	55 119	100 279	100 279	69 269	80 717	91 882
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 767 273	815 244	636 518	639 458	634 313	637 913	783 585	848 719	883 500
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	54 416	56 508	61 536	64 613	61 013	64 613	67 240	70 342	73 207
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 712 857	758 657	574 982	574 845	573 300	573 300	716 345	778 377	810 293
Households	-	79	-	-	-	-	-	-	-
Payments for capital assets	96	56	85	200	103	103	50	52	53
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	96	56	85	200	103	103	50	52	53
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 898 299	866 727	676 921	708 951	744 718	748 318	861 428	938 532	985 013

The spending in this programme was significantly high in 2009/10 due to increased transfers to DTP and RBIDZ, with the largest portion relating 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 portion of *Transfers and subsidies to: Non-profit institutions* over this period. In the 2012/13 Adjusted Appropriation, R40 million relating to DTP was reprioritised to *Goods and services* to fund the MTV Awards, which is one of the major events approved by Cabinet. The increase in the allocation to DTP over the MTEF relates to major capital projects in terms of the DTP infrastructure plan. This allocation has been reduced slightly, though, in line with the baseline cuts, as mentioned previously.

The Trade and Investment Promotion sub-programme includes transfers to TIK and DTP. As mentioned, the fluctuating trend relates to capital projects in terms of the DTP infrastructure plan.

The Sector Development sub-programme caters for transfers to ADA and the Moses Kotane Institute. The high spending in this 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 high spending 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 2011/12 was due to the once-off nature of some of the projects mentioned above. The increase in the 2012/13 Adjusted Appropriation is attributed to additional funding in respect of ADA and various projects such as the BRICS Summit, East 3 Route and the cut-flower project, explaining the decrease in 2013/14. The allocation increases steadily over the 2013/14 MTEF.

The Strategic Initiatives sub-programme reflects the transfer made to the RBIDZ, with the transfer to this entity included under *Transfers and subsidies to: Non-profit institutions*. The transfers to the RBIDZ accelerate from 2009/10. As mentioned previously, in 2010/11 an additional amount of R100 million was transferred to RBIDZ and spent to finalise the purchase of land for the RBIDZ, explaining the decrease in 2011/12. The allocation shows a steady increase over the 2013/14 MTEF.

Compensation of employees shows increases from 2009/10 to 2011/12 due to slow progress in filling of posts. In the 2012/13 Adjusted Appropriation, savings due to the non-filling of posts were moved to *Goods and services* to offset spending pressures such as TAFI and the Ndumo project. The decrease over the 2013/14 MTEF is due the moratorium on the filling of non-critical posts.

The high 2009/10 spending against *Goods and services* 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 decrease in 2011/12 was due to ADA funds shifted to *Transfers and subsidies*, whereas previously DEDT paid for ADA's set-up and operational costs under *Goods and services*. This category also included consultants' fees for other projects such as the ICH, Goat Commercialisation and Tooling Initiative. The substantial increase in the 2012/13 Adjusted Appropriation relates to reprioritisation from other programmes to fund sector projects, such as the KZN Music Studio and BRICS Summit. The MTEF allocation shows healthy growth, and caters for District Hub Teams and projects such as the KZN Music Studio and KZN Film Commission.

Transfers and subsidies to: Departmental agencies and accounts relates to the transfers to TIK that is responsible for activities to promote and facilitate an increase in the growth of fixed investment in KZN, and to encourage and retain business. The decrease in the 2012/13 Adjusted Appropriation was due to an error. As explained previously, the correction will be formalised in the final audit close-out process. Despite the baseline cuts, this category shows steady growth over the 2013/14 MTEF.

Transfers and subsidies to: Non-profit institutions pertains to transfers to DTP, RBIDZ, ADA, the Moses Kotane Institute and a number of smaller projects. The high spending in 2009/10 reflects the increased spending by DTP in this year. The completion of the airport portion 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 became a listed public entity and was therefore funded by transfer payments. In addition, savings were reprioritised from *Transfers and subsidies to: Public corporations and private enterprises* in respect of the KZNLA (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 in 2010/11. The decrease in the 2012/13 Adjusted Appropriation relates to reprioritisation of DTP funds to cater for projects, such as Ekhasa Multi-Art Centre and ICH, and to *Goods and services* for projects such as MTV Awards. The significant growth over the MTEF relates to higher requirements of the DTP infrastructure plan, as previously mentioned.

The spending in respect of *Machinery and equipment* relates to capital equipment requirements, such as computers. The slight decrease over the 2013/14 MTEF relates to the previously mentioned baseline cuts.

Service delivery measures – Programme 3: Trade and Sector Development

Table 4.24 below shows the main service delivery measures pertaining to Programme 3, which are standardised in terms of the sector.

The performance indicators provided largely conform fully with the customised measures for Economic Development sector.

Table 4.24: Service delivery measures – Programme 3: Trade and Sector Development

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
1. Trade and Investment Promotion						
1.1 To facilitate access to markets for designated groups	• No. of businesses assisted with exports	30	100	100	100	
2. Sector Development						
2.1 To develop and fund the implementation of sector specific projects/programmes	• No. of jobs created • No. of feasibility studies/business plans completed	13 5	1 422 3	1 500 5	2 000 5	
2.2 To identify and support priority sectors (infrastructure provision)	• No. of businesses assisted with pro-active interventions (No. of parks/hubs initiated/established)	2	81	85	85	
2.3 Enhance the skills and capacity of specific sector industry institutions and stakeholders	• No. of people trained	2 030	960	1 000	1 000	
2.4 To establish and support institutions that promote economic growth	• No. of clusters supported • No. of institutions supported to promote economic growth	5 1	5 7	5 7	5 7	
3. Strategic Initiatives						
3.1 To identify and support priority sectors	• No. of investment projects realised	1	5	5	5	
3.2 Enhance skills and capacity of specific industry institutions and stakeholders	• No. of people trained	-	210	150	250	
3.3 To develop and fund the implementation of sector specific projects	• No. of SMMEs supported for upgrading and modernisation (No. of businesses assisted with proactive interventions)	7	-	5	5	

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.

Tables 4.25 and 4.26 below summarise the payments and estimates for the seven-year period from 2009/10 to 2015/16.

The programme shows an increasing trend over the seven years, with a significant increase from 2012/13 onward due to the establishment of the KZNLA, and sustained at this high level over the 2013/14 MTEF.

Table 4.25: Summary of payments and estimates - Programme 4: Business Regulation and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Regulation Services	-	1 207	2 007	5 356	4 638	4 638	5 623	6 009	6 454
Consumer Protection	12 639	14 278	14 924	20 463	18 277	18 277	23 023	24 710	26 215
Liquor Regulation	8 491	9 391	20 382	51 834	42 834	42 834	43 920	45 514	47 368
Total	21 130	24 876	37 313	77 653	65 749	65 749	72 566	76 233	80 037

Table 4.26: 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	20 908	24 640	37 169	34 947	41 111	41 111	28 510	30 579	32 527
Compensation of employees	11 894	14 287	15 622	22 955	19 498	19 498	14 599	15 490	16 394
Goods and services	9 014	10 353	21 547	11 992	21 613	21 613	13 911	15 089	16 133
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	42 406	24 418	24 418	43 920	45 514	47 368
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	24 406	24 406	43 920	45 514	47 368
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	42 406	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	12	12	-	-	-
Payments for capital assets	222	236	144	300	220	220	136	140	142
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	222	230	144	300	220	220	136	140	142
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	6	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	21 130	24 876	37 313	77 653	65 749	65 749	72 566	76 233	80 037

The aim of the Regulation Services 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. It was not possible to restate historical figures, due to the lack of separate records. The spending for 2010/11 relates to initial set-up costs of this sub-programme, explaining the increase in 2011/12. The decrease in the 2012/13 Adjusted Appropriation was due to savings moved from *Compensation of employees* to offset spending pressures within, and to other sub-programmes.

The spending in 2009/10 against Consumer Protection included costs for further expansion of the coverage of the province in respect of the public awareness campaign relating to the Consumer Protection Act, which included the cost of advertising. The slight increase in 2011/12 relates to a planned outreach programme. The decrease in the 2012/13 Adjusted Appropriation was due to delays in filling posts. This explains the significant increase in 2013/14. The allocation increases at a steady rate over the MTEF.

The Liquor Regulation sub-programme pertains to transfers made to KZNLA, which was re-classified as an entity that falls under *Transfers and subsidies to: Departmental agencies and accounts*, whereas it was previously budgeted for under *Transfers and subsidies to: Public corporations and private enterprises*. The significant increase in 2011/12 was attributed to the set-up costs of the KZNLA, such as configuration of office accommodation and purchase of office equipment, as mentioned previously. The decrease in the 2012/13 Adjusted Appropriation relates to a shift from *Transfers and subsidies* to *Goods and services* to cater for expenditure incurred by the department on behalf of the KZNLA. The allocation increases steadily over the 2013/14 MTEF.

The steady increase from 2009/10 against *Compensation of employees* relates 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. The decrease in the 2012/13 Adjusted Appropriation was due to savings realised from this category due to delays in finalising the new structure, which had new proposed posts. These savings were moved to offset cost pressures in other programmes. The decrease over the MTEF is due to salaries for KZNLA staff being paid by the entity, which were previously paid by the department.

The significant increase in 2011/12 against *Goods and services* was due to costs for implementing the Consumer Protection Act across the province and set-up costs for the KZNLA. The increase in the 2012/13 Adjusted Appropriation relates to a portion of the amount budgeted for, relating to the KZNLA being shifted to this category, to cater for operating expenditure such as advertising of posts and travel and subsistence incurred by the department on behalf of the entity. This explains the decrease over 2013/14 MTEF.

In the 2012/13 Adjusted Appropriation, KZNLA re-classified and funding was shifted against *Transfers and subsidies to: Departmental agencies and accounts*. This explains the substantial increase in 2013/14. Despite baseline cuts against KZNLA, the allocation increases steady over the two outer years of the 2013/14 MTEF.

The funds in the 2012/13 Main Appropriation against *Transfers and subsidies to: Public corporations and private enterprises* were shifted to *Transfers and subsidies to: Departmental agencies and accounts* due to re-classification of KZNLA, and also to *Goods and services* to cater for expenditure incurred by the department on behalf of the entity, as explained previously. Hence, there is no allocation against from 2012/13 Adjusted Appropriation onward.

The spending against *Machinery and equipment* over the seven-year period relates to furniture and equipment for newly appointed staff and the replacement of redundant equipment.

The expenditure against *Software and other intangible assets* in 2010/11 relates to the upgrade of computer software licences.

Service delivery measures – Programme 4: Business Regulation and Governance

Table 4.27 below provides the main service delivery measures pertaining to Programme 4, which are standardised in terms of the sector. The performance indicators provided largely conform fully with the customised measures for the Economic Development sector.

Table 4.27: Service delivery measures – Programme 4: Business Regulation and Governance

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16
1. Regulation Services					
1.1 To establish and manage policy framework through municipalities which creates an enabling environment that supports the informal sector and 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 barriers identified No. of barriers addressed No. of Municipal Informal Economy Policy Alignment Programmes facilitated. 	2 2 11	1 1 11	1 1 11	1 1 11
1.2 To establish a regulatory environment to enable the effective governance of formal business in terms of compliance	<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	1 333	1 400	1 450
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 	64	193	193	193
2.3 Address consumer complaints and provide redress	<ul style="list-style-type: none"> No. of complaints received 	3 000	3 000	3 000	3 000
3. Liquor Regulation					
3.1 To promote and maintain an effective and efficient regulatory system for the liquor industry and consumer and regulation Services	<ul style="list-style-type: none"> No. of KZNLA monitoring reports No. of reviews of the legislative framework relating to Liquor, consumer and regulation services 	n/a n/a	4 3	4 2	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.

Tables 4.28 and 4.29 summarise payments and budgeted estimates for the seven-year period 2009/10 to 2015/16.

Table 4.28: Summary of payments and estimates - Programme 5: Economic Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Policy and Planning	-	2 121	5 618	6 705	5 685	5 685	8 944	9 412	9 814
Research and Development	-	2 809	4 768	5 651	5 379	5 379	10 240	10 754	11 184
Knowledge Management	4 356	1 083	1 936	2 016	1 616	1 616	2 747	2 914	3 074
Monitoring and Evaluation	5 943	5 764	5 980	6 706	6 228	6 228	7 845	8 293	8 705
Total	10 299	11 777	18 302	21 078	18 908	18 908	29 776	31 373	32 777

Table 4.29: 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	10 159	11 621	18 065	19 963	18 817	18 817	29 726	31 321	32 724
Compensation of employees	5 528	7 182	6 608	11 576	7 613	7 613	12 614	13 384	14 174
Goods and services	4 631	4 439	11 457	8 387	11 204	11 204	17 112	17 937	18 550
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	6	29	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	-	-	-	-	-	-
Payments for capital assets	134	127	187	1 115	91	91	50	52	53
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	104	106	187	-	91	91	50	52	53
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	30	21	-	1 115	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	10 299	11 777	18 302	21 078	18 908	18 908	29 776	31 373	32 777

The increased spending against this programme from 2011/12 onward is due to the costs of a five-year review plan, the Industrial Development Strategy, as well as spending on printing and publications, among others. In the 2012/13 Adjusted Appropriation, savings were moved from *Compensation of employees* to offset spending pressures in other programmes.

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 fund these sub-programmes, explaining the lack of spending before 2010/11.

Compensation of employees increased in 2010/11 due to staffing the newly created Policy and Planning and Research and Development sub-programmes. The 2011/12 reduction was due to staff turnover and the difficulty in filling of posts and funds were reprioritised to *Goods and services* to alleviate spending pressures, 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, accounting for the substantial increase in 2013/14, with the two outer years growing at a steady rate.

The low spending in 2009/10 and 2010/11 against *Goods and services* was due to research projects which the department wanted to be conducted by UKZN, but which could not be carried out due to departmental capacity constraints. In 2011/12, the increase relates to once-off costs for the finalisation of a number of provincial policies such as the Industrial Development Strategy. The increase in the 2012/13 Adjusted

Appropriation relates to funds moved from *Compensation of employees* to offset spending pressures within the programme in this category. The increase in 2013/14 can be ascribed to the funding of implementation strategies for the district industrial economic hubs, maritime industry, aerotropolis.

In 2011/12, spending increased against *Machinery and equipment* due to the replacement of redundant equipment. The amount in the 2012/13 Adjusted Appropriation relates to the correction of over-budgeted in respect of *Software and other intangible assets*. The new software was bought for the Research and Development sub-programme which is required to produce all the provincial statistical reports that come from this unit, including the quarterly *Ezomnotho* publication. There is steady growth over the MTEF.

The significant decrease in the 2012/13 Adjusted Appropriation against *Software and other intangible assets* was due to the costs of the software purchased to produce the provincial statistical reports mentioned above, this was cheaper than anticipated, and the funds were moved to offset spending pressures against *Machinery and equipment* within this programme and to Programme 1.

Service delivery measures – Programme 5: Economic Planning

Table 4.30 illustrates the main service delivery measures pertaining to Programme 5: Economic Planning which are standardised in terms of the sector. The performance indicators provided conform fully with the customised measures for the Economic Development sector.

Table 4.30: Service delivery measures – Programme 5: Economic Planning

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
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 	1 1	1 -	- 1	1 -	
1.2 To be the central source of economic data in the provision of customised economic information to stakeholders in the province	<ul style="list-style-type: none"> No. of publications distributed to stakeholders No. of operational economic statistical portal 	6 1	6 1	6 1	6 1	
2. Research and Development						
2.1 To conduct or commission macro-economic and sector research	<ul style="list-style-type: none"> No. of research and development initiatives supported No. of research reports 	5 5	4 4	5 8	5 8	
2.2 To provide research on priority economic sectors	<ul style="list-style-type: none"> No. of economic sector specific studies 	5	4	4	4	
2.3 To ensure the alignment of the activities of the DEDT to the PGDP strategic goals	<ul style="list-style-type: none"> Reports on the state of compliance of the province with the PGDP goals 	1	2	2	2	
3. Knowledge Management						
3.1 Compile and produce Economic Intelligence report per district	<ul style="list-style-type: none"> No. of provincial economic intelligence reports produced 	1	1	1	1	
3.2 To compile regular strategic reports on all departmental projects currently being implemented for the year under review	<ul style="list-style-type: none"> No. of project analysis reports produced No. of PMIS reports submitted to senior management 	6 6	6 6	6 6	6 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 produced No. of evaluation reports produced 	12 5	14 5	14 5	16 5	
4.2 To determine the effectiveness and impact of provincial economic development policies, strategies and programmes	<ul style="list-style-type: none"> To monitor and evaluate departmental projects and strategies Provide M&E capacity building for relevant stakeholders in the province 	17 80	19 80	19 80	21 120	
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 M&E 	55	60	60	60	

6.6 Programme 6: Tourism

The main purpose of this programme is to stimulate economic growth through tourism development.

This programme comprises three sub-programmes, namely Tourism Planning, Tourism Growth and Development and Tourism Sector Transformation. The objectives are as follows,

- To create an enabling tourism environment through legislation, policy and strategy development.
- To create demand and supply tourism.
- To ensure sustainability and tourism sector transformation.

Tables 4.31 and 4.32 below give a summary of payments and estimates relating to Programme 6 for the period 2009/10 to 2015/16.

Table 4.31: Summary of payments and estimates: Programme 6: Tourism Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tourism Planning	-	-	-	-	-	-	8 038	8 475	8 862
Tourism Growth and Development	118 009	118 904	164 485	149 695	298 250	294 650	155 379	161 483	168 010
Tourism Sector Transformation	-	-	-	-	-	-	19 736	20 642	21 341
Total	118 009	118 904	164 485	149 695	298 250	294 650	183 153	190 600	198 213

Table 4.32: Summary of payments and estimates by economic classification: Programme 6: Tourism Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	13 805	21 518	33 755	30 911	133 410	133 410	42 531	46 050	49 252
Compensation of employees	4 506	4 895	4 727	11 668	7 210	7 210	10 942	11 610	12 295
Goods and services	9 299	16 623	29 028	19 243	126 200	126 200	31 589	34 440	36 957
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	103 939	96 995	130 715	118 714	164 757	161 157	140 397	144 318	148 725
Provinces and municipalities	-	-	-	-	1 200	1 200	-	-	-
Departmental agencies and accounts	103 939	96 995	130 715	118 714	159 457	155 857	140 397	144 318	148 725
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	4 100	4 100	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	265	391	15	70	83	83	225	232	236
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	265	391	15	70	83	83	225	232	236
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	118 009	118 904	164 485	149 695	298 250	294 650	183 153	190 600	198 213

In terms of the latest uniform budget and programme structure for the Economic Development sector, Tourism was moved from Programme 3 to become a stand-alone programme. Historical figures were restated for comparatives purposes. However, it was not possible to restate figures per sub-programme, due to the lack of separate records. This programme includes transfers to KZNSB and TKZN.

The increase in 2011/12 was largely due to additional funding allocated to TKZN for the Tourism *Indaba*, promotion of the East 3 Route and the UCI/BMX events. Also included were the costs for research on shark repellent technology and for implementation of biometric access control by KZNSB, as mentioned previously.

In the 2012/13 Adjusted Appropriation, the Top Gear Festival funds were shifted from Programme 1 to this programme. Also, once-off additional funding was received in 2012/13 in respect of KZNSB, TKZN and for various events, such as the Nelson Mandela Golf Tournament, North Sea Jazz Festival, East 3 Route, etc. explains the significant decrease in 2013/14. The two outer years increase at a steady rate.

The low spending in prior years against *Compensation of employees* relates to delays in filling posts, and savings were reprioritised to offset cost pressures under *Goods and services* in this programme. This explains the reduction in the 2012/13 Adjusted Appropriation and the increase in 2013/14. The allocation over the two outer years of the 2013/14 MTEF grow at an inflationary rate.

The erratic trend against *Goods and services* relates to once-off additional funding in respect of various projects. The significant increase in the 2012/13 Adjusted Appropriation relates to funding of once-off initiatives, such as the Nelson Mandela Golf Tournament, North Sea Jazz Festival, etc., that was allocated to the department for the hosting of these events. This explains the decrease in 2013/14.

The 2012/13 Adjusted Appropriation against *Transfers and subsidies to: Provinces and municipalities* relates to a once-off allocation in respect of beach rehabilitation project in the Hibiscus Coast, KwaDukuza and uMhlathuze Municipalities.

Transfers and subsidies to: Departmental agencies and accounts consists of transfers to TKZN and KZNSB against the Tourism Growth and Development sub-programme. The high spending in 2009/10 relates to the increased transfer to TKZN for the Tourism *Indaba*. The significant increase in 2011/12 relates to increased transfers to KZNSB to provide for critical repairs to the roofing of the entity's headquarters in Umhlanga, to investigate more environmentally friendly shark repellent technology and to fill critical vacancies in its SCM unit. The substantial increase in the 2012/13 Adjusted Appropriation relates to increased capital requirements of the KZNSB, such as replacement of boats, outboard motors and vehicles, as well as projects under TKZN, such as the KZN Summer Campaign and East 3 Route. This explains the decrease in 2013/14. The allocation shows a steady increase over the 2013/14 MTEF, despite the baseline cuts factored against TKZN.

The high spending in 2009/10 and 2010/11 against *Machinery and equipment* was mainly due to capital equipment for the new offices, when tourism function was transferred to the department from the Department of Arts and Culture.

Service delivery measures – Programme 6: Tourism

Table 4.33 illustrates the main service delivery measures pertaining to Programme 6: Tourism which are standardised in terms of the sector.

Table 4.33: Service delivery measures – Programme: Tourism

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16
1. Tourism Planning					
1.1 To create conducive conditions for sustainable growth and development	• No. of tourism collaborative structures established and sustained	4	4	4	4
1.2 To promote responsible tourism practices and champion tourism's response to climate change	• No. of tourism research, policies, strategies, and frameworks identified and developed	4	6	5	4
2. Tourism Growth and Development					
2.1 To develop and fund the implementation of sector specific project and niche products	• No. of niche tourism products developed • No. of strategic linkages facilitated	5 -	4 1	7 2	4 2
2.2 To promote planning and development that is sensitive to the environment and communities	• No. of responsible tourism programmes initiated	-	1	2	2
2.3 To register tourism business and tourist guides in the province to ensure compliance	• No. of individuals/businesses complying with legislation	350	400	500	600
3. Tourism Sector Transformation					
3.1 To transform the tourism industry and achieve high levels of sector compliance	• No. of tourism businesses complying with tourism sector codes	50	50	75	100

Table 4.33: Service delivery measures – Programme: Tourism

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
3.2	To develop and implement integrated mechanism that ensures people development and service excellent in the tourism sector		1	2	3	3
3.3	To develop and implement integrated mechanism that ensure people development in the sector		6 966	5 716	5 716	6 000

7. Other programme information

7.1 Personnel numbers and costs

Tables 4.34 and 4.35 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 4.35 shows, the department employs only full-time personnel, and does not expect any fluctuations over the MTEF.

Table 4.34: Personnel numbers and costs per programme

	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	As at 31 March 2016
Personnel numbers							
1. Administration	103	117	116	172	172	172	172
2. Integrated Economic Development Services	95	92	92	115	115	115	115
3. Trade and Sector Development	28	24	25	25	25	25	25
4. Business Regulation and Governance	47	45	45	51	33	33	33
5. Economic Planning	13	10	9	25	25	25	25
6. Tourism	15	15	14	21	21	21	21
Total	301	303	301	409	391	391	391
Total personnel cost (R thousand)	100 183	118 136	121 912	141 516	172 109	182 609	193 374
Unit cost (R thousand)	333	390	405	346	440	467	495

Table 4.35: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Total for department									
Personnel numbers (head count)	301	303	301	409	409	409	391	391	391
Personnel cost (R thousand)	100 183	118 136	121 912	172 915	141 516	141 516	172 109	182 609	193 374
Human resources component									
Personnel numbers (head count)	26	26	29	29	29	29	29	29	29
Personnel cost (R thousand)	7 090	7 090	10 251	10 820	10 820	10 820	11 415	11 986	12 537
Head count as % of total for department	9	9	10	7	7	7	7	7	7
Personnel cost as % of total for department	7	6	8	6	8	8	7	7	6
Finance component									
Personnel numbers (head count)	20	20	25	21	25	25	25	25	25
Personnel cost (R thousand)	5 245	5 245	7 434	7 584	7 584	7 584	8 001	8 401	8 787
Head count as % of total for department	7	7	8	5	6	6	6	6	6
Personnel cost as % of total for department	5	4	6	4	5	5	5	5	5
Full time workers									
Personnel numbers (head count)	301	303	301	409	409	409	391	391	391
Personnel cost (R thousand)	100 183	118 136	121 912	172 915	141 516	141 516	172 109	182 609	193 374
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 decrease in Programme 4 in staff numbers is due to all the Liquor Regulation staff being transferred to KZNLA.

The high unit cost in 2010/11 relates to the effect of the 2010 wage agreement, as well as high level appointments in Programme 1. The lower unit costs over the 2013/14 MTEF are based on the higher projected staffing numbers.

Provision was made for the filling of all vacant posts in terms of the organisational structure. However, if the moratorium on the filling of non-critical posts is not lifted, these funds may be reallocated in the Adjustments Estimate process.

7.2 Training

Table 4.36 below reflects the payments and estimates on training for the seven-year period. The bulk of the training budget is centralised under the Human Resource Management unit in Programme 1. This was done to exercise control over the quality and accreditation of training courses attended by departmental officials. This explains the large allocation for training expenditure under Programme 1 from 2009/10. The substantial increase in 2011/12 against Programme 2 relates to non-employees bursary funds transferred to Office of the Premier, as mentioned previously.

Table 4.36: Payments on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	857	866	894	1 500	1 127	1 127	1 000	1 030	1 046
2. Integrated Economic Development Services	18	-	13 427	-	46	46	60	62	63
3. Trade and Sector Development	-	-	-	40	87	87	-	-	-
4. Business Regulation and Governance	-	-	14	-	-	-	-	-	-
5. Economic Planning	36	-	15	-	-	-	-	-	-
6. Tourism	547	-	-	-	-	-	-	-	-
Total	1 458	866	14 350	1 540	1 260	1 260	1 060	1 092	1 109

Table 4.37 provides further information on training analysed into gender and type of training for the seven-year period.

Table 4.37: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Number of staff	301	303	301	409	409	409	391	391	391
Number of personnel trained	301	396	121	396	396	396	396	396	396
of which									
Male	116	157	50	157	157	157	157	157	157
Female	185	239	71	239	239	239	239	239	239
Number of training opportunities	66	90	14	90	80	80	90	90	90
of which									
Tertiary	26	30	1	30	30	30	30	30	30
Workshops	20	40	1	40	30	30	40	40	40
Seminars	20	20	-	20	20	20	20	20	20
Other	-	-	12	-	-	-	-	-	-
Number of bursaries offered	43	48	12	53	53	53	53	56	56
External	43	48	-	53	53	53	53	56	56
Internal	-	-	12	-	-	-	-	-	-
Number of interns appointed	25	30	36	36	36	36	36	38	38
Number of learnerships appointed	20	20	-	20	20	20	20	21	21
Number of days spent on training	200	200	290	200	200	200	200	211	211

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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Tax receipts	4 831	5 023	465	48 400	48 400	5 600	5 727	6 015	6 292
Casino taxes									
Horse racing taxes									
Liquor licences	4 831	5 023	465	48 400	48 400	5 600	5 727	6 015	6 292
Motor vehicle licences									
Sale of goods and services other than capital assets	111	113	223	151	151	228	159	168	176
Sale of goods and services produced by dept. (excl. capital assets)	111	113	223	151	151	228	159	168	176
Sales by market establishments	111	113	117	151	151	228	159	168	176
Administrative fees	-	-	106	-	-	-	-	-	-
Other sales	-	-	-	-	-	-	-	-	-
<i>of which</i>									
<i>Other</i>									
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	-	-	-
Interest	-	-	-	-	-	14	-	-	-
Dividends									
Rent on land									
Sale of capital assets	-	350	304	-	-	411	-	-	-
Land and subsoil assets									
Other capital assets	-	350	304	-	-	411	-	-	-
Transactions in financial assets and liabilities	614	100 008	301	44	44	4 644	46	49	51
Total	5 556	105 494	1 293	48 595	48 595	10 897	5 932	6 232	6 519

Table 4.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	443 038	417 435	471 540	541 055	705 230	705 230	578 208	620 359	658 306
Compensation of employees	100 183	118 136	121 912	172 915	141 516	141 516	172 109	182 609	193 374
Salaries and wages	88 478	101 311	107 864	148 773	124 897	124 897	148 055	157 087	166 345
Social contributions	11 705	16 825	14 048	24 142	16 619	16 619	24 054	25 522	27 029
Goods and services	342 855	299 299	349 628	368 140	563 714	563 714	406 099	437 750	464 932
<i>of which</i>									
Administrative fees	711	601	585	230	376	376	812	837	850
Advertising	20 370	13 238	13 519	3 505	6 432	6 432	11 512	11 857	12 047
Assets <R5000	1 853	793	746	1 920	1 222	1 222	1 901	1 957	1 989
Audit cost: External	2 580	1 743	2 504	2 530	2 273	2 273	2 680	2 760	2 805
Bursaries (employees)	885	321	311	1 275	544	544	1 600	1 648	1 675
Catering: Departmental activities	3 199	1 020	8 497	1 597	3 887	3 887	4 685	4 825	4 902
Communication	7 240	7 911	7 722	10 589	8 814	8 814	11 650	11 999	12 191
Computer services	8 229	9 382	9 164	11 051	9 192	9 192	11 375	11 716	11 904
Cons/prof: Business & advisory services	221 137	194 661	161 928	252 941	429 005	429 005	245 195	268 683	291 142
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	613	218	876	-	964	964	1 144	1 179	1 197
Contractors	5 334	6 411	30 159	1 780	16 691	16 691	10 353	12 664	14 835
Agency & support/outourced services	393	2	18	1 572	265	265	-	-	-
Entertainment	17	-	4	566	161	161	235	242	246
Fleet services (incl. GMT)	259	597	1 477	1 471	1 587	1 587	1 910	1 967	1 999
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	97	66	91	109	37	37	105	108	111
Inventory: Fuel, oil and gas	1	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	15	3	11	-	21	21	-	-	-
Inventory: Materials and supplies	84	149	80	351	19	19	655	675	687
Inventory: Medical supplies	79	7	9	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	32	32	92	101	33	33	119	121	122
Inventory: Stationery and printing	4 490	2 348	2 551	3 112	2 755	2 755	2 048	2 109	2 142
Operating leases	20 188	22 359	24 915	28 120	23 924	23 924	26 902	28 739	29 199
Property payments	5 763	7 646	8 755	8 758	8 873	8 873	14 282	14 710	14 946
Transport provided: Departmental activity	324	45	2 938	32	671	671	832	857	871
Travel and subsistence	21 831	20 294	25 709	25 078	25 980	25 980	30 030	30 932	31 427
Training and development	1 458	866	14 350	1 540	1 260	1 260	2 470	2 544	2 585
Operating expenditure	5 822	3 881	10 866	3 892	6 669	6 669	10 963	11 291	11 471
Venues and facilities	9 851	4 705	19 882	5 970	10 786	10 786	11 171	11 815	12 004
Rental and hiring	-	-	1 869	50	1 273	1 273	1 470	1 515	1 585
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	1 971 450	1 192 644	1 058 880	1 096 621	1 081 113	1 081 113	1 255 314	1 326 334	1 367 734
Provinces and municipalities	5	106	14	3 543	5 692	5 692	2 412	2 533	2 649
Provinces	5	6	14	27	27	27	28	30	31
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	5	6	14	27	27	27	28	30	31
Municipalities	-	100	-	3 516	5 665	5 665	2 384	2 503	2 618
Municipalities	-	100	-	3 516	5 665	5 665	2 384	2 503	2 618
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	158 355	153 503	193 221	183 327	244 876	244 876	251 557	260 174	269 300
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	158 355	153 503	193 221	183 327	244 876	244 876	251 557	260 174	269 300
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	100 000	280 000	280 000	331 906	249 500	249 500	280 000	280 000	280 000
Public corporations	100 000	280 000	280 000	331 906	249 500	249 500	280 000	280 000	280 000
Subsidies on production	-	-	-	42 406	-	-	-	-	-
Other transfers	100 000	280 000	280 000	289 500	249 500	249 500	280 000	280 000	280 000
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 712 916	758 899	575 006	577 845	580 900	580 900	721 345	783 627	815 785
Households	174	136	10 639	-	145	145	-	-	-
Social benefits	6	-	-	-	-	-	-	-	-
Other transfers to households	168	136	10 639	-	145	145	-	-	-
Payments for capital assets	10 829	13 469	3 746	3 342	3 342	3 342	3 493	3 600	3 658
Buildings and other fixed structures	3 261	741	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	3 261	741	-	-	-	-	-	-	-
Machinery and equipment	6 815	5 978	3 363	2 177	3 342	3 342	3 441	3 546	3 603
Transport equipment	257	-	-	-	-	-	-	-	-
Other machinery and equipment	6 558	5 978	3 363	2 177	3 342	3 342	3 441	3 546	3 603
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	450	-	-	-	-	-	-	-	-
Software and other intangible assets	303	6 750	383	1 165	-	-	52	54	55
Payments for financial assets	-	763	2	-	-	-	-	-	-
Total	2 425 317	1 624 311	1 534 168	1 641 018	1 789 685	1 789 685	1 837 015	1 950 293	2 029 698

Table 4.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	136 244	168 208	205 975	176 670	206 727	206 727	191 065	201 052	209 656
Compensation of employees	40 302	49 415	49 262	62 487	54 369	54 369	71 601	75 969	80 451
Salaries and wages	35 489	42 172	43 401	53 779	47 766	47 766	61 425	65 172	69 017
Social contributions	4 813	7 243	5 861	8 708	6 603	6 603	10 176	10 797	11 434
Goods and services	95 942	118 793	156 713	114 183	152 358	152 358	119 464	125 083	129 205
of which									
Administrative fees	317	368	208	-	128	128	-	-	-
Advertising	16 490	10 055	8 431	1 250	2 632	2 632	9 022	9 293	9 442
Assets <R5000	1 580	252	409	740	503	503	378	389	396
Audit cost: External	2 377	1 695	2 468	2 430	2 173	2 173	2 580	2 657	2 700
Bursaries (employees)	437	333	319	1 255	524	524	1 200	1 236	1 256
Catering: Departmental activities	1 470	624	7 233	651	2 859	2 859	1 703	1 754	1 782
Communication	4 862	6 262	5 733	8 116	6 573	6 573	8 574	8 831	8 973
Computer services	7 935	9 140	8 641	10 991	9 189	9 189	11 277	11 615	11 801
Cons/prof: Business & advisory services	8 351	36 058	30 520	26 984	57 330	57 330	16 413	16 912	18 270
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	600	218	809	-	693	693	244	251	255
Contractors	4 373	5 856	23 521	1 580	15 131	15 131	1 993	3 053	4 086
Agency & support/outourced services	345	2	15	1 572	160	160	-	-	-
Entertainment	-	-	4	356	156	156	235	242	246
Fleet services (incl. GMT)	257	597	1 477	1 471	1 574	1 574	1 910	1 967	1 999
Housing									
Inventory: Food and food supplies	43	37	47	75	13	13	78	80	82
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	3	3	-	-	-	-	-	-	-
Inventory: Materials and supplies	50	142	25	-	19	19	100	103	105
Inventory: Medical supplies	-	7	9	-	-	-	-	-	-
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	23	29	15	73	33	33	8	8	8
Inventory: Stationery and printing	4 038	1 508	1 706	1 933	1 255	1 255	1 060	1 092	1 109
Operating leases	19 743	22 092	24 426	28 120	23 688	23 688	26 902	28 739	29 199
Property payments	5 763	7 620	8 570	8 758	8 873	8 873	14 282	14 710	14 946
Transport provided: Departmental activity	218	45	2 394	32	372	372	592	610	620
Travel and subsistence	10 039	10 809	10 899	11 128	10 729	10 729	13 552	13 959	14 182
Training and development	857	866	894	1 500	1 127	1 127	1 000	1 030	1 046
Operating expenditure	2 614	2 335	4 253	3 204	2 354	2 354	2 991	3 081	3 130
Venues and facilities	3 157	1 840	12 481	1 964	3 341	3 341	2 370	2 441	2 480
Rental and hiring	-	-	1 206	-	929	929	1 000	1 030	1 092
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	173	346	499	27	117	117	28	30	31
Provinces and municipalities	5	106	14	27	27	27	28	30	31
Provinces	5	6	14	27	27	27	28	30	31
Provincial Revenue Funds									
Provincial agencies and funds	5	6	14	27	27	27	28	30	31
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	168	(2)	461	-	90	90	-	-	-
Social benefits									
Other transfers to households	168	(2)	461	-	90	90	-	-	-
Payments for capital assets	9 858	12 349	3 118	902	1 850	1 850	2 812	2 897	2 943
Buildings and other fixed structures	3 261	741	-	-	-	-	-	-	-
Buildings									
Other fixed structures	3 261	741	-	-	-	-	-	-	-
Machinery and equipment	5 922	4 885	2 735	852	1 850	1 850	2 760	2 843	2 888
Transport equipment									
Other machinery and equipment	5 922	4 885	2 735	852	1 850	1 850	2 760	2 843	2 888
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets	450	-	-	-	-	-	-	-	-
Software and other intangible assets	225	6 723	383	50	-	-	52	54	55
Payments for financial assets	-	763	2	-	-	-	-	-	-
Total	146 275	181 666	209 594	177 599	208 694	208 694	193 905	203 979	212 630

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		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	130 992	140 021	136 258	209 271	194 863	194 863	208 583	221 596	232 687
Compensation of employees	32 127	35 697	37 454	50 055	42 803	42 803	53 829	57 112	60 482
Salaries and wages	28 500	30 521	33 298	43 151	37 907	37 907	46 494	49 330	52 240
Social contributions	3 627	5 176	4 156	6 904	4 896	4 896	7 335	7 782	8 242
Goods and services	98 865	104 324	98 804	159 216	152 060	152 060	154 754	164 484	172 205
of which									
Administrative fees	65	85	105	230	233	233	750	773	785
Advertising	1 278	265	856	1 190	1 040	1 040	1 030	1 061	1 078
Assets <R5000	111	79	179	544	502	502	81	83	84
Audit cost: External	203	48	36	100	100	100	100	103	105
Bursaries (employees)	8	(10)	(6)	20	20	20	-	-	-
Catering: Departmental activities	942	234	235	422	495	495	1 105	1 138	1 156
Communication	787	1 085	1 067	1 335	1 325	1 325	1 300	1 339	1 360
Computer services	-	-	22	60	-	-	98	101	103
Cons/prof: Business & advisory services	85 043	96 225	68 686	143 690	134 149	134 149	120 939	128 654	134 818
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	3	-	47	-	271	271	-	-	-
Contractors	604	381	1 550	-	404	404	7 700	8 931	10 058
Agency & support/outourced services	6	-	-	-	3	3	-	-	-
Entertainment	17	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	13	13	-	-	-
Housing									
Inventory: Food and food supplies	17	10	15	32	7	7	10	11	12
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	31	4	10	-	-	-	5	5	6
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	1	2	33	-	-	-	103	105	106
Inventory: Stationery and printing	107	73	80	259	397	397	493	508	516
Operating leases									
Property payments									
Transport provided: Departmental activity	-	-	261	-	69	69	-	-	-
Travel and subsistence	6 526	4 815	7 260	8 778	9 096	9 096	10 585	10 903	11 077
Training and development	18	-	13 427	-	46	46	60	62	63
Operating expenditure	794	496	1 234	606	612	612	6 074	6 256	6 356
Venues and facilities	2 304	532	3 651	1 950	3 184	3 184	4 271	4 399	4 469
Rental and hiring	-	-	56	-	94	94	50	52	53
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	100 059	280 030	291 098	296 016	257 508	257 508	287 384	287 753	288 110
Provinces and municipalities	-	-	-	3 516	4 465	4 465	2 384	2 503	2 618
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	3 516	4 465	4 465	2 384	2 503	2 618
Municipalities	-	-	-	3 516	4 465	4 465	2 384	2 503	2 618
Municipal agencies and funds									
Departmental agencies and accounts	-	-	970	-	-	-	-	-	-
Social security funds									
Entities receiving funds	-	-	970	-	-	-	-	-	-
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	100 000	280 000	280 000	289 500	249 500	249 500	280 000	280 000	280 000
Public corporations	100 000	280 000	280 000	289 500	249 500	249 500	280 000	280 000	280 000
Subsidies on production									
Other transfers	100 000	280 000	280 000	289 500	249 500	249 500	280 000	280 000	280 000
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions	59	-	-	3 000	3 500	3 500	5 000	5 250	5 492
Households	-	30	10 128	-	43	43	-	-	-
Social benefits									
Other transfers to households	-	30	10 128	-	43	43	-	-	-
Payments for capital assets	254	310	197	755	995	995	220	227	231
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	206	310	197	755	995	995	220	227	231
Transport equipment									
Other machinery and equipment	206	310	197	755	995	995	220	227	231
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	48	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	231 305	420 361	427 553	506 042	453 366	453 366	496 187	509 576	521 028

Table 4.E: Details of payments and estimates by economic classification - Programme 3: Trade and Sector Development

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	130 930	51 427	40 318	69 293	110 302	110 302	77 793	89 761	101 460
Compensation of employees	5 826	6 660	8 239	14 174	10 023	10 023	8 524	9 044	9 578
Salaries and wages	5 162	5 640	7 413	12 306	8 819	8 819	7 380	7 830	8 292
Social contributions	664	1 020	826	1 868	1 204	1 204	1 144	1 214	1 286
Goods and services	125 104	44 767	32 079	55 119	100 279	100 279	69 269	80 717	91 882
of which									
Administrative fees	15	29	13	-	15	15	50	52	53
Advertising	895	1 143	374	420	531	531	380	391	397
Assets <R5000	-	8	4	130	20	20	1 397	1 439	1 462
Bursaries (employees)	-	(2)	(2)	-	-	-	400	412	419
Catering: Departmental activities	131	20	51	60	46	46	120	124	126
Communication	131	242	308	472	352	352	200	206	209
Computer services	-	171	3	-	-	-	-	-	-
Cons/prof. Business & advisory services	116 793	41 786	26 672	52 271	96 820	96 820	62 593	73 840	84 895
Cons/prof. Infrastructure & planning									
Cons/prof. Laboratory services									
Cons/prof. Legal cost	10	-	-	-	-	-	150	155	157
Contractors	-	29	1 383	-	99	99	-	-	-
Agency & support/outsourced services									
Entertainment									
Fleet services (incl. GMT)	2	-	-	-	-	-	-	-	-
Housing									
Inventory: Food and food supplies	9	2	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	2	-	-	-	-	-	-	-	-
Inventory: Medical supplies	29	-	-	-	-	-	-	-	-
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	1	19	-	-	-	-	-	-
Inventory: Stationery and printing	86	3	3	156	87	87	80	82	83
Operating leases	-	267	489	-	236	236	-	-	-
Property payments	-	26	185	-	-	-	-	-	-
Transport provided: Departmental activity									
Travel and subsistence	2 806	886	1 706	1 240	1 544	1 544	1 370	1 411	1 434
Training and development	-	-	-	40	87	87	1 370	1 411	1 434
Operating expenditure	1 340	29	564	-	-	-	259	267	271
Venues and facilities	2 855	127	227	330	415	415	800	824	837
Rental and hiring	-	-	80	-	27	27	100	103	105
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	1 767 273	815 244	636 518	639 458	634 313	637 913	783 585	848 719	883 500
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	54 416	56 508	61 536	64 613	61 013	64 613	67 240	70 342	73 207
Social security funds									
Entities receiving funds	54 416	56 508	61 536	64 613	61 013	64 613	67 240	70 342	73 207
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	1 712 857	758 657	574 982	574 845	573 300	573 300	716 345	778 377	810 293
Households	-	79	-	-	-	-	-	-	-
Social benefits									
Other transfers to households	-	79	-	-	-	-	-	-	-
Payments for capital assets	96	56	85	200	103	103	50	52	53
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	96	56	85	200	103	103	50	52	53
Transport equipment									
Other machinery and equipment	96	56	85	200	103	103	50	52	53
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 898 299	866 727	676 921	708 951	744 718	748 318	861 428	938 532	985 013

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		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	20 908	24 640	37 169	34 947	41 111	41 111	28 510	30 579	32 527
Compensation of employees	11 894	14 287	15 622	22 955	19 498	19 498	14 599	15 490	16 394
Salaries and wages	10 270	12 030	13 578	19 604	17 102	17 102	12 519	13 283	14 057
Social contributions	1 624	2 257	2 044	3 351	2 396	2 396	2 080	2 207	2 337
Goods and services	9 014	10 353	21 547	11 992	21 613	21 613	13 911	15 089	16 133
of which									
Administrative fees	274	90	212	-	-	-	-	-	-
Advertising	1 555	1 624	3 651	630	2 118	2 118	820	845	859
Assets <R5000	84	112	94	506	181	181	10	10	10
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	236	100	848	330	399	399	1 507	1 552	1 577
Communication	1 312	136	439	427	349	349	1 348	1 388	1 410
Computer services	294	4	428	-	3	3	-	-	-
Cons/prof: Business & advisory services	2 135	3 983	7 450	5 776	12 123	12 123	4 355	4 938	5 820
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	-	-	20	-	-	-	750	773	785
Contractors	83	145	1 254	200	978	978	560	577	586
Agency & support/outourced services	-	-	3	-	102	102	-	-	-
Entertainment	-	-	-	200	-	-	-	-	-
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	4	5	8	2	3	3	2	2	2
Inventory: Fuel, oil and gas	1	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	-	3	37	351	-	-	-	-	-
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	2	-	1	20	-	-	-	-	-
Inventory: Stationery and printing	135	401	379	551	331	331	10	10	10
Operating leases									
Property payments									
Transport provided: Departmental activity	19	-	79	-	-	-	240	247	251
Travel and subsistence	1 301	1 995	2 878	1 468	2 094	2 094	1 589	1 637	1 663
Training and development	-	-	14	-	-	-	-	-	-
Operating expenditure	627	203	1 801	-	1 354	1 354	180	185	188
Venues and facilities	952	1 552	1 424	1 481	1 374	1 374	2 240	2 616	2 658
Rental and hiring	-	-	527	50	204	204	300	309	314
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	-	-	-	42 406	24 418	24 418	43 920	45 514	47 368
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	24 406	24 406	43 920	45 514	47 368
Social security funds									
Entities receiving funds	-	-	-	-	24 406	24 406	43 920	45 514	47 368
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	42 406	-	-	-	-	-
Public corporations	-	-	-	42 406	-	-	-	-	-
Subsidies on production	-	-	-	42 406	-	-	-	-	-
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	-	-	-	-	12	12	-	-	-
Social benefits									
Other transfers to households	-	-	-	-	12	12	-	-	-
Payments for capital assets	222	236	144	300	220	220	136	140	142
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	222	230	144	300	220	220	136	140	142
Transport equipment									
Other machinery and equipment	222	230	144	300	220	220	136	140	142
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	6	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	21 130	24 876	37 313	77 653	65 749	65 749	72 566	76 233	80 037

Table 4.G: Details of payments and estimates by economic classification - Programme 5: Economic Planning

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	10 159	11 621	18 065	19 963	18 817	18 817	29 726	31 321	32 724
Compensation of employees	5 528	7 182	6 608	11 576	7 613	7 613	12 614	13 384	14 174
Salaries and wages	5 109	6 593	6 057	9 982	6 781	6 781	10 881	11 545	12 226
Social contributions	419	589	551	1 594	832	832	1 733	1 839	1 948
Goods and services	4 631	4 439	11 457	8 387	11 204	11 204	17 112	17 937	18 550
of which									
Administrative fees	-	16	12	-	-	-	12	12	12
Advertising	96	44	11	15	57	57	80	82	83
Assets <R5000	37	16	53	-	16	16	35	36	37
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	19	7	3	34	27	27	45	46	47
Communication	98	123	121	151	146	146	228	235	239
Computer services	-	67	70	-	-	-	-	-	-
Cons/prof: Business & advisory services	3 068	2 619	6 866	6 820	6 324	6 324	12 621	13 313	13 851
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	8	8	17	-	14	14	15	15	15
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	-	-	11	-	21	21	-	-	-
Inventory: Materials and supplies	1	-	8	-	-	-	550	567	576
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	1	-	4	8	-	-	8	8	8
Inventory: Stationery and printing	120	305	327	198	668	668	405	417	424
Operating leases	1	-	-	-	-	-	-	-	-
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	377	457	1 120	834	812	812	1 134	1 168	1 187
Training and development	36	-	15	-	-	-	40	41	42
Operating expenditure	364	592	2 118	82	2 311	2 311	549	565	574
Venues and facilities	405	185	701	245	808	808	1 390	1 432	1 455
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	6	29	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	-	-	-	-	-	-
Social benefits	6	-	-	-	-	-	-	-	-
Other transfers to households	-	29	50	-	-	-	-	-	-
Payments for capital assets	134	127	187	1 115	91	91	50	52	53
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	104	106	187	-	91	91	50	52	53
Transport equipment									
Other machinery and equipment	104	106	187	-	91	91	50	52	53
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	30	21	-	1 115	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	10 299	11 777	18 302	21 078	18 908	18 908	29 776	31 373	32 777

Table 4.H: Details of payments and estimates by economic classification - Programme 6: Tourism

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	13 805	21 518	33 755	30 911	133 410	133 410	42 531	46 050	49 252
Compensation of employees	4 506	4 895	4 727	11 668	7 210	7 210	10 942	11 610	12 295
Salaries and wages	3 948	4 355	4 117	9 951	6 522	6 522	9 356	9 927	10 513
Social contributions	558	540	610	1 717	688	688	1 586	1 683	1 782
Goods and services	9 299	16 623	29 028	19 243	126 200	126 200	31 589	34 440	36 957
of which									
Administrative fees	40	13	35	-	-	-	-	-	-
Advertising	56	107	196	-	54	54	180	185	188
Assets <R5000	41	326	7	-	-	-	-	-	-
Audit cost: External									
Bursaries (employees)	440	-	-	-	-	-	-	-	-
Catering: Departmental activities	401	35	127	100	61	61	205	211	214
Communication	50	63	54	88	69	69	-	-	-
Computer services									
Cons/prof: Business & advisory services	5 747	13 990	21 734	17 400	122 259	122 259	28 274	31 026	33 488
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	274	-	2 451	-	79	79	100	103	105
Agency & support/outourced services	42	-	-	-	-	-	-	-	-
Entertainment	-	-	-	10	5	5	-	-	-
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	16	4	4	-	-	-	-	-	-
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	12	-	-	-	-	-	-	-	-
Inventory: Materials and supplies									
Inventory: Medical supplies	50	-	-	-	-	-	-	-	-
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	5	-	20	-	-	-	-	-	-
Inventory: Stationery and printing	4	58	56	15	17	17	-	-	-
Operating leases	444	-	-	-	-	-	-	-	-
Property payments									
Transport provided: Departmental activity	87	-	204	-	230	230	-	-	-
Travel and subsistence	782	1 332	1 846	1 630	1 705	1 705	1 800	1 854	1 884
Training and development	547	-	-	-	-	-	-	-	-
Operating expenditure	83	226	896	-	38	38	910	937	952
Venues and facilities	178	469	1 398	-	1 664	1 664	100	103	105
Rental and hiring	-	-	-	-	19	19	20	21	21
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	103 939	96 995	130 715	118 714	164 757	161 157	140 397	144 318	148 725
Provinces and municipalities	-	-	-	-	1 200	1 200	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	1 200	1 200	-	-	-
Municipalities	-	-	-	-	1 200	1 200	-	-	-
Municipal agencies and funds									
Departmental agencies and accounts	103 939	96 995	130 715	118 714	159 457	155 857	140 397	144 318	148 725
Social security funds									
Entities receiving funds	103 939	96 995	130 715	118 714	159 457	155 857	140 397	144 318	148 725
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	-	-	-	-	4 100	4 100	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits									
Other transfers to households									
Payments for capital assets	265	391	15	70	83	83	225	232	236
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	265	391	15	70	83	83	225	232	236
Transport equipment	257	-	-	-	-	-	-	-	-
Other machinery and equipment	8	391	15	70	83	83	225	232	236
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	118 009	118 904	164 485	149 695	298 250	294 650	183 153	190 600	198 213

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						2013/14	2014/15	2015/16
R thousand														
New and replacement assets									-	-	-	-	-	-
Upgrades and additions									-	-	-	-	-	-
Rehabilitation, renovations and refurbishments									-	-	-	-	-	-
Maintenance and repairs									-	-	-	-	-	-
Infrastructure transfers - current									-	-	-	-	-	-
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	534 491	587 577	611 512
2.	RBIDZ	uThungulu	RBIDZ	1	01 Apr 2010	31 Mar 2050	Equitable share	Programme 3	-	233 630	44 382	65 164	68 170	70 947
Total Infrastructure transfers - capital									-	5 147 217	989 338	599 655	655 747	682 459
Total Infrastructure									-	5 147 217	989 338	599 655	655 747	682 459

Table 4.J: Summary of transfers to local government (Joint Project Funding, International Newcastle Alliance Summit)

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	300	300	-	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	-	-	-	-	-	-	-	-	-
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	-	-	-	300	300	-	-	-
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	-	100	-	-	-	-	-	-	-
B KZN252 Newcastle	-	100	-	-	-	-	-	-	-
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	-	-	-	1 800	2 844	2 844	1 235	1 296	1 356
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	-	-	-	-	400	400	-	-	-
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	1 800	2 444	2 444	1 235	1 296	1 356
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	1 716	2 521	2 521	1 149	1 207	1 262
B KZN291 Mandeni	-	-	-	1 716	2 021	2 021	1 149	1 207	1 262
B KZN292 KwaDukuza	-	-	-	-	500	500	-	-	-
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	-	100	-	3 516	5 665	5 665	2 384	2 503	2 618

Table 4.K: Financial summary for Ithala Development Finance Corporation (Ithala)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	860 448	878 775	936 572	957 230	1 114 317	1 317 219	1 574 598
Sale of goods and services other than capital assets	564 510	619 961	688 709	727 973	839 561	950 512	1 098 590
of which:							
Admin fees	191 683	199 449	210 197	222 209	278 077	324 692	392 605
Other sales	372 827	420 512	478 512	505 764	561 484	625 819	705 985
Fines penalties and forfeits							
Interest, dividends and rent on land							
Other non-tax revenue	295 938	258 814	247 863	229 257	274 756	366 707	476 008
Transfers received	122 221	225 962	182 471	160 421	264 500	185 000	185 000
Sale of capital assets	2 296	466	1 392	10 000	30 000	80 000	100 000
Total revenue	984 965	1 105 203	1 120 435	1 127 651	1 408 817	1 582 219	1 859 598
Expenses							
Current expense	918 512	1 067 429	1 022 860	1 032 867	1 204 234	1 321 122	1 459 916
Compensation of employees	289 533	301 982	321 086	341 962	403 557	428 784	456 268
Use of goods and services	397 474	541 915	478 689	459 633	541 391	593 859	660 651
Depreciation	45 891	48 324	51 743	56 481	60 537	69 515	79 240
Interest, dividends and rent on land	185 614	175 208	171 342	174 790	198 748	228 965	263 757
Interest	103 554	78 057	69 493	60 630	73 346	101 098	134 547
Rent on land	82 060	97 151	101 849	114 160	125 402	127 867	129 210
Transfers and subsidies							
Total expenses	918 512	1 067 429	1 022 860	1 032 867	1 204 234	1 321 122	1 459 916
Surplus / (Deficit)	66 453	37 774	97 575	94 785	204 584	261 096	399 682
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	213 778	289 939	197 988	116 028	131 973	168 747	211 976
Adjustments for:							
Depreciation	45 891	48 324	51 743	54 699	58 627	67 649	77 429
Interest	97 975	78 057	69 494	61 329	73 346	101 098	134 547
Net (profit) / loss on disposal of fixed assets	2 115	1 505	1 911	-	-	-	-
Other	67 797	162 053	74 840	-	-	-	-
Operating surplus / (deficit) before changes in working capital	280 231	327 713	295 563	210 813	336 556	429 843	611 658
Changes in working capital	88 638	73 828	(11 229)	(6 644)	419 349	386 510	421 551
(Decrease) / increase in accounts payable	131 946	124 086	(138 863)	(68 334)	374 747	347 957	382 094
Decrease / (increase) in accounts receivable	(43 308)	(50 258)	127 634	-	-	-	-
(Decrease) / increase in provisions	-	-	-	61 690	44 603	38 553	39 457
Cash flow from operating activities	368 869	401 541	284 334	204 169	755 906	816 353	1 033 209
Cash flow from investing activities	(269 609)	(342 740)	(300 981)	(298 296)	(707 648)	(631 579)	(632 006)
Acquisition of assets	(103 436)	(85 540)	(50 201)	(149 741)	(297 649)	(256 871)	(259 845)
Investment property	(58 097)	(55 715)	(22 404)	(122 103)	(232 010)	(230 000)	(230 000)
Other machinery and equipment	(45 339)	(29 825)	(27 797)	(27 638)	(65 639)	(36 871)	(29 845)
Other flows from investing activities	(166 173)	(257 200)	(250 781)	(148 555)	(409 999)	(374 708)	(372 161)
Cash flow from financing activities	(105 815)	(112 792)	12 241	(8 965)	(107 043)	(22 947)	(20 091)
Deferred income	(111 735)	(106 026)	18 077	29 079	(79 500)	-	-
Borrowing activities	(47 840)	(56 478)	(23 070)	(38 044)	(27 543)	(22 947)	(20 091)
Other	53 760	49 712	17 234	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	(6 555)	(53 991)	(4 407)	(103 092)	(58 786)	161 827	381 112
Balance sheet data							
Carrying value of assets	978 039	943 656	955 631	1 050 439	1 289 461	1 478 683	1 661 100
Investment property	754 011	752 341	770 267	837 671	1 011 054	1 163 405	1 315 977
Furniture and office equipment	189 952	180 716	169 662	197 300	262 939	299 810	329 655
Computer software	34 076	10 599	15 470	15 236	15 236	15 236	15 236
Other Intangibles	-	-	232	232	232	232	232
Investments	11 264	13 456	12 069	12 069	12 069	12 069	12 069
Cash and cash equivalents	1 839 264	1 780 067	1 770 644	1 667 552	1 608 766	1 770 593	2 151 705
Bank	1 680 025	1 618 626	1 601 877	1 498 785	1 439 999	1 601 826	1 982 938
Cash on Hand	49 693	56 968	52 492	52 492	52 492	52 492	52 492
Other	109 546	104 473	116 275	116 275	116 275	116 275	116 275
Receivables and prepayments	1 792 147	1 947 714	1 912 412	2 055 987	2 046 637	2 034 836	1 985 446
Trade receivables	176 795	229 002	60 665	117 375	117 375	117 375	117 375
Other receivables	1 615 352	1 718 712	1 851 747	1 938 612	1 929 262	1 917 461	1 868 071
Inventory	41 556	21 980	23 100	23 100	23 100	23 100	23 100
Trade	798	538	2 800	2 800	2 800	2 800	2 800
Other	40 758	21 442	20 300	20 300	20 300	20 300	20 300
Total assets	4 662 270	4 706 873	4 673 856	4 809 147	4 980 033	5 319 281	5 833 419
Capital and reserves	1 623 272	1 661 046	1 758 621	1 853 406	2 057 989	2 319 086	2 718 768
Share capital and premium	1 008 581	1 008 581	1 008 581	1 008 581	1 008 581	1 008 581	1 008 581
Accumulated reserves	548 238	614 691	652 465	750 040	844 824	1 049 408	1 310 505
Surplus / (Deficit)	66 453	37 774	97 575	94 785	204 584	261 096	399 682
Borrowings	209 509	153 031	129 961	153 246	199 049	277 200	391 656
Floating	10 951	2 316	2 141	2 141	2 141	2 141	2 141
Current	560	11 327	4 672	4 672	4 672	4 672	4 672
1<5 Years	51 907	28 463	24 648	24 648	24 648	24 648	24 648
5<10 Years	119 742	86 608	75 961	99 246	145 049	223 200	337 656
>10 Years	26 349	24 317	22 539	22 539	22 539	22 539	22 539
Post retirement benefits	61 926	64 218	67 619	67 619	67 619	67 619	67 619
Present value of funded obligations	46 380	58 474	70 247	70 247	70 247	70 247	70 247
Unrecognised transitional liabilities	15 546	5 744	(2 628)	(2 628)	(2 628)	(2 628)	(2 628)
Trade and other payables	1 864 494	2 055 215	1 922 559	1 910 701	1 910 701	1 910 701	1 910 701
Trade payables	20 370	17 388	15 997	4 139	4 139	4 139	4 139
Other	1 844 124	2 037 827	1 906 562	1 906 562	1 906 562	1 906 562	1 906 562
Deferred income	820 043	687 474	705 551	734 630	655 130	655 130	655 130
Provisions	83 026	85 889	89 545	89 545	89 545	89 545	89 545
Leave pay provision	25 765	18 648	23 700	23 700	23 700	23 700	23 700
Audit fee provision	3 707	5 686	5 186	5 186	5 186	5 186	5 186
Landfill restoration	40 921	45 426	41 614	41 614	41 614	41 614	41 614
Long service awards	12 633	16 129	19 045	19 045	19 045	19 045	19 045
Funds managed (e.g. Poverty Alleviation Fund)	-	-	-	-	-	-	-
Contingent liabilities	21 438	11 236	12 119	12 119	12 119	12 119	12 119
Total equity and liabilities	4 662 270	4 706 873	4 673 856	4 809 147	4 980 033	5 319 281	5 833 419

*Note: Some of the amounts reflected as Transfers received do not equal the amounts reflected in Table 4.12, as portion of the transfers is reflected against other Balance Sheet items.

Estimates of Provincial Revenue and Expenditure

Table 4.L: Financial summary for KwaZulu-Natal Sharks Board (KZNSB)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	20 189	21 695	23 448	24 467	26 331	27 542	29 798
Sale of goods and services other than capital assets	-	-	-	-	-	-	-
Interest, dividends and rent on land	1 192	680	813	1 100	1 000	400	440
Other non-tax revenue	18 997	21 015	22 635	23 367	25 331	27 142	29 358
Transfers received	25 338	25 551	41 334	50 374	49 485	50 109	50 678
Sale of capital assets	373	-	75	-	300	-	-
Total revenue	45 900	47 246	64 857	74 841	76 116	77 651	80 476
Expenses							
Current expense	45 839	50 049	57 585	65 712	73 287	79 278	84 433
Compensation of employees	27 391	31 750	36 229	38 730	50 335	53 598	57 071
Use of goods and services	13 386	12 420	15 236	20 898	17 283	19 699	21 023
Depreciation	5 051	5 861	6 036	6 000	5 579	5 886	6 239
Interest, dividends and rent on land	11	18	84	84	90	95	100
Transfers and subsidies							
Total expenses	45 839	50 049	57 585	65 712	73 287	79 278	84 433
Surplus / (Deficit)	61	(2 803)	7 272	9 129	2 829	(1 627)	(3 957)
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	3 906	4 302	3 660	6 000	6 330	6 678	7 079
Adjustments for:							
Depreciation	5 051	5 861	6 036	6 000	6 330	6 678	7 079
Interest	(1 192)	(682)	(815)	-	-	-	-
Net (profit) / loss on disposal of fixed assets	(373)	57	(75)	-	-	-	-
Other	420	(934)	(1 486)	-	-	-	-
Operating surplus / (deficit) before changes in working capital	3 967	1 499	10 932	15 129	9 159	5 051	3 122
Changes in working capital	(2 267)	(1 352)	3 091	1 301	90	95	100
(Decrease) / increase in accounts payable	(3 194)	(1 335)	1 635	1 088	(135)	(142)	(150)
Decrease / (increase) in accounts receivable	665	-	1 154	(295)	(311)	(328)	(346)
(Decrease) / increase in provisions	262	(17)	302	508	536	565	597
Cash flow from operating activities	1 700	147	14 023	16 430	9 249	5 146	3 222
Transfers from government	25 338	25 551	41 334	41 334	49 485	50 109	50 678
Capital	-	-	13 500	14 533	8 497	4 355	2 382
Current	25 338	25 551	27 834	26 801	40 988	45 754	48 296
Cash flow from investing activities	(3 954)	(3 510)	163	(15 825)	(8 497)	(4 354)	(2 382)
Acquisition of assets	(5 708)	(4 236)	(641)	(15 825)	(8 497)	(4 354)	(2 382)
Dwellings	(176)	(96)	(98)	(3 850)	(3 165)	-	-
Non-residential buildings	-	-	-	(6 105)	-	-	-
Investment property	(120)	-	-	-	-	-	-
Capital work in progress	(600)	600	-	(2 500)	(4 500)	-	-
Computer equipment	-	-	-	(445)	(150)	-	-
Furniture and office equipment	-	-	-	-	(72)	(500)	(100)
Other machinery and equipment	(1 813)	(458)	(415)	(128)	(134)	(380)	(100)
Transport assets	(3 568)	(3 739)	-	(2 732)	(426)	(3 074)	(1 650)
Computer software	-	(543)	-	-	(50)	(200)	(211)
Patents, licences, copyrights, brand names and trademarks	-	-	-	(65)	-	(200)	(321)
Other intangibles	569	-	(128)	-	-	-	-
Other flows from investing activities	1 754	726	804	-	-	-	-
Cash flow from financing activities	160	343	(326)	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	(2 094)	(3 020)	13 860	605	752	792	840
Balance sheet data							
Carrying value of assets	69 025	68 077	63 058	58 976	63 525	54 036	47 612
Dwellings	50 145	47 140	44 132	41 858	41 759	38 496	35 232
Investment property	4 348	5 143	5 494	5 500	5 600	5 650	5 680
Capital work in progress	600	-	-	-	4 500	-	-
Computer equipment	80	525	376	762	594	765	308
Other machinery and equipment	3 321	3 306	3 261	2 839	2 623	2 520	1 631
Transport assets	9 768	11 363	9 250	8 017	8 399	6 555	4 711
Computer software	-	-	-	-	50	50	50
Other intangibles	763	600	545	-	-	-	-
Investments	-	353	310	37 000	15 000	10 000	8 000
Current	-	353	310	37 000	15 000	10 000	8 000
Cash and cash equivalents	14 320	11 626	25 168	37 000	15 000	10 000	8 000
Bank	14 320	11 626	25 168	37 000	15 000	10 000	8 000
Receivables and prepayments	798	691	2 346	1 520	500	550	600
Trade receivables	445	445	1 599	1 520	500	550	600
Other receivables	203	177	192	-	-	-	-
Prepaid expenses	150	69	555	-	-	-	-
Accrued income	-	-	-	-	-	-	-
Inventory	1 504	1 580	1 389	1 216	1 450	1 550	1 650
Trade	1 504	1 580	1 389	1 216	1 450	1 550	1 650
Total assets	85 647	82 327	92 271	135 712	95 475	76 136	65 862
Capital and reserves	74 517	71 730	78 893	88 022	63 829	62 202	58 245
Accumulated reserves	74 456	74 533	71 621	78 893	61 000	63 829	62 202
Surplus / (Deficit)	61	(2 803)	7 272	9 129	2 829	(1 627)	(3 957)
Borrowings	41	545	462	-	-	-	-
Current	41	82	129	-	-	-	-
1<5 Years	-	463	333	-	-	-	-
Post retirement benefits	4 480	4 631	5 162	5 162	5 162	5 162	5 162
Present value of funded obligations	4 480	4 631	5 162	5 162	5 162	5 162	5 162
Trade and other payables	3 630	2 295	3 930	4 250	3 850	2 280	3 765
Trade payables	3 630	2 295	3 930	4 250	3 850	2 280	3 765
Deferred Income							
Provisions	2 509	2 492	2 794	3 578	4 100	4 560	5 160
Leave pay provision	2 509	2 492	2 794	3 578	4 100	4 560	5 160
Funds managed (e.g. Poverty Alleviation Fund)	342	181	68	-	-	-	-
Third Party Funds	342	181	68	-	-	-	-
Contingent liabilities	128	453	962	34 700	18 534	1 932	(6 470)
Total equity & liabilities	85 647	82 327	92 271	135 712	95 475	76 136	65 862

*Note: Some of the amounts reflected as Transfers received do not equal the amounts reflected in Table 4.12, as portion of the transfers is reflected against other Balance Sheet items.

Table 4.M: Financial summary for Tourism KwaZulu-Natal (TKZN)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue							
Tax revenue	2 289	4 810	20 451	20 657	26 365	33 057	40 271
Non-tax revenue	383	58	123	122	134	148	162
Sale of goods and services other than capital assets	-	-	-	-	-	-	-
Other non-tax revenue	383	58	123	122	134	148	162
Transfers received	70 012	71 444	84 381	87 776	90 912	94 209	98 047
Sale of capital assets	-	-	-	-	-	-	-
Total revenue	72 684	76 312	104 955	108 555	117 411	127 414	138 480
Expenses							
Current expense	72 466	87 190	98 558	108 555	117 411	127 414	138 481
Compensation of employees	18 803	22 635	24 064	26 612	27 273	28 262	29 414
Use of goods and services	52 124	63 766	73 862	81 248	89 373	98 310	108 141
Depreciation	1 539	789	632	695	765	841	925
Interest, dividends and rent on land	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	72 466	87 190	98 558	108 555	117 411	127 414	138 481
Surplus / (Deficit)	218	(10 878)	6 397	(0)	0	0	(0)
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	1 156	2 854	751	826	909	1 000	1 100
Adjustments for:							
Depreciation	1 539	789	632	695	765	841	925
Interest	(383)	(58)	(123)	(135)	(149)	(164)	(180)
Other	-	2 123	242	266	293	322	354
Operating surplus / (deficit) before changes in working capital	1 374	(8 024)	7 148	826	909	1 000	1 099
Changes in working capital	10 206	(4 101)	(2 914)	(3 205)	(3 526)	(3 879)	(4 266)
(Decrease) / increase in accounts payable	8 728	(4 412)	18 492	20 341	22 375	24 613	27 074
Decrease / (increase) in accounts receivable	(1 602)	(1 041)	(28 911)	(31 802)	(34 982)	(38 481)	(42 329)
(Decrease) / increase in provisions	3 080	1 352	7 505	8 256	9 081	9 989	10 988
Cash flow from operating activities	11 580	(12 125)	4 234	(2 380)	(2 617)	(2 879)	(3 167)
Transfers from government	-	-	-	-	-	-	-
Cash flow from investing activities	(514)	(496)	(247)	(272)	(299)	(329)	(362)
Acquisition of Assets	(514)	(496)	(247)	(272)	(299)	(329)	(362)
Other flows from Investing Activities	-	-	-	-	-	-	-
Cash flow from financing activities	-	-	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	11 066	(12 621)	3 987	(2 651)	(2 916)	(3 208)	(3 529)
Balance sheet data							
Carrying value of assets	1 989	2 436	1 863	2 049	2 254	2 480	2 728
Computer equipment	632	624	484	532	586	644	709
Furniture and office equipment	1 199	1 747	1 344	1 478	1 626	1 789	1 968
Computer software	158	65	35	39	42	47	51
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	20 872	8 309	12 419	13 661	15 027	16 530	18 183
Bank	9 061	2 935	10 720	11 792	12 971	14 268	15 695
Cash on Hand	5	5	5	6	6	7	7
Other	11 806	5 369	1 694	1 863	2 050	2 255	2 480
Receivables and prepayments	6 638	4 850	33 761	37 137	40 851	44 936	49 429
Trade receivables	6 638	4 850	33 761	37 137	40 851	44 936	49 429
Inventory	-	-	-	-	-	-	-
Total assets	29 499	15 595	48 043	52 847	58 132	63 945	70 340
Capital and reserves	5 952	(4 926)	1 471	1 471	1 471	1 471	1 471
Borrowings	-	-	-	-	-	-	-
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	22 341	19 554	45 375	49 913	54 904	60 394	66 434
Deferred income	-	-	-	-	-	-	-
Provisions	1 206	1 313	1 489	1 638	1 802	1 982	2 180
Funds managed (e.g. Poverty Alleviation Fund)	-	-	-	-	-	-	-
Contingent liabilities	-	(346)	(292)	(174)	(44)	98	255
Total assets and liabilities	29 499	15 595	48 043	52 847	58 132	63 945	70 340

*Note: Some of the amounts reflected as Transfers received do not equal the amounts reflected in Table 4.12, as portion of the transfers is reflected against other Balance Sheet items.

Table 4.N: Financial summary for Agri-business Development Agency (ADA)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	-	139	-	1 400	1 000	900	900
Sale of goods and services other than capital assets							
Fines penalties and forfeits							
Interest, dividends and rent on land	-	139	-	1 400	1 000	900	900
Other non-tax revenue							
Transfers received		70 198	144 126	221 714	101 150	106 410	111 692
Sale of capital assets							
Total revenue	-	70 337	144 126	223 114	102 150	107 310	112 592
Expenses							
Current expense	-	69 023	143 422	227 714	102 715	107 835	113 082
Compensation of employees	-	4 394	10 638	20 450	22 448	23 908	25 462
Use of goods and services	-	64 565	132 158	206 664	79 702	83 402	87 130
Depreciation	-	64	626	600	565	525	490
Interest, dividends and rent on land							
Transfers and subsidies							
Total expenses	-	69 023	143 422	227 714	102 715	107 835	113 082
Surplus / (Deficit)	-	1 314	704	(4 600)	(565)	(525)	(490)
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	-	375	691	(140)	330	374	285
Adjustments for:							
Depreciation	-	64	626	700	730	715	685
Interest	-	(105)	-	(1 400)	(1 000)	(900)	(900)
Net (profit) / loss on disposal of fixed assets							
Other	-	416	65	560	600	559	500
Operating surplus / (deficit) before changes in working capital	-	1 689	1 395	(4 740)	(235)	(151)	(205)
Changes in working capital	-	(1 556)	7 992	1 766	(5 000)	205	210
(Decrease) / increase in accounts payable	-	1 248	5 606	2 283	(5 000)	205	210
Decrease / (increase) in accounts receivable	-	(2 804)	2 803	-	-	-	-
(Decrease) / increase in provisions	-	-	(417)	(517)	-	-	-
Cash flow from operating activities	-	133	9 387	(2 974)	(5 235)	54	5
Transfers from government	-	238	9 387	227 714	101 150	106 410	111 692
Cash flow from investing activities	-	(1 377)	(2 073)	(2 191)	(391)	-	-
Acquisition of assets	-	(1 377)	(2 073)	(2 191)	(391)	-	-
Computer equipment	-	(226)	(192)	(1 200)	(391)	-	-
Furniture and office equipment	-	(365)	-	(251)	-	-	-
Other machinery and equipment	-	(94)	-	-	-	-	-
Transport assets	-	(692)	-	(500)	-	-	-
Computer software	-	-	(1 881)	(240)	-	-	-
Other flows from investing activities	-	-	-	-	-	-	-
Cash flow from financing activities	-	59 830	583	32 022	32 022	-	-
Net increase / (decrease) in cash and cash equivalents	-	58 586	7 897	26 835	26 396	54	5
Balance sheet data							
Carrying value of assets	-	1 313	1 233	3 154	2 965	2 780	2 510
Computer equipment	-	163	206	1 394	1 400	1 350	1 300
Furniture and office equipment	-	365	409	100	95	80	60
Other machinery and equipment	-	94	63	31	20	-	-
Transport assets	-	691	555	418	300	250	200
Computer software	-	-	-	1 211	1 150	1 100	950
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	-	59 941	67 821	32 022	-	-	-
Receivables and prepayments	-	2 804	17	17	17	-	-
Trade receivables	-	2 787	-	-	-	-	-
Prepaid expenses	-	17	17	17	17	-	-
Inventory	-	-	-	-	-	-	-
Total assets	-	64 058	69 071	35 193	2 982	2 780	2 510
Capital and reserves	-	1 314	2 018	(2 582)	(3 147)	(3 672)	(4 162)
Accumulated reserves	-	-	1 314	2 018	(2 582)	(3 147)	(3 672)
Surplus / (Deficit)	-	1 314	704	(4 600)	(565)	(525)	(490)
Borrowings	-	-	-	-	-	-	-
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	-	1 512	6 965	10 648	6 648	7 752	8 862
Trade payables	-	1 373	6 826	9 109	4 109	4 313	4 523
Accrued Interest	-	139	139	1 539	2 539	3 439	4 339
Deferred income	-	-	-	-	-	-	-
Provisions	-	417	571	608	957	1 015	1 083
Funds managed (e.g. Poverty Alleviation Fund)	-	60 815	59 517	26 519	(1 475)	(2 316)	(3 274)
Contingent liabilities	-	-	-	-	-	-	-
Total equity and liabilities	-	64 058	69 071	35 193	2 982	2 780	2 510

*Note: Some of the amounts reflected as Transfers received do not equal the amounts reflected in Table 4.12, as portion of the transfers is reflected against other Balance Sheet items.

Table 4.O: Financial summary for Dube TradePort Corporation (DTP)

R thousand	Audited Outcome			Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Estimate 2012/13	2013/14	2014/15	2015/16
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	83 507	85 345	75 117	65 321	79 980	82 694	89 374
Sale of goods and services other than capital assets	-	15 582	22 534	22 321	49 362	59 424	71 689
Interest, dividends and rent on land	83 397	69 485	51 287	40 287	30 618	23 270	17 685
Other non-tax revenue	110	278	1 295	2 713	-	-	-
Transfers received	78 770	1 286 181	320 015	392 308	575 402	630 375	656 053
Sale of capital assets							
Total revenue	162 277	1 371 526	395 132	457 629	655 382	713 069	745 427
Expenses							
Current expense	56 479	738 175	329 008	357 072	408 319	403 699	445 471
Compensation of employees	10 732	21 489	31 914	61 495	98 045	100 237	105 316
Use of goods and services	44 732	626 017	157 923	171 373	167 847	180 163	203 171
Depreciation	1 005	90 645	139 100	123 487	142 391	123 261	136 942
Interest, dividends and rent on land	10	24	71	716	37	39	41
Transfers and subsidies							
Total expenses	56 479	738 175	329 008	357 072	408 319	403 699	445 471
Surplus / (Deficit)	105 798	633 351	66 124	100 557	247 063	309 370	299 956
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	(783)	37 551	139 845	123 487	142 391	123 261	136 942
Adjustments for:							
Depreciation	1 005	90 645	139 100	123 487	142 391	123 261	136 942
Net (profit) / loss on disposal of fixed assets	(13)	13	(4)	-	-	-	-
Other	(1 774)	(53 107)	749	-	-	-	-
Operating surplus / (deficit) before changes in working capital	105 016	670 902	205 968	224 045	389 454	432 631	436 899
Changes in working capital	6 098	49 569	(10 781)	(29 536)	2 503	1 943	514
(Decrease) / increase in accounts payable	6 098	49 569	(5 009)	(27 926)	7 056	4 265	2 832
Decrease / (increase) in accounts receivable	-	-	(5 772)	(1 610)	(4 553)	(2 322)	(2 318)
Cash flow from operating activities	111 114	720 471	195 187	194 509	391 956	434 574	437 413
Transfers from government	78 770	1 286 181	320 015	392 308	575 402	630 375	656 053
of which:							
Capital	1 005	92 057	138 461	181 045	358 836	409 361	419 214
Current	77 765	1 194 124	181 555	211 263	216 566	221 014	236 839
Cash flow from investing activities	(1 167 624)	(689 763)	(500 479)	(357 903)	(405 684)	(558 313)	(585 610)
Acquisition of assets	(1 168 424)	(692 135)	(500 479)	(357 903)	(405 684)	(558 313)	(585 610)
Non-residential buildings	(8 859)	-	-	-	-	-	-
Investment property	(552 898)	(115 977)	(221 977)	(114 134)	(44 564)	(45 289)	(35 572)
Capital work in progress	(598 414)	(575 668)	(188 458)	(197 562)	(305 960)	(480 641)	(501 399)
Computer equipment	(2 907)	-	(55 094)	(5 369)	(16 350)	(19 500)	(36 000)
Furniture and office equipment	(108)	-	(175)	-	-	-	-
Other machinery and equipment	(4 195)	15	(20 113)	(35 336)	(15 860)	(9 417)	(9 085)
Transport assets	(1 043)	-	(14 637)	-	(15 000)	-	-
Computer software	-	(175)	(26)	(5 502)	(7 950)	(3 466)	(3 554)
Patents, licences, copyrights, brand names and trademarks	-	(330)	-	-	-	-	-
Other flows from investing activities	800	2 372	-	-	-	-	-
Cash flow from financing activities	1 519 439	(205 825)	128 601	-	-	-	-
Deferred Income	1 519 484	(205 937)	128 319	-	-	-	-
Other	(44)	112	282	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	462 929	(175 117)	(176 691)	(163 395)	(13 727)	(123 740)	(148 197)
Balance sheet data							
Carrying value of assets	2 200 817	2 302 466	2 662 248	2 896 664	3 159 957	3 595 010	4 043 677
Non-residential buildings	8 273	314 775	495 028	678 174	963 599	1 296 492	1 622 915
Investment property	552 898	688 337	903 852	997 429	1 020 545	1 043 481	1 055 987
Other structures (Infrastructure assets)	-	433 554	390 441	375 019	359 597	344 175	328 753
Capital work in progress	1 631 246	484 220	433 160	433 160	433 160	553 160	693 160
Computer equipment	2 924	64 448	90 861	52 958	20 586	20 240	32 290
Furniture and office equipment	235	25 924	35 518	31 365	27 211	23 058	18 905
Other machinery and equipment	4 245	286 964	297 618	313 018	308 150	296 368	283 799
Transport assets	996	3 290	14 886	11 065	19 244	12 422	5 601
Computer software	-	624	556	4 146	7 535	5 285	1 938
Patents, licences, copyrights, brand names and trademarks	-	330	330	330	330	330	330
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	1 251 549	1 076 432	899 740	736 346	722 619	598 880	450 683
Bank	170 396	178 842	49 622	36 813	23 086	19 347	11 150
Cash on Hand	1	1	34	34	34	34	34
Other	1 081 152	897 588	850 085	699 499	699 499	579 499	439 499
Receivables and prepayments	94 646	72 482	79 047	80 657	85 209	87 532	89 850
Trade receivables	-	187	2 303	3 913	8 466	10 788	13 106
Other receivables	94 464	68 735	73 098	73 098	73 098	73 098	73 098
Prepaid expenses	182	3 560	3 645	3 645	3 645	3 645	3 645
Inventory	-	140	145	145	145	145	145
Total assets	3 547 012	3 451 520	3 641 180	3 713 811	3 967 930	4 281 566	4 584 355
Capital and reserves	235 922	516 637	507 811	608 368	855 431	1 164 801	1 464 758
Share capital and premium	-	-	-	-	-	-	-
Accumulated reserves	131 951	235 922	516 637	507 811	608 368	855 431	1 164 801
Surplus / (Deficit)	105 798	633 351	66 124	100 557	247 063	309 370	299 956
Other	(1 827)	(352 636)	(74 950)	-	-	-	-
Borrowings	836	1 319	1 602	1 602	1 602	1 602	1 602
Floating	800	1 172	1 172	1 172	1 172	1 172	1 172
1<5 Years	36	147	430	430	430	430	430
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	67 040	95 517	89 930	62 004	69 059	73 325	76 157
Trade payables	-	48 102	71 428	43 502	50 558	54 823	57 656
Accrued interest	-	-	-	-	-	-	-
Other	67 040	47 415	18 501	18 501	18 501	18 501	18 501
Deferred income	3 243 215	2 836 578	3 039 846	3 039 846	3 039 846	3 039 846	3 039 846
Provisions	-	1 469	1 992	1 992	1 992	1 992	1 992
Funds managed (e.g. Poverty Alleviation Fund)	-	-	-	-	-	-	-
Contingent liabilities	-	-	(1)	(1)	-	-	1
Total equity and liabilities	3 547 012	3 451 520	3 641 180	3 713 811	3 967 930	4 281 566	4 584 355

*Note: Some of the amounts reflected as Transfers received do not equal the amounts reflected in Table 4.12, as portion of the transfers is reflected against other Balance Sheet items.

Table 4.P: Financial summary for Trade and Investment KZN (TIK)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	429	630	227	250	290	350	425
Sale of goods and services other than capital assets							
Fines penalties and forfeits							
Interest, dividends and rent on land	309	563	195	214	250	300	380
Other non-tax revenue	120	67	33	36	40	50	45
Transfers received	54 416	58 583	66 790	69 878	72 852	76 341	79 536
Sale of capital assets							
Total revenue	54 845	59 213	67 018	70 128	73 142	76 691	79 961
Expenses							
Current expense	49 271	57 016	63 945	69 787	72 664	76 057	79 158
Compensation of employees	20 385	21 354	24 493	29 129	31 890	33 647	29 712
Use of goods and services	27 896	34 823	38 718	39 990	40 164	41 853	48 937
Depreciation	980	808	688	619	557	501	451
Unauthorised expenditure							
Interest, dividends and rent on land	10	31	45	49	52	56	58
Transfers and subsidies	5 574						
Total expenses	54 845	57 016	63 945	69 787	72 664	76 057	79 158
Surplus / (Deficit)	-	2 197	3 073	341	478	634	803
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	990	1 150	966	878	819	777	719
Adjustments for:							
Depreciation	980	808	688	619	557	501	451
Interest	10	31	45	49	52	56	58
Net (profit) / loss on disposal of fixed assets	-	39	-	-	10	-	-
Other	-	271	233	210	200	220	210
Operating surplus / (deficit) before changes in working capital	990	3 347	4 040	1 219	1 297	1 411	1 522
Changes in working capital	-	(3 105)	(5 386)	1 575	1 733	1 906	2 096
(Decrease) / increase in accounts payable	-	1 322	(5 737)	1 190	1 309	1 440	1 584
Decrease / (increase) in accounts receivable	-	(4 427)	351	385	424	466	512
(Decrease) / increase in provisions	-	-	-	-	-	-	-
Cash flow from operating activities	990	243	(1 346)	2 794	3 030	3 317	3 618
Cash flow from investing activities	(682)	(630)	(848)	(759)	(755)	(798)	(826)
Acquisition of assets	(684)	(631)	(868)	(759)	(775)	(798)	(826)
Computer equipment	(248)	(230)	(294)	(367)	(386)	(407)	(429)
Furniture and office equipment	(144)	(377)	(159)	(147)	(132)	(120)	(110)
Computer software	(292)	(23)	(415)	(245)	(257)	(271)	(286)
Other flows from investing activities	2	1	19	-	20	-	-
Cash flow from financing activities	(90)	147	82	74	67	60	54
Net increase / (decrease) in cash and cash equivalents	218	(240)	(2 112)	2 109	2 342	2 578	2 846
Balance sheet data							
Carrying value of assets	1 388	1 171	1 350	1 411	1 321	1 300	1 250
Computer equipment	339	325	372	335	301	320	310
Furniture and office equipment	738	733	605	666	600	580	550
Computer software	310	113	373	410	420	400	390
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	19 771	17 585	9 843	10 827	11 909	13 100	14 410
Bank	19 768	17 582	9 840	10 824	11 906	13 097	14 407
Cash on Hand	3	3	3	3	3	3	3
Receivables and prepayments	853	2 604	2 189	2 408	2 647	2 912	2 970
Trade receivables	158	1 071	596	655	720	792	870
Prepaid expenses	694	1 533	1 593	1 752	1 927	2 120	2 100
Inventory	-	-	-	-	-	-	-
Total assets	22 011	21 360	13 382	14 645	15 877	17 312	18 630
Capital and reserves	-	2 197	5 271	5 612	6 090	6 724	7 527
Share capital and premium							
Accumulated reserves	-	-	2 197	5 271	5 612	6 090	6 724
Surplus / (Deficit)	-	2 197	3 073	341	478	634	803
Borrowings	211	360	266	240	220	190	170
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	9 784	8 361	4 592	4 424	4 860	5 090	5 340
Trade payables	4 765	5 208	1 458	1 604	1 760	1 940	2 130
Accrued interest							
Other	5 020	3 153	3 134	2 820	3 100	3 150	3 210
Deferred income	-	-	-	-	-	-	-
Provisions	1 362	1 734	1 967	1 770	1 950	2 140	2 150
Funds managed (e.g. Poverty Alleviation Fund)	-	-	-	-	-	-	-
Contingent liabilities	10 653	8 707	1 286	2 599	2 757	3 168	3 443
Total equity and liabilities	22 011	21 360	13 382	14 645	15 877	17 312	18 630

*Note: Some of the amounts reflected as Transfers received do not equal the amounts reflected in Table 4.12, as portion of the transfers is reflected against other Balance Sheet items.

Table 4.Q: Financial summary for Richards Bay Industrial Development Zone (RBIDZ)

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue							
Tax revenue	-	30	44	17	-	-	12 000
Non-tax revenue	2 539	1 442	6 817	6 006	4 750	5 200	5 500
Sale of goods and services other than capital assets	-	269	153	25	-	-	-
Interest, dividends and rent on land	2 539	1 173	6 665	5 980	4 750	5 200	5 500
Transfers received	7 593	19 808	26 160	12 963	47 281	49 864	40 631
Sale of capital assets	-	-	-	-	-	-	-
Total revenue	10 133	21 280	33 021	18 986	52 031	55 064	58 131
Expenses							
Current expense	10 133	21 280	30 084	18 986	52 031	55 064	58 131
Compensation of employees	4 721	13 116	19 557	11 004	27 658	29 456	31 223
Use of goods and services	4 350	6 778	8 972	6 989	24 146	25 129	26 886
Depreciation	337	28	26	10	228	479	22
Interest, dividends and rent on land	725	1 358	1 530	983	-	-	-
Rent on land	724	1 358	1 530	983	-	-	-
Transfers and subsidies	8	79	7	-	-	-	-
Total expenses	10 140	21 359	30 091	18 986	52 031	55 064	58 131
Surplus / (Deficit)	(8)	(79)	2 930	-	-	-	-
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	337	56	24	10	228	479	22
Adjustments for:							
Depreciation	337	56	24	10	228	479	22
Operating surplus / (deficit) before changes in working capital	330	(23)	2 955	10	228	479	22
Changes in working capital	(1 230)	(4 222)	2 756	(1 706)	60 588	(862)	(879)
(Decrease) / increase in accounts payable	4 185	(4 304)	4 628	2 382	(2 215)	171	174
Decrease / (increase) in accounts receivable	(5 415)	82	(1 871)	(4 089)	62 803	(1 032)	(1 053)
Cash flow from operating activities	(900)	(4 245)	5 711	(1 696)	60 815	(383)	(857)
Transfers from government	53 750	245 398	120 318	244 636	96 062	70 100	75 289
Capital	-	88 423	60 682	182 018	30 000	-	-
Current	53 750	156 975	59 636	62 618	66 062	70 100	75 289
Cash flow from investing activities	(322)	(5 209)	(30 956)	(72 235)	(326 848)	(23 334)	(74 230)
Acquisition of assets	(322)	(5 209)	(30 956)	(72 235)	(326 848)	(23 334)	(74 230)
Land	-	-	-	-	(58 067)	(22 394)	-
Capital work in progress	-	(4 143)	(30 186)	(71 365)	(267 261)	-	(74 040)
Computer equipment	-	(489)	(277)	(634)	(1 000)	-	(10)
Furniture and office equipment	(322)	(577)	(494)	(220)	(520)	(940)	(130)
Other machinery and equipment	-	-	-	(16)	-	-	(50)
Other flows from investing activities	-	-	-	-	-	-	-
Cash flow from financing activities	60 614	155 254	84 361	19 078	186 031	17 236	19 658
Net increase / (decrease) in cash and cash equivalents	59 391	145 799	59 116	(54 853)	(80 002)	(6 481)	(55 428)
Balance sheet data							
Carrying value of assets	179	238	232	72 457	399 078	421 933	496 140
Land	-	-	-	-	58 067	80 462	80 462
Capital work in progress	-	-	-	71 365	338 626	338 626	412 665
Computer equipment	-	26	4	631	1 425	1 092	1 099
Furniture and office equipment	109	30	28	245	743	1 537	1 654
Other machinery and equipment	3	-	-	16	15	15	60
Other intangibles	68	182	201	201	201	201	201
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	77 770	223 569	282 685	227 832	147 830	141 349	85 921
Bank	77 770	223 569	282 682	227 828	147 830	141 349	85 921
Cash on Hand	-	-	4	4	-	-	-
Receivables and prepayments	58 664	58 467	60 320	64 409	1 606	2 638	3 691
Trade receivables	57 400	58 224	58 746	58 067	-	-	-
Other receivables	1 264	243	1 574	6 341	1 606	2 638	3 691
Inventory	-	-	-	-	-	-	-
Total assets	136 613	282 274	343 237	364 698	548 513	565 920	585 752
Capital and reserves	(2 850)	148 271	151 201	151 201	151 201	151 201	151 201
Share capital and premium	1	151 201	151 201	151 201	151 201	151 201	151 201
Accumulated reserves	(2 844)	(2 851)	(2 930)	-	-	-	-
Surplus / (Deficit)	(8)	(79)	2 930	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	139 463	134 003	192 036	213 497	397 313	414 719	434 551
Trade payables	8 030	3 726	8 361	10 743	8 528	8 699	8 873
Other - Deferred income	131 433	130 277	183 675	202 754	388 784	406 020	425 679
Provisions	-	630	987	1 469	1 066	1 151	1 243
Funds managed (e.g. Poverty Alleviation Fund)	-	-	-	-	-	-	-
Contingent liabilities	-	(630)	(987)	(1 469)	(1 066)	(1 151)	(1 243)
Total assets and liabilities	136 613	282 274	343 237	364 698	548 513	565 920	585 752

*Note: Some of the amounts reflected as Transfers received do not equal the amounts reflected in Table 4.12, as portion of the transfers is reflected against other Balance Sheet items.

Table 4.R: Personnel summary for Ithala

Audited Outcome				Revised Estimate	Medium-term Estimates		
R thousand	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Details of personnel numbers, compensation of employees and unit cost							
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	289 533	301 982	321 086	341 962	403 557	428 784	456 268
Personnel numbers (head count)	1 014	980	942	894	980	980	980
Unit cost	286	308	341	383	412	438	466
B. Part-time and temporary contract employees							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost	-	-	-	-	-	-	-
Total for entity							
Personnel cost (R thousand)	289 533	301 982	321 086	341 962	403 557	428 784	456 268
Personnel numbers (head count)	1 014	980	942	894	980	980	980
Unit cost	286	308	341	383	412	438	466
Details of personnel numbers according to salary level							
Salary Level							
Board Members	23	25	24	16	18	18	18
Executive Management	8	9	9	8	9	9	9
Senior Management	28	27	28	23	30	30	30
Middle Management	367	349	339	72	85	85	85
Professionals	144	137	139	143	166	166	166
Semi-skilled	338	334	318	513	534	534	534
Very low skilled	106	99	85	119	138	138	138
Total	1 014	980	942	894	980	980	980

Table 4.S: Personnel summary for KZNSB

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Details of personnel numbers, compensation of employees and unit cost							
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	27 667	31 501	36 229	38 730	50 335	53 598	57 071
Personnel numbers (head count)	166	159	175	206	206	206	206
Unit cost	167	198	207	188	244	260	277
B. Part-time and temporary contract employees							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost	-	-	-	-	-	-	-
Total for entity							
Personnel cost (R thousand)	27 667	31 501	36 229	38 730	50 335	53 598	57 071
Personnel numbers (head count)	166	159	175	206	206	206	206
Unit cost	167	198	207	188	244	260	277
Details of personnel numbers according to salary level							
Salary Level							
Board Members	234	262	175	9	9	9	9
Executive Management	3 209	4 122	4 156	4	6	6	6
Senior Management	-	-	-	2	5	5	5
Middle Management	-	-	-	10	16	16	16
Professionals	-	-	-	32	30	30	30
Semi-skilled	-	-	-	26	40	40	40
Very low skilled	-	-	-	101	107	107	107
Total	3 443	4 384	4 331	184	213	213	213

Table 4.T: Personnel summary for TKZN

Audited Outcome				Revised Estimate	Medium-term Estimates		
R thousand	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Details of personnel numbers, compensation of employees and unit cost							
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	18 803	22 635	24 064	26 612	27 273	28 262	29 414
Personnel numbers (head count)	58	57	59	62	62	62	62
Unit cost	324	397	408	429	440	456	474
B. Part-time and temporary contract employees							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost	-	-	-	-	-	-	-
Total for entity							
Personnel cost (R thousand)	18 803	22 635	24 064	26 612	27 273	28 262	29 414
Personnel numbers (head count)	58	57	59	62	62	62	62
Unit cost	324	397	408	429	440	456	474
Details of personnel numbers according to salary level							
Salary Level							
Board Members	11	9	11	11	11	11	11
Executive Management	3	3	3	3	3	3	3
Senior Management	4	4	5	5	5	5	5
Middle Management	9	10	10	10	10	10	10
Professionals	37	35	38	38	38	38	38
Semi-skilled	3	3	3	3	3	3	3
Very low skilled	2	2	2	2	2	2	2
Total	69	66	72	72	72	72	72

Table 4.U: Personnel summary for ADA

				Revised Estimate	Medium-term Estimates		
Audited Outcome							
R thousand	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Details of personnel numbers, compensation of employees and unit cost							
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	-	4 511	10 767	15 200	23 918	25 378	27 083
Personnel numbers (head count)	-	11	30	40	39	45	45
Unit cost	-	410	359	380	613	564	602
B. Part-time and temporary contract employees							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost	-	-	-	-	-	-	-
Total for entity							
Personnel cost (R thousand)	-	4 511	10 767	15 200	23 918	25 378	27 083
Personnel numbers (head count)	-	11	30	40	39	45	45
Unit cost	-	410	359	380	613	564	602
D. Learnerships							
Personnel cost (R thousand)	-	-	-	-	172	181	190
Personnel numbers (head count)							
Unit cost	-	-	-	-	-	-	-
Details of personnel numbers according to salary level							
Salary Level							
Board Members	-	6	6	6	6	7	7
Executive Management	-	4	7	5	5	6	6
Senior Management							
Middle Management	-	5	3	14	18	18	18
Professionals	-	11	14	15	15	15	15
Semi-skilled							
Very low skilled							
Total	-	26	30	40	45	45	46

Table 4.V: Personnel summary for DTP

	Audited Outcome			Revised Estimate	Medium-term Estimates		
R thousand	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Details of personnel numbers, compensation of employees and unit cost							
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	10 732	21 489	31 914	61 495	98 045	100 237	105 316
Personnel numbers (head count)	41	59	92	198	242	261	282
Unit cost	262	364	347	311	405	384	373
B. Part-time and temporary contract employees							
Personnel cost (R thousand)							
Personnel numbers (head count)							
Unit cost	-	-	-	-	-	-	-
Total for entity							
Personnel cost (R thousand)	10 732	21 489	31 914	61 495	98 045	100 237	105 316
Personnel numbers (head count)	41	59	92	198	242	261	282
Unit cost	262	364	347	311	405	384	373
Details of personnel numbers according to salary level							
Salary Level							
Board Members	2	6	6	7	8	8	8
Executive Management	4	5	8	5	6	6	6
Senior Management	3	3	10	16	22	22	22
Middle Management	2	5	19	33	48	55	60
Professionals	2	8	18	42	51	59	75
Semi-skilled	3	7	5	24	36	36	36
Very low skilled	25	25	26	71	71	75	75
Total	41	59	92	198	242	261	282

Table 4.W: Personnel summary for TIK

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Details of personnel numbers, compensation of employees and unit cost							
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	20 205	21 174	24 313	28 929	31 690	33 447	35 359
Personnel numbers (head count)	43	45	45	48	49	49	50
Unit cost	470	471	540	603	647	683	707
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	180	180	180	200	200	200	200
Personnel numbers (head count)	18	18	18	20	20	20	20
Unit cost	10	10	10	10	10	10	10
C. Interns							
Personnel cost (R thousand)	5	5	5	5	5	5	5
Personnel numbers (head count)	1	1	1	1	1	1	1
Unit cost	5	5	5	5	5	5	5
Total for entity							
Personnel cost (R thousand)	20 390	21 359	24 498	29 134	31 895	33 652	35 564
Personnel numbers (head count)	62	64	64	69	70	70	71
Unit cost	329	334	383	422	456	481	501
Details of personnel numbers according to salary level							
Salary Level							
Board Members	11	11	11	11	11	11	11
Executive Management	2	2	2	2	2	2	2
Senior Management	6	7	7	7	7	7	7
Middle Management	11	11	12	13	14	14	15
Professionals	17	18	18	19	19	19	19
Semi-skilled	6	6	5	6	6	6	6
Very low skilled	1	1	1	1	1	1	1
Total	54	56	56	59	60	60	61

Table 4.X: Personnel summary for RBIDZ

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Details of personnel numbers, compensation of employees and unit cost							
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	5 058	13 116	19 557	11 004	27 658	29 456	31 223
Personnel numbers (head count)	17	33	35	33	39	41	41
Unit cost	298	397	559	333	709	718	762
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	-	-	-	13 000	-	-	-
Personnel numbers (head count)	-	-	-	2	-	-	-
Unit cost	-	-	-	6 500	-	-	-
C. Interns							
Personnel cost (R thousand)	-	324	324	-	-	-	-
Personnel numbers (head count)	-	6	6	-	-	-	-
Unit cost	-	-	54	-	-	-	-
Total for entity							
Personnel cost (R thousand)	5 058	13 440	19 881	24 004	27 658	29 456	31 223
Personnel numbers (head count)	17	39	41	35	39	41	41
Unit cost	298	345	485	686	709	718	762
Details of personnel numbers according to salary level							
Salary Level							
Board Members	10	9	8	12	12	12	12
Executive Management	5	7	7	6	7	7	7
Senior Management	-	5	5	7	7	7	7
Middle Management	-	3	6	5	7	8	8
Professionals	-	4	4	4	8	8	8
Semi-skilled	1	3	3	3	3	4	4
Very low skilled	1	2	2	2	2	2	2
Total	17	33	35	39	46	48	48

VOTE 5

Education

Operational budget	R 37 006 926 776
MEC remuneration	R 1 652 224
Total amount to be appropriated	R 37 008 579 000
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 2012/13 financial year

Section 2 provides a review of 2012/13, 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 budget for the year has been shaped by six pillars that form the basis for the allocation of funds, which are discussed hereunder:

Curriculum Management and Delivery

Curriculum and Assessment Policy Statements: The 2012 school year was the first year in which the Curriculum and Assessment Policy Statements (CAPS) was implemented in the foundation phase (Grades R – 3). The next implementing grades in the 2013 school year will be the intermediate phase (Grades 4 – 6). There were challenges with the delivery of LTSM for Grades R – 3 due to the late availability of the catalogue from the Department of Basic Education (DBE). However, the availability of workbooks earlier assisted the learners. The department ensured that there is adequate readiness for curriculum delivery in the 2013 school year, through the earlier ordering of LTSM and ensuring teacher training readiness workshops take place earlier.

Curriculum Coverage Monitoring Tool: During the year, this tool was developed and implemented throughout KZN. The tool gives direction in terms of the logical sequencing of various topics against the period within which this should be covered. As such, it allows educators and supervisors to be able to pace themselves so that, on review, subject advisors and the Provincial Intervention Team (who is responsible for ensuring quality curriculum at classroom level) can identify problems at a glance and intervene timeously.

Technical Secondary Schools: The department realised the importance of technical vocational education and therefore conducted an investigation into the existing offering of technical subjects in KZN. The results indicated that, of the 1 543 public secondary schools in the province, there are only 17 schools that offer a full set of four technology subjects (Civil, Electrical, Mechanical and Engineering, Graphics and Design (EGD)) found in only six districts, however, not all of them have the necessary specialist rooms required for the practicals. By implication, the six districts have schools that offer some semblance of technology subjects, which compromises the quality of education the department strives to offer. This investigation has enabled the department to plan accordingly with a view to upgrading these schools into fully fledged technical schools. The Technical Secondary Schools Recapitalisation grant will be utilised in this regard.

Mathematics, Science and Technology Strategy: The Dinaledi Schools grant was introduced nationally in 2011/12 with a view to enhance educator development and thus produce better learning outcomes with respect to mathematics and science. However, it is acknowledged that the grant alone is not sufficient if a quality education is to be attained.

The strategy includes resourcing the classrooms, provision of laboratories (mobile and fixed), provision of consumables, and provision of dictionaries, as well as further development of educators. The department is also pursuing the issue of making interactive digital content on Mathematics, Science and Technology (MST) available *via* satellite, television, internet media, print supplements and the educational portal. This strategy is closely linked to the Literacy and Numeracy strategy which is discussed below.

Literacy and Numeracy Strategy: Literacy and numeracy are essential skills for learners to develop. Arising from the first Annual National Assessments (ANA) that were written in 2011, the department developed a response plan to the unsatisfactory performance. The outcomes of the 2012 ANA broadly indicate that learner achievement in both Language and Mathematics at the foundation phase was of adequate quality and level. In the intermediate phase and Grade 9 Mathematics, in particular, learner achievement showed a wide range of deficiencies in basic knowledge and competencies. It is thus clear that the 2013 strategy should focus on the deficiencies that have been highlighted, without giving up the gains achieved in the foundation phase.

The strategy encapsulates the principles of a teacher being central and fundamental to the implementation of the policy and is informed by educator capacity, supply and demand quality learner participation,

performance and competitiveness, adequate resourcing of MST classrooms and education centres and active Information and Communication Technology (ICT) integration into curriculum delivery.

In-service Training: In order to assist the educators with continuous professional development, the Public Training Academy was transferred back to the department from the Office of the Premier.

Examinations and Assessments: The planning for the readiness for the 2012 National Senior Certificate (NSC) went according to plan. A total of 127 253 candidates sat for the 2012 NSC, of which 93 003 learners or 73.1 have passed. The pass rate improved from 68.1 per cent achieved in 2011. The department is confident that it has intervened accordingly and sufficiently in order to assist all learners to pass their matric examinations. This was accomplished through the utilisation of the Provincial Intervention Team.

Teacher Supply

Current statistics indicate that, between 2012 and the end of the 2013/14 MTEF, 1 268 school based educators and 665 office based educators would have retired, assuming a retiring age of 65. This number does not include other forms of exits from the department. This required the department to plan proactively in order to ensure that there is an adequate inflow of educators.

The department, furthermore, assessed the bursary offerings that it makes to the currently under-qualified or unqualified educators so that these can, in future, be aligned to the needs of the department. The department is approaching Grade 12 learners with a view to encouraging them to take up teaching as a profession. In 2012/13, a total of 272 bursaries were allocated to non-employees who have taken up teaching degrees. A total number of 91 graduated and are awaiting placement in schools.

Provision of Classroom Support Resources and Equipment

Pooling of Resources: The lack of classroom equipment continues to contribute to the learner and/or education outcomes not being attained. In an era where information technology is evolving rapidly, it becomes imperative that learners are exposed to the latest technological advances, while at the same time assisting with curriculum delivery. It is acknowledged that many of the schools in KZN lacked the necessary classroom support resources to assist with understanding the curriculum content.

With this in mind, through negotiation with various stakeholders, the resources allocated to schools were pooled together and procured 3 185 ICT Solution (a desktop computer, laptop and data projector), 600 interactive whiteboards for secondary schools, 20 000 charts for the foundation phase, mathematics and physical science dictionaries, mobile libraries and laboratory consumables.

Learner Teacher Support Material: The provision and availability of LTSM on the first day of school at all schools is essential to the provision of quality education. As such, with regard to the schools that the department procures on behalf of, all materials were delivered and available on the first day. However, the foundation phase (Grade R – 3) materials were delivered at the end of the first quarter due to the late availability of the catalogue from the DBE.

Of concern to the department is the ability to supply each learner with a textbook for each subject, due to the prohibitive costs. However, the department is exploring innovative ways on how this can be achieved.

Management at all levels

Effective and visible management at all levels of the department is the key catalyst, which drives the implementation of all the department's programmes. As such, the focus has been the re-focusing of leadership and management imperatives for all managers in the department. This included critical engagement with the School and Branch Management Teams, District Management Committees and Senior Management Members. Arising from this interaction, a number of school principals were enrolled in management programmes to assist them to effectively discharge their duties as accounting officers at the level of the school.

Financial Management

Cost Containment Strategy: Due to the ongoing spending pressures in *Compensation of employees*, the department developed control measures from 2011/12 onward, which are expected to cushion the ever

rising personnel costs. These measures include, among others, a moratorium on vacant posts, filling of educator posts by redeploying excess teachers currently in the system while, in the meantime, terminating temporary educators with no academic/professional qualifications from the system. The plan yielded some positive results in 2012/13, as evident by the significant reduction in the number of excess educators, as well as the significant reduction in the projected over-expenditure at year-end as at the end of December 2012.

Financial Management Training: The reported instances of misappropriation of funds, incurring of irregular expenditure and non-compliance with SCM prescripts remain a concern. As such, a multi-disciplinary team was formed to tackle the issue of financial management training throughout all levels, focusing on district directors and their management committee members, as well as school principals and the members of schools governing bodies.

Infrastructure

Public Private Partnership (PPP): The department registered its intention with National Treasury to pursue a PPP in the provision of its infrastructure. To this end, the process of appointing a Transaction Advisor (TA) is at an advanced stage.

School infrastructure: The department continues to display maturity in the application of the Infrastructure Delivery Improvement Plan (IDIP) as evidenced by the ability to spend its infrastructure allocation every year. The planning process, undertaken in terms of the Minimum Uniform Norms and Standards for Infrastructure, informs the infrastructure provision. There are two types of classifications of infrastructure, taking into account a school as a unit of measure, namely basic and optimum functionalities. To this end, the department continued 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 resources, e.g. a laboratory, computer room, media centre, etc., to enhance the delivery of the curriculum.

Special Schools Infrastructure: The scaling up of special school infrastructure remains an important effort in terms of granting access to education. Expenditure trends in 2012/13 showed vast improvements when compared to previous years.

Early Childhood Development Infrastructure: This programme has in the past borne the brunt of cost-cutting. However, in 2012/13, infrastructure expenditure improved, with a number of classrooms having been delivered for the year. In line with the recommendations from the National Planning Commission with regard to granting children two years of ECD prior to Grade 1, the department is researching best ways to implement this, in conjunction with the Department of Social Development (DSD).

Rationalisation of small and non-viable schools: Schools with low enrolment present a number of educational challenges such as low allocation in terms of norms and standards, low educator allocation leading to multi-grade teaching, limited curriculum offerings, poor/inadequate infrastructure, especially in rural and farm schools, absence of specialist teaching and learning spaces, and limited recreational spaces. All these challenges present themselves in poor learner attainment.

The department has, as a planning phase, developed a discussion paper to conscientise all stakeholders to the educational pressures that the department is facing. It is anticipated that resolutions arising from these consultations will be implemented in 2013/14.

No Fee 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 Section 21 (S21) schools to pay their electricity and water accounts remains problematic. The department is at an advanced stage in attempting to resolve this matter by paying these accounts on behalf of the schools.

National School Nutrition Programme

The NSNP was expanded to cover all primary and secondary schools in Quintiles 1, 2 and 3, through which a total number of 2 239 228 learners were fed each school day. The department went through a process of re-inviting the providers of NSNP in order to comply with the various prescripts and to ensure that the secondary benefits of local economic empowerment and development are achieved.

Learner Transport Programme

The co-operation between the department and the Department of Transport (DOT) has had a fruitful effect in terms of the delivery of this programme. Functions that were transferred to the DOT include route planning and management of operators, while the department retained functions such as planning and verification of learner numbers.

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 (DHET) and all nine provincial Departments of Education.

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 regard 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)

As with FET, there is still not a clear demarcation with regard to the functions between the DBE and DHET. As such, the department continues to offer the ABET programme as it has been known.

3. Outlook for the 2013/14 financial year

Section 3 looks at the key focus areas of 2013/14, outlining what the department is hoping to achieve during the year, as well as briefly looking at the challenges, and proposed new developments. The analysis is done according to the six pillars, as mentioned in Section 2.

Curriculum Management and Delivery

Curriculum and Assessment Policy Statements: In 2013/14, Grades 4 – 6 will be implementing the new CAPS. As part of the preparation for this implementation, educators have been trained in all aspects ahead of the implementation date. The planning of the implementation will take place this year for the 2014 school year.

Curriculum Coverage Monitoring Tool: This tool, which was developed in 2012/13, has proven to be effective in directing the department to schools that require intervention. It has also indicated that, while some schools might have indicated that they have covered the scope of the curriculum, the low attainment by learners could be an indication that there is a problem and thus allowing a focused intervention at all levels.

Technical Secondary Schools: The funds from the Technical Secondary Schools Recapitalisation grant will continue to assist the department with the implementation of its vision. The schools that were identified as requiring some upgrades will be upgraded and the necessary tools procured so that they can offer a full set of technology subjects. In line with this, the agricultural schools will be assisted with new implements and tools. Furthermore, the department has set aside funding with regard to norms and standards so that all schools that offer such subjects are given an additional allocation.

Mathematics, Science and Technology Strategy: Learner performance with regard to these subjects remains a concern to the department. It is envisaged that the first tranche of procurement of mobile laboratories, laboratory consumables and provision of mathematics and science dictionaries will go a long way in terms of assisting the learners. Thus the strategy that has been developed will continue to be implemented, covering a wider base of schools, educators and needs.

Literacy and Numeracy Strategy: Literacy and numeracy skills will continue to be a focus, particularly at the foundation phase. It is the intention of the department that ANA, in 2013/14, reflects a marked improvement compared to previous years.

In-service Training: The availability of the In-Service Training Centre will continue to be a focus area with regard to offering such services for both educators and administrators. Such training will focus on curriculum content knowledge and understanding, school management, financial management training, human resources management training, ethics and governance training and other training offerings, which will be aligned with the departments' vision and job performance requirements.

Examinations and Assessments: The department will continue with its comprehensive planning and vigorous monitoring for the various examinations that it administers, including the NSC, Adult Basic Education and Training examinations, common assessments and ANA. The department will continue to analyse the learner performance in these examinations to assist it to prepare a response plan to either poor curriculum delivery or content knowledge, or poor learner preparation or response to questions.

Teacher Supply

Funding has been set aside in 2013/14 with a view to funding non-employees who meet the necessary criteria and wish to pursue a qualification in the teaching profession. The deliberations and discussion between the department and the DHET will continue, aimed at securing a larger enrollment space for educators. The graduates from *Funza Lushaka*, which is a nationally administered bursary programme, will assist with lessening the shortage of educators in schools.

Provision of Classroom Support Resources and Equipment

Pooling of Resources: In 2012/13, only one classroom per school was resourced with a desktop computer, laptop and data projector in the 3 185 schools. It is therefore the intention that this be extended to a second and third classroom in each school. The department will monitor the utilisation of such equipment by the educators and learners in order to ascertain whether there is value being derived from such ICT equipment.

Learner Teacher Support Material: The provision and availability of LTSM on the first day of school at all schools is one of the contributory factors to the provision of quality education. Plans are afoot to determine the delivery modality for the 2014 school year as the contract with the current managing agent will expire after the 2013 school year delivery. The department will continue to pursue various options with a view to ensuring that each learner has a textbook for each subject.

Financial Management

Cost Containment Strategy: The cost containment strategy will continue to be pursued in an effort to remain within budget.

Governance Matters: The department anticipates that all employees will have fully complied with the Remuneration for Work Outside Public Service policy (RWOPS) and the Conflicts of Employees policy. This will enable the department to load such forms onto a database that will allow it to check any conflicts prior to the awarding of a bid or a quotation, and to take corrective measures against employees that do not comply.

Infrastructure

Public Private Partnership: It is anticipated that the initial results for the appointment of the TA will be available and the necessary budget stress tests and affordability performed. This will allow the department to start with the necessary procurement process.

School infrastructure: The department will continue with the implementation of the infrastructure plan, which includes the provision of new schools, curriculum support classrooms, laboratories, and multi-purpose classrooms, the electrification programme, as well as sanitation and water programme. The issues of abandoned projects, long completion times, quality of completed work continue and the costs of projects continue to be among the issues of concern for the department. As such, infrastructure monitoring will continue to be of importance to the department.

Special Schools Infrastructure: The department will continue to make the provision of special schools' infrastructure its focus in order to grant access to education for learners with special needs. The expenditure patterns of 2012/13 were encouraging.

Early Childhood Development Infrastructure: It is anticipated that, in 2013/14, the department will have at least two ECD classrooms in each school offering Grade 1, as the initial benchmark of one ECD classroom per school offering Grade 1 has long been achieved. The collaboration with the DSD with regard to offering two years of ECD prior to Grade 1 is expected to be fully implemented in 2013/14.

Rationalisation of Small and Non-viable Schools: In line with the philosophy of transforming the schooling system, the department anticipates to implement this strategy fully. The costing of this strategy is expected to be completed.

No Fee Schools

In order to deal with constant challenges of differentiating between Quintile 1 to Quintile 3 schools, the department has decided to make funding for schools in these quintiles common at R932 per learner, which are mostly classified as no fee schools, which will be applicable to at least 80 per cent of schools. This effectively means that there will be three different funding categories (due to the equalisation of Quintiles 1 to 3) with effect from 2013/14. It is anticipated that this measure will curtail appeals by schools for them to be placed in higher quintiles.

The department continues to struggle with schools that have S21 functions but do not pay their domestic accounts i.e. electricity and water. In this regard, the department will revoke such functions, such that it pays for these services on behalf of these schools with their allocations being reduced.

National School Nutrition Programme

This will be the first year in which the NSNP will be implemented after having completed a full, common and transparent SCM process. It is anticipated that a larger number of smaller suppliers will benefit from this approach, and thus the programme will contribute to local economic development.

All learners in Quintiles 1, 2 and 3 schools will continue to be fed. The department relies on the various stakeholders to ensure that funding that is meant for learners is spent on learners, and matters of corruption and non-compliance to the menu are reported timeously.

Learner Transport Programme

The co-operation between the department and DOT has had a fruitful effect in terms of the delivery of this programme. The 2013/14 MTEF allocations to DOT were finalised and will result in them continuing with the existing services, as previously mentioned.

Further Education and Training

The FET Act of 2006 places some responsibility on the accounting officer and the executive to perform with regard to the FET colleges. Notwithstanding the existence of a protocol agreement, the ability to perform such administrative responsibilities over the FET colleges is difficult as they have a direct reporting line to DHET.

In 2013/14, DHET will take over the function of disbursing funds to the colleges. This means that the allocation for the FET grant will be greatly reduced with effect from the 2013/14 MTEF.

Adult Basic Education and Training

As with FET, there is still not a clear demarcation with regard to the functions between the DBE and DHET. As such, the department will continue to offer the ABET programme as it has been known.

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 2009/10 to 2015/16. The table also compares actual and budgeted receipts against actual and budgeted payments. As shown, the total receipts for Vote 5 increase from R26.021 billion in 2009/10 to R42.148 billion in 2015/16. The department receives its funding through a provincial allocation and conditional grants.

Table 5.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Provincial allocation	24 678 757	26 971 637	29 944 875	31 419 832	31 975 322	31 975 322	33 892 639	35 778 562	38 038 380
Conditional grants	1 341 818	2 598 423	3 180 057	3 344 801	3 363 826	3 363 826	2 943 633	3 133 961	3 787 518
Education Infrastructure grant (previously IGP)	746 136	1 035 501	1 175 956	1 247 477	1 247 477	1 247 477	1 298 847	1 432 140	2 011 863
HIV and AIDS (Life-Skills Education) grant	39 765	42 686	45 114	46 806	46 806	46 806	48 634	52 261	51 255
National School Nutrition Programme (NSNP) grant	555 917	855 285	1 144 368	1 151 644	1 151 644	1 151 644	1 206 190	1 237 534	1 287 034
FET College Sector grant	-	649 177	765 537	839 837	858 862	858 862	325 736	347 178	369 399
Technical Secondary Schools Recapitalisation grant	-	15 274	36 762	40 490	40 490	40 490	42 717	45 280	47 499
EPWP Integrated Grant for Provinces	-	500	-	1 000	1 000	1 000	3 000	-	-
Dinaledi Schools grant	-	-	12 320	17 547	17 547	17 547	18 509	19 568	20 468
Total receipts	26 020 575	29 570 060	33 124 932	34 764 633	35 339 148	35 339 148	36 836 272	38 912 523	41 825 898
Total payments	26 230 746	28 746 616	33 799 217	34 764 633	35 497 340	35 543 709	37 008 579	39 131 499	42 147 740
Surplus/(Deficit) before financing	(210 171)	823 444	(674 285)	-	(158 192)	(204 561)	(172 307)	(218 976)	(321 842)
Financing									
of which									
Provincial roll-overs	38 279	-	102 069	-	29 515	29 515	-	-	-
Provincial cash resources	-	-	-	-	128 677	128 677	172 307	218 976	321 842
Surplus/(deficit) after financing	(171 892)	823 444	(572 216)	-	-	(46 369)	-	-	-

The allocation for conditional grants reflects a significant increase from 2009/10 to 2015/16 due to the introduction of the Technical Secondary Schools Recapitalisation grant in 2010/11 and an additional grant 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 due to natural disasters. The NSNP grant has also seen a substantial increase to allow for Quintile 3 secondary schools to benefit from the programme. The conditional grants are described in more detail in Section 5.5.

However, it is noted that, with effect from the 2013/14 MTEF, the allocation for the FET College Sector grant decreases significantly due to the fact that in 2013/14, the DHET will take over the funding and disbursements of funds to the FET colleges. The remainder of the budget will be used to fund *Compensation of employees* in respect of employees that opted to remain with the state and not be employed by the college councils.

In 2009/10, the department received a roll-over of R38.279 million from 2008/09 in respect of the under-expenditure on the NSNP conditional grant. 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 was affected by the first instalment of the first charge of R111.466 million as per S34 (2) of the PFMA, as detailed in Section 5.3 below.

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, R576 million worth of expenditure had to be taken out of the Statement of Financial Performance and be reflected as a debtor in the Statement of Financial Position. The other contributing factor to this under-spending was cost-cutting to reduce spending levels.

In 2011/12, the department received a roll-over of R102.069 million from 2010/11 in respect of the under-expenditure on the NSNP conditional grant. The 2011/12 expenditure outcomes reflect an over-expenditure of R572.216 million, which arose mainly from the reversal of the 'no work, no pay' journal amounting to R576 million, the carry-through effects of the under-funding of prior years, as well as the

conversion of teacher aides to teacher assistants, rural incentives, increase in stipend for ECD practitioners and hourly rates of ABET practitioners, without funding. These unfunded vacant posts arose as a result of the increased educator establishment in 2008/09 which, at the time, was fully funded. However, in 2008/09, the OSD for educators was introduced, which had the effect of increasing the educator unit cost, thus rendering the staff establishment unaffordable with some posts already filled. This was further exacerbated by the under-funding of OSD costs and various wage agreements that followed in subsequent years (excluding 2011 and 2012).

In 2012/13, an amount of R29.515 million was rolled over from 2011/12 in respect of NSNP (R27.714 million) and Technical Secondary Schools Recapitalisation grant (R1.801 million). The department projects to over-spend its budget by R46.369 million at year-end. This is as a result of the budget reprioritisation which has compelled the department to fund *Compensation of employees* due to the carry-through pressures relating to the under-funding of OSD and wage agreements of prior years, as well as the conversion of teacher aides to teacher assistance, rural incentives, increase in stipend for ECD practitioners and hourly rates of ABET practitioners without funding, as previously mentioned. Further details in this regard are included in Section 5.3 of this document. Provincial cash resources in the 2012/13 Adjusted Appropriation reflects additional funding allocated to the department to assist with the spending pressures against personnel. The 2013/14 MTEF includes provision for the carry-through of the 2012 wage agreement and additional funding reflected against provincial cash resources to assist with personnel pressures. The last year of the MTEF is inclusive of funding allocated to increase the number of Grade R teachers and the reduction of the Learner: Educator (L: E) ratio for Quintile 1 schools.

4.2 Departmental receipts collection

Table 5.2 below illustrates the revenue collected by the Department of Education over the 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	30 979	33 384	36 780	34 455	34 455	36 420	38 423	46 108	48 229
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	22 735	1 539	11 677	231	231	825	256	307	321
Sale of capital assets	1 749	-	6 745	-	-	-	-	-	-
Transactions in financial assets and liabilities	32 665	28 941	33 903	20 149	20 149	21 156	22 320	26 784	28 016
Total	88 128	63 864	89 105	54 835	54 835	58 401	60 999	73 199	76 566

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 department anticipates over-collecting the revenue in 2012/13. It must be noted that it is difficult to accurately predict revenue collection from this category. There is a steady increase over the 2013/14 MTEF.

Interest, dividends and rent on land reflects higher collection in 2009/10 and 2011/12 due to the discounts received from the procurement of LTSM, which were received late. This collection normalises in 2010/11 and 2012/13, as the discounts received were offset against expenditure, and are thus not reflected as revenue. The department also collects revenue in respect of interest charged on outstanding staff debts. In 2012/13 and over the MTEF, this category normalises as the department focuses on staff debts.

The revenue collection against *Sale of capital assets* in 2009/10 and 2011/12 relates to the sale of redundant vehicles and other equipment. No projections are reflected thereafter, as the department does not expect to hold any auctions.

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 amounts collected from 2009/10 to 2011/12 are due to the department's concerted effort of debt collection. The fluctuating trend over the seven-year period is due to the difficulty in budgeting for the collection against this category. The budget reduction in 2012/13 and 2013/14 is as a result of the department's continued effort to reduce the levels of 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 it was reimbursed R4.616 million in 2011/12 as indicated.

Table 5.3: Details of donor funding receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Donor funding	-	31 709	4 616	-	-	-	-	-	-
Royal Netherlands Embassy	-	31 709	4 616	-	-	-	-	-	-
Total	-	31 709	4 616	-	-	-	-	-	-

Table 5.4: Details of payments and estimates of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Donor funding	5 843	4 366	712	-	-	-	-	-	-
Royal Netherlands Embassy	5 843	4 366	712	-	-	-	-	-	-
Total	5 843	4 366	712	-	-	-	-	-	-

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 2013/14 MTEF budget:

- Provision was made for the carry-through costs of the 2012 wage agreement and an inflationary wage adjustment of 6.3 per cent in 2013/14, 6.1 per cent in 2014/15 and 5.9 per cent in 2015/16 and the pay progression of 1.5 per cent of the wage bill. However, these inflationary adjustments were offset by the carry-through effect of the spending pressures in *Compensation of employees*, as well as the reduction in the baseline of the department, as indicated in Table 5.5 below.
- 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, bearing in mind the moratorium imposed.
- The personnel budget does not cater for all the personnel numbers currently on the system (PERSAL), however, there is a reduction in the number of unfunded posts over the MTEF.

- Inflation related items have been based on CPI projections.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2013/14, will continue to be adhered to over the 2013/14 MTEF.

5.2 Additional allocations for the 2011/12 to 2013/14 MTEF

Table 5.5 shows additional funding received by the department over the three MTEF periods: 2011/12, 2012/13 and 2013/14. 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 2011/12 and 2012/13 MTEF periods (i.e. for the financial year 2015/16) are based on the incremental percentage used in the 2013/14 MTEF.

Table 5.5: Summary of additional provincial allocations for the 2011/12 to 2013/14 MTEF

R thousand	2011/12	2012/13	2013/14	2014/15	2015/16
2011/12 MTEF period	729 786	827 205	1 331 060	1 410 924	1 475 826
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement	603 008	679 775	749 990	794 989	831 559
Provincial priorities - Expansion of Provincial Examination Administration	126 778	147 430	167 602	177 658	185 830
National priorities - OSD for educators	348 819	393 661	438 778	465 105	486 499
National Cabinet decision to cut provinces by 0.3 per cent	(15 557)	(20 095)	(25 310)	(26 829)	(28 063)
2012/13 MTEF period		309 141	691 102	897 917	939 221
Carry-through of 2011/12 Adjustments Estimate- 2011 wage agreement		406 313	435 342	466 428	487 884
2011 wage agreement		322 469	338 592	355 522	371 876
Funding for personnel spending pressures		83 844	96 750	110 906	116 008
National priorities		-	246 406	421 667	441 064
Expansion of no fee schools		-	99 379	186 325	194 896
Universalisation of Grade R		-	147 027	235 342	246 168
Improving infrastructure support		8 909	9 354	9 822	10 274
Learner Transport (Portion moved to Transport)		(106 081)	-	-	-
2013/14 MTEF period			487 818	240 333	958 290
Carry-through of 2012/13 Adjustments Estimate- 2012 wage agreement			897 007	1 098 841	1 561 529
Census data update and 1%, 2% and 3% baseline cuts			(456 681)	(946 054)	(1 173 578)
Allocation of funds held in reserve for personnel spending pressures			172 307	218 976	321 842
Learner Transport (Portion moved to Transport)			(124 815)	(131 430)	(137 476)
National priorities:			-	-	385 973
Grade R teachers			-	-	170 455
Increased no. of teachers (Quintile 1 schools)			-	-	215 518
Total	729 786	1 136 346	2 509 980	2 549 174	3 373 337

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 DOT. 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.

In the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period. The reduction amounted to some R2.576 billion over the MTEF period, thus putting further strain on the already pressurised departmental budget. This baseline reduction will have a negative impact on the department over the period, especially against *Compensation of employees*. The 2013/14 MTEF allocations for learner transport to the DOT were finalised and will result in them continuing with the existing services. The finalisation of learner transport resulted in funds being suspended from Vote 5 to Vote 12: Transport over the 2013/14 MTEF.

Despite the baseline reduction in the 2013/14 MTEF, the department received some additional funding with regard to the carry-through effects of the 2012 wage agreement, as well as funding from Provincial Treasury to assist with the spending pressures in *Compensation of employees*. However, this additional funding was, to some extent, offset by the baseline reductions as the department tried to protect other priority areas such as infrastructure, from being severely affected by the reduction, thus utilising the additional funding to cushion the budget cuts. This resulted in the *Compensation of employees*' allocation not growing to the extent of the inflationary adjustments, meaning that the department will continue to experience spending pressures over the MTEF. Furthermore, the department also received additional funding for national priorities in the outer year of the MTEF to increase the number of teachers in Quintile 1 schools, as well as increasing the number of Grade R teachers in order to reach the target for the universalisation of Grade R by 2014.

5.3 Summary by programme and economic classification

The services rendered by the department are categorised under nine programmes, which are largely aligned to the uniform budget and programme structure of the Education sector. 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, 2009/10 to 2015/16.

The budget structure for the Education sector has changed to nine programmes with effect from 2013/14, with Programme 8 being amended to become Infrastructure Development and the previous Programme 8: Auxiliary and Associated Services becoming Programme 9. Comparative figures have been amended accordingly for prior years.

Table 5.6: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	1 293 783	1 460 874	1 325 061	1 445 145	1 448 248	1 386 145	1 584 905	1 675 541	1 913 138
2. Public Ordinary School Education	21 350 361	23 144 080	27 574 853	27 956 877	28 751 845	28 908 810	30 286 639	31 887 141	33 415 779
3. Independent School Subsidies	54 098	58 524	63 114	66 525	66 525	66 525	70 184	74 395	77 817
4. Public Special School Education	530 643	573 564	725 607	699 284	711 504	706 032	750 887	802 431	851 120
5. Further Education and Training	647 495	702 124	832 807	843 514	862 539	892 025	325 736	347 178	369 399
6. Adult Basic Education and Training	160 574	132 824	155 366	163 881	164 515	163 269	168 658	177 353	187 232
7. Early Childhood Development	213 372	286 829	345 625	428 300	429 866	456 511	560 812	651 468	855 420
8. Infrastructure Development	1 392 215	1 920 243	2 198 083	2 404 154	2 428 694	2 428 694	2 591 418	2 836 718	3 627 201
9. Auxiliary and Associated Services	588 205	467 554	578 701	756 953	633 604	587 447	669 340	679 274	850 634
Total	26 230 746	28 746 616	33 799 217	34 764 633	35 497 340	35 595 458	37 008 579	39 131 499	42 147 740
Unauth. exp. (1 st charge) not available for spending	(111 466)	(133 602)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	26 119 280	28 613 014	33 799 217	34 764 633	35 497 340	35 595 458	37 008 579	39 131 499	42 147 740

Note: Programme 1 includes MEC remuneration: Salary: R1 652 224

Table 5.7: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
				2012/13					
Current payments	23 109 269	24 880 844	29 784 902	29 721 748	30 706 092	31 068 504	32 526 604	34 267 846	36 471 432
Compensation of employees	20 864 307	22 609 337	26 639 394	26 325 100	27 447 076	28 013 893	28 746 193	30 372 790	32 313 187
Goods and services	2 241 718	2 271 101	3 145 038	3 396 648	3 259 016	3 054 364	3 780 411	3 895 056	4 158 245
Interest and rent on land	3 244	406	470	-	-	247	-	-	-
Transfers and subsidies to:	1 602 910	1 724 719	1 892 934	2 459 420	2 269 445	2 177 335	1 812 234	1 978 564	1 967 657
Provinces and municipalities	426	1 375	1 048	1 000	1 500	1 465	1 100	1 100	1 100
Departmental agencies and accounts	19 278	16 552	18 944	19 961	19 961	19 891	20 981	22 030	24 098
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 520 515	1 631 707	1 745 282	2 373 100	2 176 625	2 079 284	1 732 327	1 894 661	1 867 361
Households	62 691	75 085	127 660	65 359	71 359	76 695	57 826	60 773	75 098
Payments for capital assets	1 407 097	1 920 880	2 121 381	2 583 465	2 521 803	2 349 619	2 669 741	2 885 089	3 708 651
Buildings and other fixed structures	1 288 181	1 836 333	2 097 788	2 192 854	2 279 394	2 279 394	2 380 118	2 619 296	3 405 032
Machinery and equipment	118 855	84 547	23 581	390 611	242 409	70 225	289 623	265 793	303 619
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	61	-	12	-	-	-	-	-	-
Payments for financial assets	111 470	220 173	-	-	-	-	-	-	-
Total	26 230 746	28 746 616	33 799 217	34 764 633	35 497 340	35 595 458	37 008 579	39 131 499	42 147 740
Unauth. exp. (1 st charge) not available for spending	(111 466)	(133 602)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	26 119 280	28 613 014	33 799 217	34 764 633	35 497 340	35 595 458	37 008 579	39 131 499	42 147 740

The department's budget grows substantially from R26.231 billion in 2009/10 to R42.148 billion in 2015/16, indicating a growth of 60.7 per cent over the seven-year period. All programmes except Programme 5: Further Education and Training show positive growth over the 2013/14 MTEF, albeit at different rates. In terms of Section 34(2) of the PFMA, the department is liable for the repayment of previous years' 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.

In the 2012/13 Revised Estimate, the department is projecting to over-spend its budget by R46.369 million. The department undertook extensive budget reprioritisation in order to counter the projected over-expenditure brought about by *Compensation of employees*.

Programme 1: Administration's expenditure fluctuates, with 2010/11 being higher than 2011/12, due to vigorous cost-cutting being implemented in the latter financial year. The 2012/13 Revised Estimate reflects a downward revision due to cost-cutting in order to curb the projected over-expenditure. The budget increases steadily over the 2013/14 MTEF.

Programme 2: Public Ordinary School Education reflects significant growth of 56.5 per cent annual average over the seven-year period, largely influenced by spending and 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 L:E ratio, etc. Due to the pressures that exist in *Compensation of employees*, the 2012/13 Revised Estimate reflects higher spending than the 2012/13 Adjusted Appropriation. The budget grows consistently over the 2013/14 MTEF in line with inflationary adjustments and the allocation for various priorities such as the reduction of L:E ratio, NSNP, LTSM, etc.

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 2011/12 onward is due to the focus on expanding inclusive education. Additional funding was allocated from 2009/10 for support to inclusive education, which increases drastically during 2011/12, and the carry-through effect of that is reflected in the 2012/13 Main Appropriation. The 2012/13 Revised Estimate is lower than the Adjusted Appropriation due to cost-

cutting and non-compliance by some schools for the department to transfer the funds. The allocations reflect a consistent growth over the MTEF.

Programme 5: Further Education and Training reflects a steady increase between 2009/10 and 2011/12. As indicated later in this report, the allocation for this programme was converted to a conditional grant from 2009/10. However, since then, the allocation has not been sufficient to cover the costs associated with this programme, thus forcing the department to bear the over-expenditure that arises as a result. This trend continues to be reflected in the 2012/13 Revised Estimate, which is higher than the Adjusted Appropriation due to the pressures caused by the under-funding of *Compensation of employees* for prior years. The 2013/14 MTEF reflects a significant reduction as a result of the DHET taking over the disbursement of the transfers to the FET colleges. The remainder of the budget will be used to fund *Compensation of employees* with regard to employees that opted to remain with the state and not be employed by the college councils. This will assist in dealing with the pressures that this programme is experiencing.

Programme 6: Adult Basic Education and Training fluctuates between 2009/10 and 2011/12, due to the inconsistent nature of the submission and processing of claims. As reflected in the 2012/13 Revised Estimate, it is anticipated that the full amount will be spent, largely due to commitments carried over from 2011/12. The programme grows steadily over the 2013/14 MTEF, and provision has been made for skills programmes for ABET educators.

The increase against Programme 7: Early Childhood Development from 2010/11 onward relates to additional funding allocated toward the expansion of Grade R. This translates to a significant 301 per cent growth in the programme baseline over the seven-year period. The expenditure for this programme increases significantly between 2009/10 and 2011/12, mainly due to additional allocations for infrastructure in the latter financial year. The 2012/13 Adjusted Appropriation is higher than the Main Appropriation due to the pressures associated with *Compensation of employees*. The programme enjoys healthy growth over the 2013/14 MTEF in line with additional funding to increase the number of Grade R teachers in the outer year.

Programme 8: Infrastructure Development has grown from R1.392 billion in 2009/10 to R3.627 billion in 2015/16, representing a growth of some 160.5 per cent. The budget for this programme will be fully spent in 2012/13. The budget grows significantly over the 2013/14 MTEF in line with the additional funding allocated with regard to the Education Infrastructure grant, particularly in the outer year.

Programme 9: Auxiliary and Associated Services fluctuates between 2009/10 and 2011/12. 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 2012/13 Revised Estimate is lower than the Adjusted Appropriation due to cost-cutting and the reprioritisation of the budget (to Programme 2).

Compensation of employees reflects a significant increase of 55 per cent from R20.864 billion in 2009/10 to R32.313 billion in 2015/16 due to the 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. Since the introduction of the agreements, the department's ability to fully meet its personnel needs has been placed under extreme pressure as a result of the actual cost of the wage and OSD agreements not being fully funded. This category remains the biggest contributor to over-spending and this can be attested by the 2012/13 Revised Estimate which by far exceeds the 2012/13 Adjusted Appropriation by R566.817 million, notwithstanding R1.123 billion having been allocated during the 2012/13 Adjustments Estimate. The 2013/14 MTEF reflects a slight increase when compared to the 2012/13 Revised Estimate, largely due to the reprioritisation that took place during 2012/13, as well as additional funding for the carry-through effects of the 2012 wage agreement. Notwithstanding the increase, the year-on-year growth between the 2012/13 Revised Estimate and 2013/14 is lower than the projected inflationary increase of 6.3 per cent, mainly due to the spending pressures, as well as the reduction in the baseline cuts over the MTEF, as previously explained. The last year of the MTEF also includes additional allocations to increase Grade R educators, as well as reducing the L:E ratio in Quintile 1 schools.

Goods and services increases from 2009/10 onward, attributable to the increase in the NSNP allocation in order to expand the programme to other quintiles, as well as the increased allocation for LTSM. The 2012/13 Revised Estimate reflects lower spending compared to the 2012/13 Adjusted Appropriation, due to the effects of cost-cutting implemented in order to curtail projected over-spending on *Compensation of employees*. The *Goods and services* budget grows substantially over the 2013/14 MTEF to cater for priorities such as LTSM, NSNP, etc., as well as the inflationary increases over the period.

Transfers and subsidies to: Departmental agencies and accounts reflect a transfer made to Education Training and Development Practices Sector Education and Training Authority (ETDP SETA) in respect of the skills development levy.

Transfers and subsidies to: Non-profit institutions reflects a steady increase between 2009/10 and 2011/12, largely influenced by the per learner spending. The 2012/13 Revised Estimate is lower than the Main Appropriation due to some S21 schools not complying with the requirements to enable the department to transfer funds to them. The allocation declines from 2012/13 to 2013/14 as a result of the DHET taking over the disbursement of the transfers to the FET colleges, as previously mentioned. The allocation fluctuates over the 2013/14 MTEF in line with the increase in the per learner allocation. Some funding has been set aside to deal with the per capita allocation with regard to boarding and technical high schools. The slight decline in the outer year is due to the anticipated revocation of S21 functions from the schools that continue not to comply with transfer requirements.

Transfers and subsidies to: Households caters for staff exit costs including capped leave where applicable, and the major fluctuations can be ascribed to the difficulty in budgeting for this category. The increase in 2011/12 is due to refunds that were made to employees in respect of ‘no work, no pay’ after the department was instructed by a court ruling to do so.

Buildings and other fixed structures reflects a 174 per cent growth over the seven-year period, largely due to additional funding in respect of the Education Infrastructure grant. The department expects to spend its 2012/13 allocation as reflected in the Revised Estimate. The budget reflects healthy growth over the 2013/14 MTEF.

Machinery and equipment fluctuates between 2009/10 and 2011/12, with 2011/12 being significantly lower as a result of cost-cutting. The 2012/13 Revised Estimate reflects lower spending, which is also ascribed to cost-cutting to partly fund the spending pressures in *Compensation of employees* which continue to place a burden on other areas. The growth in *Machinery and equipment* over the 2013/14 MTEF will assist the department in the acquisition of the tools of trade that are lacking due to previous cost-cutting exercises, as evident by the significantly lower 2012/13 Revised Estimate and low spending in 2010/11 and 2011/12.

The 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.

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 2013/14 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 in these districts, 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		
	2011/12	2012/13	2013/14	2014/15	2015/16
eThekweni	7 435 828	8 014 525	10 163 938	11 192 988	12 264 963
Ugu	2 365 945	2 470 568	2 353 310	2 416 976	2 596 777
uMgungundlovu	8 111 812	8 470 518	8 800 956	9 176 450	9 665 238
Uthukela	2 027 953	2 117 630	1 884 591	1 945 823	2 103 951
Umkhanyathi	1 351 969	1 411 753	1 558 647	1 606 067	1 748 566
Amajuba	1 351 969	1 411 753	1 450 789	1 500 831	1 638 489
Zululand	3 041 930	3 176 445	2 564 343	2 670 061	2 861 504
Umkhanyakude	2 365 945	2 470 568	2 324 002	2 464 954	2 646 962
uThungulu	2 703 937	2 823 506	2 571 219	2 677 595	2 869 384
Ilembe	1 689 961	1 764 691	1 706 053	1 789 067	1 919 064
Sisonke	1 351 968	1 411 752	1 630 731	1 690 687	1 832 842
Total	33 799 217	35 543 709	37 008 579	39 131 499	42 147 740

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 2009/10 to 2015/16.

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 2012/13.

The details in respect of each conditional grant 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		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
National School Nutrition Programme grant	603 211	753 216	1 144 368	1 151 644	1 179 358	1 138 616	1 206 190	1 237 534	1 287 034
HIV and AIDS (Life-Skills Education) grant	39 672	39 998	45 114	46 806	46 806	42 019	48 634	52 261	51 255
Education Infrastructure grant (previously IGP)	746 136	1 035 501	1 175 956	1 247 477	1 247 477	1 247 477	1 298 847	1 432 140	2 011 863
Technical Secondary Schools Recapitalisation grant	-	15 039	36 762	40 490	42 291	42 291	42 717	45 280	47 499
FET College Sector grant	-	705 883	765 537	839 837	858 862	892 025	325 736	347 178	369 399
EPWP Integrated Grant for Provinces	-	500	-	1 000	1 000	1 000	3 000	-	-
Dinaledi Schools grant	-	-	12 320	17 547	17 547	17 547	18 509	19 568	20 468
Total	1 389 019	2 550 137	3 180 057	3 344 801	3 393 341	3 380 975	2 943 633	3 133 961	3 787 518

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		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Current payments	671 162	1 049 368	1 485 135	1 560 344	1 592 558	1 582 189	1 719 988	1 778 240	1 852 074
Compensation of employees	100	223 610	220 428	238 131	242 631	275 493	332 618	351 021	373 242
Goods and services	671 062	825 701	1 264 707	1 322 213	1 349 927	1 306 696	1 387 370	1 427 219	1 478 832
Other	-	57	-	-	-	-	-	-	-
Transfers and subsidies to:	20 425	499 951	561 826	612 531	626 556	626 556	7 711	10 800	10 800
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions	20 425	499 617	561 826	612 531	626 556	626 556	7 711	10 800	10 800
Households	-	334	-	-	-	-	-	-	-
Payments for capital assets	697 432	1 000 818	1 133 096	1 171 926	1 174 227	1 172 230	1 215 934	1 344 921	1 924 644
Buildings and other fixed structures	694 519	994 647	1 120 643	1 142 963	1 143 463	1 143 267	1 185 842	1 311 971	1 891 694
Machinery and equipment	2 913	6 171	12 453	28 963	30 764	28 963	30 092	32 950	32 950
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total	1 389 019	2 550 137	3 180 057	3 344 801	3 393 341	3 380 975	2 943 633	3 133 961	3 787 518

The coverage of the NSNP grant has been expanded to include Quintile 3 secondary schools. This grant has seen significant growth from R603.211 million in 2009/10 to R1.287 billion in 2015/16. The

programme is set to benefit almost 2 209 900 learners in 2013/14. The grant reflects a low 2012/13 Revised Estimate compared to the Adjusted Appropriation, mainly due to the payment of March invoices in the subsequent year.

The HIV and AIDS (Life-Skills Education) grant funds a life-skills programme, aimed at creating awareness among learners and educators, and experiences steady growth over the 2013/14 MTEF. The low 2012/13 Revised Estimate compared to Adjusted Appropriation is due to the training scheduled for February 2013, where the department is not certain that invoices will be submitted and paid on time before year-end.

The Education Infrastructure grant caters for physical infrastructure needs of schools. This grant has grown from R746.136 million in 2009/10 to R2.012 billion in 2015/16, indicating a growth of some 167 per cent. This grant will supplement existing infrastructure budgets and functions.

The Technical Secondary Schools Recapitalisation grant was introduced 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 R47.499 million in 2015/16.

The reduction of the budget allocated to the FET College Sector grant from 2013/14 onward is due to the DHET having taken over the function of disbursement of funds to the FET colleges. The budget that remains will be used to fund the salaries of employees that opted to remain in state employment as opposed to being employed by the college councils.

The EPWP Integrated Grant for Provinces, which was first allocated in 2010/11, is aimed at providing incentives to departments to utilise members of the community in its infrastructure projects. The department has received an allocation for 2013/14 only over the MTEF, at this stage.

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 Orphans and Vulnerable Children (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 2009/10 to 2015/16. Detailed information on infrastructure is given in the *Annexure – Vote 5: Education*.

The infrastructure budget shows significant growth over the period. The strong growth over the 2013/14 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. The strong growth in the outer year of the MTEF affecting various categories is also in line with additional funding allocated to the Education Infrastructure grant to improve the delivery of school infrastructure.

Table 5.11: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
New and replacement assets	167 360	206 963	425 436	615 601	616 101	838 662	757 865	1 028 289	1 266 637
Existing infrastructure assets	1 224 891	1 713 317	1 772 698	1 788 553	1 812 593	1 590 032	1 833 553	1 808 429	2 360 564
Upgrades and additions	868 957	958 967	1 002 530	1 067 878	1 153 918	981 218	1 112 878	1 040 959	1 434 757
Rehabilitation, renovations and refurbishments	251 864	670 403	669 822	509 375	509 375	459 514	509 375	550 048	703 638
Maintenance and repairs	104 070	83 947	100 346	211 300	149 300	149 300	211 300	217 422	222 169
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Current									
Capital									
<i>Capital infrastructure</i>	<i>1 288 181</i>	<i>1 836 333</i>	<i>2 097 788</i>	<i>2 192 854</i>	<i>2 279 394</i>	<i>2 279 394</i>	<i>2 380 118</i>	<i>2 619 296</i>	<i>3 405 032</i>
<i>Current infrastructure</i>	<i>104 070</i>	<i>83 947</i>	<i>100 346</i>	<i>211 300</i>	<i>149 300</i>	<i>149 300</i>	<i>211 300</i>	<i>217 422</i>	<i>222 169</i>
Total	1 392 251	1 920 280	2 198 134	2 404 154	2 428 694	2 428 694	2 591 418	2 836 718	3 627 201

New and replacement assets grows by 657 per cent over the seven-year period. The expenditure between 2009/10 and 2011/12 reflects steady growth. The 2012/13 Revised Estimate is higher than the Adjusted Appropriation due to the fast-tracking of infrastructure projects under this category. The allocation grows over the 2013/14 MTEF in order to cater for new and replacement schools.

Upgrades and additions is aimed at dealing with issues of over-crowding, with this category being allocated the largest portion of the budget over the seven-year period. The expenditure between 2009/10 and 2011/12 grew by 15 per cent. Savings are anticipated in 2012/13 as evident by the Revised Estimate being lower than the Adjusted Appropriation, in order to offset the over-expenditure against *New and replacement assets*. The infrastructure 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 2013/14 MTEF. Of special focus in the 2013/14 MTEF, is the provision for small schools and technical secondary schools. In addition to classrooms and toilets, the budget also includes provision for laboratories, computer centres and ECD spaces.

Rehabilitation, renovations and refurbishments fluctuates over the seven-year period. While significant growth is observed between 2009/10 and 2011/12, a decline is observed in 2012/13 due to the redirection of the budget to other categories of infrastructure (*Maintenance and repairs* and *New and replacement assets*). There is a strong growth in the outer years due to additional funding allocated to the Education Infrastructure grant to improve the delivery of schools infrastructure, as previously explained. The 2012/13 Revised Estimate is lower than the Adjusted Appropriation as the department is trying to realise savings from this category to offset the spending pressures against *New and replacement assets*.

Maintenance and repairs, which has previously not been allocated sufficient funding, grows substantially during 2012/13 and the growth extends over to the 2013/14 MTEF, despite the reduction in the 2012/13 Adjusted Appropriation due to enforced savings.

5.7 Public Private Partnerships

In an effort to deal with the matter of infrastructure backlog, the department has decided to pursue the option of entering into a PPP, and this intention has been recorded by National Treasury as per the regulations under reference ZN0020E 2011/12. The process of appointing a TA is under way.

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		
		2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
						2012/13				
Section 21 schools	2.1. Public Pr. & 2.2. Public Sec. Sch	939 241	921 748	924 235	1 532 736	1 317 868	1 275 407	1 441 999	1 568 333	1 526 722
Section 20 schools (petty cash)	2.1. Public Pr. & 2.2. Public Sec. Sch	53 844	82 203	81 822	-	4 368	4 368	5 645	6 543	6 876
HIV and AIDS	2.6. Conditional grants	20 425	23 592	16 712	7 200	7 200	7 200	7 711	10 800	10 800
Independent schools	3.1. Primary & 3.2. Secondary phase	54 098	58 524	63 114	66 525	66 525	66 525	70 184	74 395	77 817
Public special schools	4.1. Special Schools	71 041	69 603	98 633	131 681	131 681	90 650	138 923	143 091	149 530
FET colleges	5.3. Cond. Grants and Public Institutions	381 854	476 025	544 840	605 331	619 356	619 356	-	-	-
ECD centres	7.1. Gr. R in Pub. Sch & 7.2. Com Ctrs	12	-	15 914	29 627	29 627	15 778	67 865	91 499	95 616
ETDP SETA	8.2. Payments to SETA	19 278	16 552	18 944	19 961	19 961	19 891	20 981	22 030	24 098
Total		1 539 793	1 648 247	1 764 214	2 393 061	2 196 586	2 099 175	1 753 308	1 916 691	1 891 459

The largest portion of transfers is in respect of Section 21 schools, relating to the transfers of norms and standards funding. The increase in respect of public special schools, from 2009/10 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.

The department still has schools that do not have S21 functions and, for these schools, the department transfers petty cash so that they can deal with immediate school requirements. It was anticipated that, in 2012/13 all schools would have been converted to schools with S21 functions, but, this did not take place, hence the allocation of the budget against S20 schools during the 2012/13 Adjustments Estimate. The slight decline in the outer year against S21 schools is due to the anticipated revocation of S21 functions from the schools that continue not to comply with transfer requirements.

The increase from 2011/12 onward in 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.

The lower 2012/13 Revised Estimate compared to the Adjusted Appropriation against Public Special Schools relates to non-compliance by some schools for the department to transfer funds.

There are no transfers to FET colleges over the 2013/14 MTEF, as the transferring of funds has now been taken over by DHET.

ETDP SETA transfers relate to the contribution by the department to the SETA as per the Skills Development Act.

5.10 Transfers to local government

It is noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, 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. Apart from these, there are smaller transfers in respect of employees' severance packages, which are difficult to predict, thus showing fluctuations over the years.

Programme 1 caters for the budget and expenditure for *Provinces and municipalities* relating to motor vehicle licences. *Households* under this programme reflects payments made in respect of staff exit costs.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	6 579	9 815	12 272	26 762	27 262	17 601	28 234	29 646	30 931
Provinces and municipalities	208	1 305	1 048	1 000	1 500	1 465	1 100	1 100	1 100
Motor vehicle licences	208	1 305	1 048	1 000	1 500	1 465	1 100	1 100	1 100
Non-profit institutions	-	12	12	-	-	-	-	-	-
Other	-	12	12	-	-	-	-	-	-
Households	6 371	8 498	11 212	25 762	25 762	16 136	27 134	28 546	29 831
Social benefits	6 371	8 498	11 212	25 762	25 762	16 136	27 134	28 546	29 831
2. Public Ordinary School Education	1 067 040	1 090 044	1 135 730	1 578 147	1 373 647	1 345 121	1 484 585	1 616 368	1 588 076
Non-profit institutions	1 013 510	1 027 543	1 022 769	1 539 936	1 329 436	1 286 975	1 455 355	1 585 676	1 544 398
Section 21 schools	959 666	945 340	940 947	1 539 936	1 325 068	1 282 607	1 449 710	1 579 133	1 537 522
Section 20 schools	53 844	82 203	81 822	-	4 368	4 368	5 645	6 543	6 876
Households	53 530	62 501	112 961	38 211	44 211	58 146	29 230	30 692	43 678
Social benefits	53 530	62 501	112 961	38 211	44 211	58 146	29 230	30 692	43 678
3. Independent School Subsidies	54 098	58 524	63 114	66 525	66 525	66 525	70 184	74 395	77 817
Non-profit institutions	54 098	58 524	63 114	66 525	66 525	66 525	70 184	74 395	77 817
Independent schools	54 098	58 524	63 114	66 525	66 525	66 525	70 184	74 395	77 817
4. Public Special School Education	72 755	71 497	100 603	133 041	133 041	92 509	140 358	144 598	151 090
Provinces and municipalities	218	70	-	-	-	-	-	-	-
Motor vehicle licences	218	70	-	-	-	-	-	-	-
Non-profit institutions	71 041	69 603	98 633	131 681	131 681	90 650	138 923	143 091	149 530
Public special schools	71 041	69 603	98 633	131 681	131 681	90 650	138 923	143 091	149 530
Households	1 496	1 824	1 970	1 360	1 360	1 859	1 435	1 507	1 560
Social benefits	1 496	1 824	1 970	1 360	1 360	1 859	1 435	1 507	1 560
5. Further Education and Training	382 370	476 359	545 114	605 331	619 356	619 660	-	-	-
Non-profit institutions	381 854	476 025	544 840	605 331	619 356	619 356	-	-	-
FET colleges	381 854	476 025	544 840	605 331	619 356	619 356	-	-	-
Households	516	334	274	-	-	304	-	-	-
Social benefits	516	334	274	-	-	304	-	-	-
6. Adult Basic Education and Training	199	1 001	409	26	26	115	27	28	29
Households	199	1 001	409	26	26	115	27	28	29
Social benefits	199	1 001	409	26	26	115	27	28	29
7. Early Childhood Development	215	334	16 080	29 627	29 627	15 856	67 865	91 499	95 616
Non-profit institutions	12	-	15 914	29 627	29 627	15 778	67 865	91 499	95 616
ECD centres	12	-	15 914	29 627	29 627	15 778	67 865	91 499	95 616
Households	203	334	166	-	-	78	-	-	-
Social benefits	203	334	166	-	-	78	-	-	-
9. Auxiliary and Associated Services	19 654	17 145	19 612	19 961	19 961	19 948	20 981	22 030	24 098
Departmental agencies and accounts	19 278	16 552	18 944	19 961	19 961	19 891	20 981	22 030	24 098
ETDP SETA	19 278	16 552	18 944	19 961	19 961	19 891	20 981	22 030	24 098
Households	376	593	668	-	-	57	-	-	-
Social benefits	376	593	668	-	-	57	-	-	-
Total	1 602 910	1 724 719	1 892 934	2 459 420	2 269 445	2 177 335	1 812 234	1 978 564	1 967 657

Programme 2 houses the larger portion of the transfers to schools. *Transfers and subsidies* increases over the seven-year period due to the following:

- Non-profit institutions* reflects payments made in respect of norms and standards. These payments are made to all schools. The reduction in the 2012/13 Revised Estimate is attributable to not all schools attaining the S21 functions as envisaged, and thus the related costs are reflected in other budget categories. Also included are transfers to schools in respect of the HIV and AIDS programme. The 2013/14 MTEF grows in line with the anticipated increase in the per learner allocation. As previously mentioned, it was anticipated that in 2012/13 all schools would have had been converted to schools with S21 functions, however, this did not take place hence the allocation of the budget for S20 schools during the 2012/13 Adjusted Appropriation and over the 2013/14 MTEF. As previously explained, there a slight decline in the outer against S21 schools.
- Households* reflects payments in respect of staff exit costs.

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 public special schools. The allocation increases during 2012/13 and over the 2013/14 MTEF. The lower 2012/13 Revised Estimate compared to the

Adjusted Appropriation is due to the non-compliance by some specials schools resulting in the department not transferring the funds, thus procuring on behalf of these schools.

- *Households* caters for staff exit costs.

Programme 5 reflects transfers made to FET colleges. There are no allocations over the 2013/14 MTEF as this function has now been taken over by DHET.

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 increased over the period, as follows:

- *Non-profit institutions* reflects payments made to ECD centres. The budget increases strongly over the 2013/14 MTEF 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.
- *Households* caters for staff exit costs, which are difficult to predict, hence the fluctuations.

The category *Transfers and subsidies* under Programme 9 caters for staff exit costs (against *Households*) and payments made to the ETDP SETA (against *Departmental agencies and accounts*) in respect of the skills development levy.

6. Programme description

The services rendered by this department are categorised under nine programmes for the current MTEF, which conform to the revised 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 2009/10 to 2015/16.

Table 5.14: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Office of the MEC	11 362	18 238	21 460	25 130	25 630	24 389	27 520	30 904	32 757
Corporate Services	728 932	762 122	730 837	367 876	336 050	583 407	449 450	426 502	541 226
Education Management	511 900	634 768	543 995	972 723	1 007 152	720 252	1 005 196	1 101 382	1 262 479
Human Resource Development	25 229	35 372	7 106	32 426	32 426	25 431	53 165	64 700	22 229
Education Management Information System (EMIS)	16 360	10 374	21 663	46 990	46 990	32 666	49 574	52 053	54 447
Total	1 293 783	1 460 874	1 325 061	1 445 145	1 448 248	1 386 145	1 584 905	1 675 541	1 913 138
Unauth. exp. (1 st charge) not available for spending	(111 466)	(133 602)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	1 182 317	1 327 272	1 325 061	1 445 145	1 448 248	1 386 145	1 584 905	1 675 541	1 913 138

Table 5.15: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	1 153 159	1 210 585	1 311 895	1 320 950	1 323 553	1 358 585	1 453 879	1 545 880	1 780 691
Compensation of employees	716 486	778 197	856 198	848 681	865 937	887 419	929 972	1 014 594	1 263 288
Goods and services	435 860	432 096	455 325	472 269	457 616	470 921	523 907	531 286	517 403
Interest and rent on land	813	292	372	-	-	245	-	-	-
Transfers and subsidies to:	6 579	9 815	12 272	26 762	27 262	17 601	28 234	29 646	30 931
Provinces and municipalities	208	1 305	1 048	1 000	1 500	1 465	1 100	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	6 371	8 498	11 212	25 762	25 762	16 136	27 134	28 546	29 831
Payments for capital assets	22 575	20 301	894	97 433	97 433	9 959	102 792	100 015	101 516
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	22 514	20 301	882	97 433	97 433	9 959	102 792	100 015	101 516
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	61	-	12	-	-	-	-	-	-
Payments for financial assets	111 470	220 173	-	-	-	-	-	-	-
Total	1 293 783	1 460 874	1 325 061	1 445 145	1 448 248	1 386 145	1 584 905	1 675 541	1 913 138
Unauth. exp. (1 st charge) not available for spending	(111 466)	(133 602)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	1 182 317	1 327 272	1 325 061	1 445 145	1 448 248	1 386 145	1 584 905	1 675 541	1 913 138

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 grows by 48 per cent over the seven-year period. In particular, the spending increases sharply from 2009/10 to 2011/12, largely due to provision made for the appointment of subject advisors in 2009/10, and the carry-through effect is reflected in 2010/11. The 2011/12 expenditure is comparatively low due to cost-cutting.

The Office of the MEC's budget has grown by 188 per cent largely influenced by the bursary allocation over the 2013/14 MTEF. This is allocated to recruit people to take up the teaching profession to try and address the shortage of educators, by targeting out-of-school needy learners, with a focus on Mathematics, Physical Science and Commercial subjects.

The Corporate Services budget is inclusive of all the department's support services financial requirements. The allocation for this sub-programme fluctuates over the period under review as it is largely the target for all cost-cutting. Some funding has been allocated over the 2013/14 MTEF in order to deal with the implementation of the new organisational structure. The pressures brought about by the under-funding of *Compensation of employees* are reflected in the higher 2012/13 Revised Estimate compared to the Main Appropriation.

Education Management's budget is inclusive of all costs related to education delivery requirements and forms the bulk of the budget in this programme. As reflective of all other sub-programmes, in 2011/12 the expenditure in this sub-programme is comparatively lower compared to 2010/11 due to cost-cutting. The low 2012/13 Revised Estimate compared to the Adjusted Appropriation is also attributed to continued cost-cutting. The 2013/14 MTEF shows healthy growth.

Human Resources Development's budget is inclusive of the employees' bursary budget, as well as the funds for skills development. The 2012/13 Revised Estimate is lower than the Adjusted Appropriation due to cost-cutting. The sub-programme increases steadily in the first two years of the MTEF.

Education Management Information System (EMIS) grows significantly from the 2012/13 Main Appropriation onward in order to ensure the speedy roll-out of the South African Schools Administration and Management System (SA-SAMS).

As can be seen in the 2012/13 Revised Estimate, *Compensation of employees* is higher than the Adjusted Appropriation due to the unfunded filled posts, which was brought about by the under-funding of OSD and wage agreements of prior years, as explained previously. Through the reprioritisation process, some funding has been re-directed to this category over the 2013/14 MTEF which shows significant growth.

Goods and services grows consistently between 2009/10 to 2011/12. The higher 2012/13 Revised Estimate is largely due to the high spending on items such as *Travel and subsistence* caused mainly by the travelling requirements of subject advisors, among others. Over the 2013/14 MTEF, the allocation for *Goods and services* grows steadily.

Transfers and subsidies to: Households caters for staff exit costs.

Machinery and equipment has been a buffer for the department's over-expenditure since 2009/10, hence the reduced spending. While a budget had been set aside for 2012/13, is unlikely that it will be spent due to the pressures associated with *Compensation of employees*. The 2013/14 MTEF allocation has once again been increased to reflect the real need that exists with regard to the procurement of tools of trade.

The 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			
		2012/13	2013/14	2014/15	2015/16	
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	5 948	5 948	5 948	5 948	
	No. of schools that can be contacted electronically (e-mail) by the dept.	4 988	4 988	4 988	4 988	
	% of current expenditure going toward non-personnel items in schools	13.5%	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, 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.

- o EPWP Integrated Grant for Provinces.

Tables 5.17 and 5.18 reflect payments and budgeted estimates for the period 2009/10 to 2015/16.

This programme includes the budget for educators, their salaries, and professional 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 are 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		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Public Primary Schools	12 133 035	12 949 323	15 440 196	15 109 811	15 571 743	15 863 348	16 239 289	17 270 782	18 083 884
Public Secondary Schools	8 104 789	8 920 394	10 275 287	11 101 706	11 405 227	11 218 380	12 030 796	12 635 339	13 156 472
Professional Services	407 679	440 960	539 932	291 038	291 038	463 937	454 635	366 612	487 561
Human Resource Development	20 167	1 867	41 596	154 010	154 010	78 219	197 689	212 326	232 032
In-school Sport and Culture	41 808	22 783	39 278	42 825	42 825	43 453	45 180	47 439	49 574
Conditional grants	642 883	808 753	1 238 564	1 257 487	1 287 002	1 241 473	1 319 050	1 354 643	1 406 256
National School Nutrition Programme	603 211	753 216	1 144 368	1 151 644	1 179 358	1 138 616	1 206 190	1 237 534	1 287 034
HIV and AIDS (Life-Skills Education) grant	39 672	39 998	45 114	46 806	46 806	42 019	48 634	52 261	51 255
Technical Secondary Schools Recap grant	-	15 039	36 762	40 490	42 291	42 291	42 717	45 280	47 499
EPWP Integrated Grant for Provinces	-	500	-	1 000	1 000	1 000	3 000	-	-
Dinaledi Schools grant	-	-	12 320	17 547	17 547	17 547	18 509	19 568	20 468
Total	21 350 361	23 144 080	27 574 853	27 956 877	28 751 845	28 908 810	30 286 639	31 887 141	33 415 779

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		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Current payments	20 207 862	22 033 695	26 419 641	26 165 447	27 289 768	27 511 437	28 673 623	30 166 314	31 721 550
Compensation of employees	18 884 525	20 590 918	24 142 017	24 043 345	25 128 645	25 449 594	26 221 276	27 643 907	28 963 333
Goods and services	1 322 478	1 442 722	2 277 526	2 122 102	2 161 123	2 061 841	2 452 347	2 522 407	2 758 217
Interest and rent on land	859	55	98	-	-	2	-	-	-
Transfers and subsidies to:	1 067 040	1 090 044	1 135 730	1 578 147	1 373 647	1 345 121	1 484 585	1 616 368	1 588 076
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 013 510	1 027 543	1 022 769	1 539 936	1 329 436	1 286 975	1 455 355	1 585 676	1 544 398
Households	53 530	62 501	112 961	38 211	44 211	58 146	29 230	30 692	43 678
Payments for capital assets	75 459	20 341	19 482	213 283	88 430	52 252	128 431	104 459	106 153
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	75 459	20 341	19 482	213 283	88 430	52 252	128 431	104 459	106 153
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	21 350 361	23 144 080	27 574 853	27 956 877	28 751 845	28 908 810	30 286 639	31 887 141	33 415 779

This programme consumes on average about 81 per cent of the departments' budget over the 2013/14 MTEF. Over the seven-year period, it has grown by 57 per cent, inclusive of conditional grants. The significant increase in the sub-programmes: Public Primary Schools and Public Secondary Schools from 2010/11 onward can mainly be ascribed to the carry-through of the higher than anticipated wage agreements. 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 L:E ratio, QIDS-UP, Systemic Evaluation, Education Infrastructure grant and various personnel priorities. The increase in the 2012/13 Adjusted Appropriation against both sub-programmes is due to carry-through of the pressures brought about by the under-funding of OSD and wage agreements of prior years.

A large portion of the additional allocation in respect of the OSD for educators and the higher than anticipated 2012 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.

The Professional Services sub-programme increases substantially between 2009/10 and 2011/12 as a result of the carry-through effect of the filling of subject advisor posts. The 2012/13 Main Appropriation is comparatively low compared to prior years' expenditure, and the 2012/13 Revised Estimate is significantly higher than the Main Appropriation due to the exigency of the services that require subject advisors to travel throughout KZN, as well as the pressure generally experienced due to personnel pressures. The allocation over the 2013/14 MTEF increases slightly. However, the cost drivers will need to be revisited in the 2013/14 Adjustments Estimate.

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 in 2009/10 and 2011/12 is also low due to cost-cutting. The 2012/13 Main Appropriation reflects a substantially higher allocation as the department allocated the full skills development budget to this programme, as there is an acknowledgement of the importance of improving its employee skills base. The allocation over the 2013/14 MTEF is based on a similar premise.

The In-school Sport and Culture sub-programme shows a fluctuating trend between 2009/10 to 2011/12 due to cost cutting. The allocations over the 2013/14 MTEF grow steadily, to enable the department to deliver on its social cohesion goal.

The NSNP grant shows a marked increase over the entire period due to the progressive implementation of the programme. In 2009/10, the programme was extended to include Quintile 1 secondary schools, and 2010/11 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. The grant reflects a low 2012/13 Revised Estimate compared to the Adjusted Appropriation, mainly due to the payment of March invoices in the subsequent year. The growth over the 2013/14 MTEF is largely to accommodate inflationary costs.

There is consistent growth against the HIV and AIDS (Life-Skills Education) grant from 2009/10 to 2015/16. The grant grows modestly over the 2013/14 MTEF.

In 2010/11, a new conditional grant called the Technical Secondary Schools Recapitalisation grant was introduced. The 2012/13 allocation is projected to be fully spent, despite significant delays that were experienced with the procurement processes. Over the 2013/14 MTEF, the allocation grows gradually.

The EPWP Integrated Grant for Provinces was introduced to the department during 2010/11, as previously mentioned. The department inadvertently captured the 2011/12 expenditure against equitable share, hence no expenditure is shown for 2011/12. It is anticipated that the grant's 2012/13 Adjusted Appropriation will be fully spent. As previously mentioned, the department has received an allocation for 2013/14 only, at this stage.

As previously explained, the Dinaledi Schools grant was introduced in KZN from 2011/12, and is aimed at increasing access to maths and science at higher grade level in under-privileged schools. It is anticipated that the grant's 2012/13 Adjusted Appropriation will be fully spent. The grant grows modestly over the 2013/14 MTEF.

Compensation of employees has grown by 53 per cent over the seven-year period, with a 28 per cent annual average expenditure growth between 2009/10 and 2011/12. The influencing factors have been largely 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 2012/13 Revised Estimate, which is almost R320.949 million above the Adjusted Appropriation. The allocation for 2013/14 reflects a 4 per cent growth from the 2012/13 Revised Estimate, largely due to the internal reprioritisation that was undertaken by the department. This reprioritisation is reflected in the increased budget allocations for the two outer years of the 2013/14 MTEF. An allocation for the carry-through effects of the 2012 wage agreement has been included over the 2013/14 MTEF. However, such allocations are not sufficient to cover the carry-through effects of the under-funding of prior years. The last year of the MTEF is inclusive of an allocation for the reduction of the L:E ratio in Quintile 1 schools.

As explained previously, the allocation grows below the inflationary adjustments, mainly in 2013/14, due to the budget cuts, which affected *Compensation of employees*. The below inflation growth in the personnel baseline clearly indicates the spending pressures that will continue to affect the department. As a result, the department will also be unable to fill any vacant posts over the MTEF, as they are rendered unfunded. For the department to overcome the continuous over-expenditure year-in, and year-out, it becomes important that the cost-containment strategy it has devised continues to be implemented with vigour and be strictly adhered to.

Goods and services grows significantly over the seven-year period, largely influenced by the spending and additional allocations received in respect of various priorities such as NSNP. During 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* expenditure in 2011/12, as the managing agent was appointed by then, and thus obviated the need to transfer the budget to schools. The other contributory factor in the increase against *Goods and services* is the growth in the NSNP allocation. The downward revision of *Goods and services* in the 2012/13 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 2013/14 MTEF grows substantially, largely influenced by the growth in priorities such as LTSM and NSNP.

Transfers and subsidies to: Non-profit institutions reflects a steady increase from 2009/10 to 2010/11, largely due to the department not having a managing agent for stationery, which resulted in funds being transferred to schools, and because a portion of the HIV and AIDS (Life-Skills Education) grant was transferred to schools for the OVC project. The increase from 2011/12 to the 2012/13 Main Appropriation and over the 2013/14 MTEF is due to the anticipation of more schools attaining some of the S21 functions, as well as a budgeted increase in the per learner allocation with regard to norms and standards. The low 2012/13 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. As previously explained, there a slight decline in the outer year, as the department anticipates revoking S21 functions from schools that continue with non-compliance.

Transfers and subsidies to: Households fluctuates over the seven-years, as it relates to staff exit costs.

Machinery and equipment fluctuates between 2009/10 to 2011/12, largely due to the in-year budget reprioritisation to partly address pressures in *Compensation of employees*. The allocation for 2012/13 increases significantly when compared to the expenditure trends of prior years. Despite the increased budget allocation, the pressures are not subsiding, as evidenced in the significantly low 2012/13 Revised Estimate compared to the Adjusted Appropriation due to cost-cutting. The budget fluctuates over the 2013/14 MTEF, as the department purchases machinery and equipment on a cyclical basis.

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		
		2012/13	2013/14	2014/15	2015/16
To provide access in the public ordinary schooling system in accordance with policy	• No. of learners enrolled in public ordinary schools	2 780 713	2 809 026	2 865 206	2 922 510
	• No. of full service schools	25	25	24	24
	• No. of learners benefitting from the No Fee policy	1 872 025	1 872 025	1 872 025	1 872 025
	• No. of educators employed in public ordinary schools	90 057	90 057	90 057	90 057
	• No. of non-educator staff employed in public ordinary schools	13 392	13 392	13 392	13 392
	• No. of learners benefitting from NSNP	2 171 017	2 209 900	2 315 220	2 487 001
	• No. of learners benefitting from learner transport	15 600	19 000	22 000	25 000
	• No. of learners with special education needs that are enrolled in public ordinary schools	24 000	26 000	28 000	30 000
	• No. of schools visited at least once by a circuit manager	6 173	6 173	6 173	6 173

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Primary Phase	32 935	36 088	39 647	40 580	40 580	40 580	42 812	45 654	47 754
Secondary Phase	21 163	22 436	23 467	25 945	25 945	25 945	27 372	28 741	30 063
Total	54 098	58 524	63 114	66 525	66 525	66 525	70 184	74 395	77 817

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	54 098	58 524	63 114	66 525	66 525	66 525	70 184	74 395	77 817
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	54 098	58 524	63 114	66 525	66 525	66 525	70 184	74 395	77 817
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	54 098	58 524	63 114	66 525	66 525	66 525	70 184	74 395	77 817

The programme reflects steady growth over the seven-year period in line with inflationary adjustments. The programme is facing pressures due to the number of enrolments in the independent schools. In order to deal with this, the per learner allocation has to be reduced over the 2013/14 MTEF in order for the programme to stay within budget.

Service delivery measures – Programme 3: Independent School Subsidies

Table 5.22 below illustrates the main sector specific 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		
		2012/13	2013/14	2014/15	2015/16
To ensure that quality education occurs in independent schools	• No. of learners subsidised in independent schools	28 696	29 991	31 790	31 900

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Schools	528 588	573 243	725 427	695 156	707 376	704 857	746 388	797 936	846 510
Human Resource Development	2 055	321	180	4 128	4 128	1 175	4 499	4 495	4 610
Total	530 643	573 564	725 607	699 284	711 504	706 032	750 887	802 431	851 120

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	439 577	458 211	621 980	512 852	525 072	606 881	554 201	598 689	638 816
Compensation of employees	422 379	447 177	612 671	508 724	520 944	601 750	549 701	594 194	634 206
Goods and services	17 198	11 034	9 309	4 128	4 128	5 131	4 500	4 495	4 610
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	72 755	71 497	100 603	133 041	133 041	92 509	140 358	144 598	151 090
Provinces and municipalities	218	70	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	71 041	69 603	98 633	131 681	131 681	90 650	138 923	143 091	149 530
Households	1 496	1 824	1 970	1 360	1 360	1 859	1 435	1 507	1 560
Payments for capital assets	18 311	43 856	3 024	53 391	53 391	6 642	56 328	59 144	61 214
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	18 311	43 856	3 024	53 391	53 391	6 642	56 328	59 144	61 214
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	530 643	573 564	725 607	699 284	711 504	706 032	750 887	802 431	851 120

The programme has grown by 60 per cent over the seven years, indicative of the department's quest to grant access to basic education for all learners in KZN. The expenditure patterns between 2009/10 and 2011/12 are reflective of this focus as well. The 2012/13 Revised Estimate is slightly below the Adjusted Appropriation due to cost-cutting in order to offset the pressures against *Compensation of employees*.

The significant increase from 2011/12 onward against the Schools sub-programme is due to the additional allocation that was received to support inclusive education, and this continues over the 2013/14 MTEF as evident by the healthy growth.

Human Resource Development sub-programme fluctuates between 2009/10 and 2011/12, largely as a result of cost-cutting that affected the department's training and development budget. This is also evident in the 2012/13 Revised Estimate which is lower than the Adjusted Appropriation.

Compensation of employees reflects an increase from 2009/10 to 2011/12, is influenced by the implementation of various wage agreements and OSD for educators over the years. The 2012/13 Revised Estimate is higher than the Adjusted Appropriation due to the carry-through effect of the under-funding of the wage agreements and OSD in prior years. The budget for 2013/14 is significantly lower than the 2012/13 Revised Estimate, indicating the carry-through effect of spending pressures the department will continue to experience. Furthermore, the baseline reduction also had an impact on the growth of the personnel budget, as previously explained. As such, in order 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, although this comes at the expense of other categories.

The high expenditure 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 and 2011/12 is lower due to the bulk of the funding having been allocated as transfers to schools, as reflected against *Transfers and subsidies to: Non-profit institutions*. The 2012/13 and 2013/14 MTEF allocations are reflective of the normalisation of the budget, 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 2009/10 and 2011/12 due to the reasons given above for *Goods and services*. The lower 2012/13 Revised Estimate compared to the Adjusted Appropriation relates to non-compliance by some schools for the department to transfer funds. However, this will be monitored during the year so as to not put undue pressure on the programme. Over the 2013/14 MTEF, the budget allocation steadies, in anticipation of the schools procuring most of their requirements on their own.

Transfers and subsidies to: Households relates to staff exit costs.

Machinery and equipment reflects an increasing expenditure trend between 2009/10 and 2010/11, largely due to buses bought for special schools, which was not the case in 2011/12. Like most programmes, cost-cutting has affected this programme, as reflected in the low 2012/13 Revised Estimate in this category. The allocation over the 2013/14 MTEF increases to enable the department to pursue the equipping of special schools, as well as procuring additional purpose-made buses.

Service delivery measures – Programme 4: Public Special School Education

Table 5.25 below illustrates the main sector specific 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		
		2012/13	2013/14	2014/15	2015/16
To provide access to special schools in accordance with policy and principles of inclusive education	No. of learners enrolled in public special schools	16 317	16 717	17 117	17 517
	No. of educators employed in public special schools	1 367	1 417	1 500	1 600
	No. of professional non-educator staff employed in public special schools	255	292	323	366

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 to meet the challenges resulting from the transformation of the FET colleges. However, there is a decrease over the 2013/14 MTEF as DHET has taken over the disbursement of funds function to the FET colleges. It must be noted that the conditional grant has been reflected as a sub-sub-programme 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Public Institutions	647 495	53 304	287 693	238 183	243 183	272 669	325 736	347 178	369 399
Conditional grants	-	648 820	545 114	605 331	619 356	619 356	-	-	-
FET College Sector grant	-	648 820	545 114	605 331	619 356	619 356	-	-	-
Total	647 495	702 124	832 807	843 514	862 539	892 025	325 736	347 178	369 399

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	265 125	225 765	287 693	238 183	243 183	272 365	325 736	347 178	369 399
Compensation of employees	259 043	223 528	286 996	238 183	243 183	271 868	325 736	347 178	369 399
Goods and services	4 512	2 180	697	-	-	497	-	-	-
Interest and rent on land	1 570	57	-	-	-	-	-	-	-
Transfers and subsidies to:	382 370	476 359	545 114	605 331	619 356	619 660	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	381 854	476 025	544 840	605 331	619 356	619 356	-	-	-
Households	516	334	274	-	-	304	-	-	-
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	647 495	702 124	832 807	843 514	862 539	892 025	325 736	347 178	369 399

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 DHET. 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 added to the pressures which the department was already experiencing due to budgetary constraints caused by the implementation of various OSD and wage agreements, among others.

With effect from the 2013/14 MTEF, the DHET will take over the disbursement of funds function to the FET colleges, hence the absence of any transfers to institutions over the 2013/14 MTEF. The available budget will be utilised to fund the salaries of employees who opted to remain in state employment, as opposed to college councils.

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 National Certificate (vocational) (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			
		2012/13	2013/14	2014/15	2015/16	
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	15 200	28 815	31 696	33 456	
To provide relevant and responsive quality FET learning opportunities	• No. of FET college NC(V) students who completed full courses successfully	10 722	13 462	16 289	19 116	

6.6 Programme 6: Adult Basic Education and Training

The objective of Programme 6 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. As with Programme 5, there is no clear distinction between the functions allocated to the two separate departments of education (DBE and DHET).

Tables 5.29 and 5.30 below reflect payments and budgeted estimates relating to this programme for the period 2009/10 to 2015/16.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Public Centres	160 574	132 824	155 366	162 680	163 314	163 269	167 442	176 103	185 819
Human Resource Development	-	-	-	1 201	1 201	-	1 216	1 250	1 413
Total	160 574	132 824	155 366	163 881	164 515	163 269	168 658	177 353	187 232

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	160 273	131 823	154 957	162 199	162 833	163 154	166 884	175 491	185 582
Compensation of employees	151 379	126 226	145 275	148 510	149 144	156 367	152 492	163 315	173 999
Goods and services	8 894	5 597	9 682	13 689	13 689	6 787	14 392	12 176	11 583
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	199	1 001	409	26	26	115	27	28	29
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	199	1 001	409	26	26	115	27	28	29
Payments for capital assets	102	-	-	1 656	1 656	-	1 747	1 834	1 621
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	102	-	-	1 656	1 656	-	1 747	1 834	1 621
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	160 574	132 824	155 366	163 881	164 515	163 269	168 658	177 353	187 232

Spending against the Public Centres sub-programme fluctuates between 2009/10 and 2011/12 due to the inconsistent submission of claims for processing and due to the movement of educators who were incorrectly paid under this programme instead of Programme 2. The 2012/13 Revised Estimate is slightly lower than the Adjusted Appropriation due to cost-cutting.

The Human Resource Development sub-programme reflects no spending from 2009/10 and in the 2012/13 Revised Estimate, due to cost-cutting that mainly affected line items such as training and development. The sub-programme will continue to be affected by cost-cutting in order to minimise the spending pressures against *Compensation of employees*.

There is a steady increase over the 2013/14 MTEF against *Compensation of employees*. However, this increase is insufficient due to the shortfall in the funding for OSD and wage agreements of prior years, as well as the carry-through effects of the increases that were made to the hourly rates of ABET practitioners in 2011/12. The spending pressures are evident by the high 2012/13 Revised Estimate compared to both the 2012/13 Adjusted Appropriation and the allocation for 2013/14. 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 whether this programme will be provided for by the department in future, as indications are that it will move to the DHET.

Goods and services reflect a fluctuating trend between 2009/10 and 2011/12, due to the policy uncertainty within this programme. The 2012/13 Revised Estimate, as in most programmes, is lower than the Adjusted Appropriation due to cost-cutting. The increased allocation in 2013/14 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. The allocation for this category fluctuates, mainly as a result of cost-cutting.

Service delivery measures – Programme 6: Adult Basic Education and Training

Table 5.31 below illustrates the main sector specific 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		
		2012/13	2013/14	2014/15	2015/16
To ensure that all adults without basic education have access to ABET centres	• No. of learners enrolled in public ABET centres in the province	59 000	60 000	61 000	62 000
	• No. of educators employed in public ABET centres	6 800	6 810	6 820	6 830

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 2009/10 to 2015/16. The budget for this programme has grown substantially from 2009/10 to 2015/16. 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Grade R in Public Schools	190 370	216 542	254 704	190 335	191 901	219 607	310 377	388 769	580 637
Grade R in Community Centres	16 475	53 524	80 757	116 281	116 281	151 727	122 671	128 805	134 730
Pre-grade R	-	16 551	5 498	108 854	108 854	76 577	114 841	120 583	126 130
Human Resource Development	6 527	212	4 666	12 830	12 830	8 600	12 923	13 311	13 923
Total	213 372	286 829	345 625	428 300	429 866	456 511	560 812	651 468	855 420

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	213 008	286 495	329 545	398 365	399 931	440 505	492 622	559 628	759 448
Compensation of employees	169 549	218 318	315 368	197 240	198 806	327 016	250 883	293 719	483 132
Goods and services	43 459	68 177	14 177	201 125	201 125	113 489	241 739	265 909	276 316
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	215	334	16 080	29 627	29 627	15 856	67 865	91 499	95 616
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	12	-	15 914	29 627	29 627	15 778	67 865	91 499	95 616
Households	203	334	166	-	-	78	-	-	-
Payments for capital assets	149	-	-	308	308	150	325	341	356
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	149	-	-	308	308	150	325	341	356
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	213 372	286 829	345 625	428 300	429 866	456 511	560 812	651 468	855 420

Grade R in Public Schools has increased significantly between 2009/10 and 2011/12, largely due the various wage agreements and increased payments to ECD practitioners. The 2012/13 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, and the overall pressures experienced by *Compensation of employees* due to prior years' under-funding. The last year of the MTEF includes an additional allocation for the increased recruitment of Grade R educators.

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 2009/10 and 2011/12, due to this programme being a national priority, and thus receiving additional funding during the 2008/09 MTEF for the expansion of Grade R. The 2012/13 Revised Estimate is significantly higher than the Adjusted Appropriation due to *Compensation of employees* pressures, as previously explained.

The responsibility for the department, as far as Pre-Grade R is concerned, is to offer training (skills training to ECD management, staff and other personnel such as caregivers and support staff working in the crèches) and, as such, the budget that is provided in this regard is for that purpose. The budget for this sub-programme fluctuates between 2010/11 and the 2012/13 Revised Estimate due to cost-cutting. There is a steady growth over the 2013/14 MTEF.

The Human Resource Development sub-programme's budget is allocated to priorities such as encouraging the uptake of bursaries with regard to employees that wish to focus on ECD, and thus counter the shortage of qualified educators in this area. The expenditure patterns between 2009/10 and 2012/13 Revised Estimate fluctuate due to cost-cutting that affected training and development, as previously explained. With effect from 2011/12, an effort was made to make sure that this sub-programme is adequately catered for, hence the increase over the 2013/14 MTEF.

The increase in *Compensation of employees* between 2009/10 and 2011/12 is influenced by the OSD and various wage agreements, as well as the increases that were made to monthly stipends for ECD practitioners from R3 000 to R4 000 in 2011/12. As mentioned above, the 2012/13 Revised Estimate is influenced by the carry-through effects of increased monthly stipends to practitioners, as well as the carry-through effects of OSD and wage agreements that were partly under-funded in prior years. Notwithstanding the reprioritisation process that has taken place in order to fund *Compensation of employees*, the allocation for the 2013/14 MTEF has increased only slightly as the bulk of the funding was allocated to Programme 2. The last year of the MTEF reflects an increased allocation due to an additional allocation to increase the number of Grade R educators.

As with the programme growth, *Goods and services* grows steadily over the seven-year period. Expenditure between 2009/10 and 2011/12 fluctuates due to cost-cutting. The significant increase in the 2012/13 Main Appropriation against *Goods and services* relates to additional funding for the expansion of Grade R. However, the 2012/13 Revised Estimate is lower due to cost-cutting. The budget grows significantly over the 2013/14 MTEF compared to the 2012/13 Revised Estimate.

The budget allocated to *Transfers and subsidies to: 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 over the 2013/14 MTEF.

Service delivery measures – Programme 7: Early Childhood Development

Table 5.34 below illustrates the main sector specific 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			
		2012/13	2013/14	2014/15	2015/16	
To provide publicly funded Grade R in accordance with policy	• No. of Grade R learners in public schools	199 060	199 300	199 500	199 700	
	• No. of public schools that offer Grade R	3 891	3 901	3 901	3 901	
	• No. of Grade R practitioners employed in public ordinary schools per quarter	5 340	5 445	5 600	5 800	

6.8 Programme 8: Infrastructure Development

The aim of this programme is to provide and maintain infrastructure facilities for the administration and schools. It thus reflects the implementation of infrastructure across all affected programmes.

Tables 5.35 and 5.36 below reflect the summary of payments and estimates relating to this programme. The sub-programmes are split by Administration and the education phase category, as reflected in Table 5.35 below.

The expenditure for this programme reflects an increasing trend from 2009/10 to 2011/12. Over the seven-year period, the programme grows by 161 per cent.

Table 5.35: Summary of payments and estimates: Programme 8: Infrastructure Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Administration	48 780	36 979	7 113	103 196	180 389	69 508	179 098	196 053	95 049
Public Ordinary School Education	1 248 770	1 743 453	1 892 615	1 569 284	1 516 131	1 761 835	1 624 544	1 796 935	2 655 876
Public Special School Education	34 522	69 889	154 216	388 037	388 037	372 882	381 131	392 463	404 947
Further Education and Training	23 028	3 759	1 341	-	500	306	-	-	-
Early Childhood Development	37 115	66 163	142 798	343 637	343 637	224 163	406 645	451 267	471 329
Total	1 392 215	1 920 243	2 198 083	2 404 154	2 428 694	2 428 694	2 591 418	2 836 718	3 627 201

Table 5.36: Summary of payments and estimates by economic classification: Programme 8: Infrastructure Development

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	104 070	83 947	100 346	211 300	149 300	149 300	211 300	217 422	222 169
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	104 070	83 947	100 346	211 300	149 300	149 300	211 300	217 422	222 169
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	1 288 145	1 836 296	2 097 737	2 192 854	2 279 394	2 279 394	2 380 118	2 619 296	3 405 032
Buildings and other fixed structures	1 288 145	1 836 296	2 097 737	2 192 854	2 279 394	2 279 394	2 380 118	2 619 296	3 405 032
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	1 392 215	1 920 243	2 198 083	2 404 154	2 428 694	2 428 694	2 591 418	2 836 718	3 627 201

The Administration sub-programme reflects high spending in 2009/10 and 2010/11 compared to 2011/12 due to the re-direction of the budget to Public Ordinary Schools Infrastructure in the latter financial year. The 2012/13 Revised Estimate is lower than the Adjusted Appropriation due to enforced savings. Over the 2013/14 MTEF, the allocation shows fair growth in the first two years, in order to ensure that the department procures or constructs the necessary circuit and district offices, as opposed to leasing.

The Public Ordinary Schools Education sub-programme consumes the largest portion of the infrastructure budget. The increasing expenditure between 2009/10 and 2011/12 is indicative of the pressures that are felt by this sub-programme in terms of the education infrastructure needs. The 2012/13 Main Appropriation is lower than 2011/12 due to the spending pressures that were experienced in that year due to the high demand for the rehabilitation and renovations of existing school infrastructure. The 2012/13 Revised Estimate is higher than the Adjusted Appropriation due to the pressures experienced by this sub-programme as a result of the fast-tracking of infrastructure projects. The 2013/14 MTEF allocation reflects an increasing trend, with almost R2.656 billion allocated in the last year of the MTEF in line with the additional funding allocated to improve the delivery of school infrastructure, as previously explained.

The Public Special Schools Education sub-programme reflects an increasing trend between 2009/10 and 2010/11, and almost trebles in 2011/12 due to the construction of schools for learners with special needs and the conversion of some schools into full-service schools. The 2012/13 Revised Estimate is slightly lower than the Adjusted Appropriation due to the department trying to offset the spending pressures in the Public Ordinary Schools sub-programme to avoid an overall over-spending against the infrastructure budget. The increase over the MTEF relates to additional funding allocated for Inclusive Education.

The Further Education and Training sub-programme is included in the analysis for prior years' comparative purposes, due to this programme being a conditional grant with effect from 2010/11. The expenditure for 2009/10 is reflective of expenditure on the new FET sites that were built during that year. The expenditure between 2010/11 and 2012/13 is for the final expenditure on these sites. No budget allocation has been made for the 2013/14 MTEF, as this is now the responsibility of DHET.

The Early Childhood Development sub-programme reflects an increasing trend between 2009/10 and 2010/11, with the 2011/12 expenditure almost trebling due to the added allocation that was directed to this sub-programme during the 2009/10 MTEF. Further growth is observed for the 2012/13 Main Appropriation. However, the Revised Estimate is lower as a result of the department trying to offset the spending pressures in the Public Ordinary Schools Education sub-programme. The 2013/14 MTEF allocation reflects an increasing trend in order to provide for the upscaling of ECD classroom provision.

Goods and services caters for the maintenance and repairs allocation, which increase consistently over the MTEF. The 2012/13 allocation decreased from Main to Adjusted Appropriation due to enforced savings.

Service delivery measures – Programme 8: Infrastructure Development

Table 5.37 below illustrates the main sector specific service delivery measures relevant to Programme 8.

Table 5.37 Service delivery measures – Programme 8: Infrastructure Development

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
To put in place basic infrastructure for schooling in accordance with policy	• No. of public ordinary schools provided with water supply	300	50	50	50	
	• No. of public ordinary schools provided with electricity	40	50	50	50	
	• No. of public ordinary schools provided with sanitation facilities	300	50	50	50	
	• No. of classrooms built in public ordinary schools	1 300	1 350	1 400	1 450	
	• No. of specialist rooms built in public ordinary schools (all rooms except classrooms – include laboratories, stock rooms, sick bays, kitchens)	800	850	910	1 000	

6.9 Programme 9: Auxiliary and Associated Services

The purpose of Programme 9 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, 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 5.38 and 5.39 reflect payments and estimates relating to the budget for Payments to SETA, Special Projects – *Masifundisane* and Examination Services.

Table 5.38: Summary of payments and estimates: Programme 9: Auxiliary and Associated Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Payments to SETA	19 278	16 552	18 944	19 961	19 961	19 891	20 981	22 030	24 098
Special Projects - Masifundisane	64 698	59 695	-	-	-	-	-	-	-
Examination Services	504 229	391 307	559 757	736 992	613 643	567 556	648 359	657 244	826 536
Total payments and estimates	588 205	467 554	578 701	756 953	633 604	587 447	669 340	679 274	850 634

Table 5.39: Summary of payments and estimates by economic classification: Programme 9: Auxiliary and Associated Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	566 195	450 323	558 845	712 452	612 452	566 277	648 359	657 244	793 777
Compensation of employees	260 946	224 973	280 869	340 417	340 417	319 879	316 133	315 883	425 830
Goods and services	305 247	225 348	277 976	372 035	272 035	246 398	332 226	341 361	367 947
Interest and rent on land	2	2	-	-	-	-	-	-	-
Transfers and subsidies to:	19 654	17 145	19 612	19 961	19 961	19 948	20 981	22 030	24 098
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	19 278	16 552	18 944	19 961	19 961	19 891	20 981	22 030	24 098
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	376	593	668	-	-	57	-	-	-
Payments for capital assets	2 356	86	244	24 540	1 191	1 222	-	-	32 759
Buildings and other fixed structures	36	37	51	-	-	-	-	-	-
Machinery and equipment	2 320	49	193	24 540	1 191	1 222	-	-	32 759
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	588 205	467 554	578 701	756 953	633 604	587 447	669 340	679 274	850 634

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 regard to the Special Projects – *Masifundisane* sub-programme, the high 2009/10 spending is due to commitments from the previous year. The expenditure patterns between 2009/10 and 2010/11 reflect stability, taking cognisance of the budget allocations in these years and the effect of cost-cutting in the latter financial year. 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 2010/11 to 2011/12 is indicative of the increased number of exams, due to the expansion in the range of courses offered to learners. 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 2012/13 Main Appropriation is due to additional funding of R441.810 million over the 2011/12 MTEF, which 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. The first two years of the 2013/14 MTEF are lower compared to the 2012/13 Main Appropriation due to funds been reprioritised to *Compensation of employees* in Programme 2.

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.

There is no allocation against *Machinery and equipment* in the first two years of the MTEF due to reprioritisation of funds that was undertaken by the department toward *Compensation of employees*. The allocation in the outer year makes provision for the purchasing of necessary tools of trade.

Service delivery measures – Programme 9: Auxiliary and Associated Services

Table 5.40 below illustrates the main sector specific service delivery measures relevant to Programme 9.

Table 5.40: Service delivery measures – Programme 9: Auxiliary and Associated Services

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
To provide specialist support services with support functions to Public Ordinary Schools	• No. of candidates who enrol for Grade 12 senior certificate examinations	128 000	130 000	132 000	134 000	
	• No. of candidates who pass NSC	108 000	117 000	125 400	133 800	
	• No. of learners who obtained bachelor passes in the NSC examinations	35 000	37 000	39 000	41 000	
	• No. of learners who passed Mathematics in NSC examinations	35 000	37 000	39 000	41 000	
	• No. of learners who passed Physical Science in NSC examinations	26 000	28 000	30 000	32 000	
	• No. of Grade 3 learners who pass Language in ANA	98 393	116 841	135 290	141 440	
	• No. of Grade 3 learners who pass Mathematics in ANA	88 144	112 742	137 340	143 490	
	• No. of Grade 6 learners who pass Language in ANA	90 651	121 554	150 398	154 518	
	• No. of Grade 6 learners who pass Mathematics in ANA	96 831	127 735	158 638	162 759	
	• No. of Grade 9 learners who pass Language in ANA	90 401	110 490	104 463	114 507	
	• No. of Grade 9 learners who pass Mathematics in ANA	90 401	100 445	104 463	110 490	

7. Other programme information

7.1 Personnel numbers and costs

Table 5.41 below reflects personnel information per programme for Education, while Table 5.42 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 5.41: Personnel numbers and costs per programme

	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	As at 31 March 2016
Personnel numbers							
1. Administration	3 269	3 057	3 162	2 941	2 941	2 941	2 941
2. Public Ordinary School Education	95 014	97 886	99 596	100 812	100 812	100 812	100 812
3. Independent School Subsidies							
4. Public Special School Education	2 805	2 989	3 136	2 875	2 875	2 875	2 875
5. Further Education & Training	1 516	1 227	1 119	1 180	1 180	1 180	1 180
6. Adult Basic Education & Training	82	87	84	84	84	84	84
7. Early Childhood Development	155	256	320	246	246	246	246
8. Auxiliary & Associated Services	278	240	240	231	231	231	231
Total	103 119	105 742	107 657	108 369	108 369	108 369	108 369
Total personnel cost (R thousand)	20 864 307	22 609 337	26 639 394	28 013 893	28 746 193	30 372 790	32 313 187
Unit cost (R thousand)	202	214	247	259	265	280	298
Unfunded posts	-	-	-	1 866	1 771	1 666	1 602

Table 5.42: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Total for department									
Personnel numbers (head count)	103 119	105 742	107 657	101 723	102 551	108 369	108 369	108 369	108 369
Personnel cost (R thousand)	20 864 307	22 609 337	26 639 394	26 325 100	27 447 076	28 013 893	28 746 193	30 372 790	32 313 187
Human resources component									
Personnel numbers (head count)	1 540	974	960	937	964	964	964	964	964
Personnel cost (R thousand)	203 154	191 587	202 672	218 265	203 069	203 069	213 222	223 884	235 078
Head count as % of total for department	1.49	0.92	0.89	0.92	0.94	0.89	0.89	0.89	0.89
Personnel cost as % of total for department	0.97	0.85	0.76	0.83	0.74	0.72	0.74	0.74	0.73
Finance component									
Personnel numbers (head count)	542	518	536	498	542	542	542	542	542
Personnel cost (R thousand)	121 338	121 338	106 738	113 636	108 916	108 916	114 362	120 080	126 084
Head count as % of total for department	0.53	0.49	0.50	0.49	0.53	0.50	0.50	0.50	0.50
Personnel cost as % of total for department	0.58	0.54	0.40	0.43	0.40	0.39	0.40	0.40	0.39
Full time workers									
Personnel numbers (head count)	102 295	105 035	106 523	101 043	101 748	107 566	107 566	107 566	107 566
Personnel cost (R thousand)	20 696 694	22 515 378	26 471 273	26 218 057	27 319 941	27 886 758	28 533 209	30 147 732	32 073 751
Head count as % of total for department	99.20	99.33	98.95	99.33	99.22	99.26	99.26	99.26	99.26
Personnel cost as % of total for department	99.20	99.58	99.37	99.59	99.54	99.55	99.26	99.26	99.26
Part-time workers									
Personnel numbers (head count)	613	485	779	467	527	527	527	527	527
Personnel cost (R thousand)	124 692	64 287	120 856	73 239	84 547	84 547	139 779	147 703	157 139
Head count as % of total for department	0.59	0.46	0.72	0.46	0.51	0.49	0.49	0.49	0.49
Personnel cost as % of total for department	0.60	0.28	0.45	0.28	0.31	0.30	0.49	0.49	0.49
Contract workers									
Personnel numbers (head count)	211	222	355	214	276	276	276	276	276
Personnel cost (R thousand)	42 921	29 672	47 265	33 804	42 588	42 588	73 205	77 355	82 297
Head count as % of total for department	0.20	0.21	0.33	0.21	0.27	0.25	0.25	0.25	0.25
Personnel cost as % of total for department	0.21	0.13	0.18	0.13	0.16	0.15	0.25	0.25	0.25

Table 5.41 indicates the number of employees that can be afforded given the *Compensation of employees* budget for each financial year and thus working out the average unit cost. However, with regard to the financial years that have passed, the table indicates the total number of employees that were on the payroll as at the end of that particular financial year.

As mentioned, with the introduction of OSD, the ability of the department to afford the employees that were employed at the time was greatly diminished. At the end of 2007/08, the staff establishment was 109 060 posts which, at that time, were fully funded. Within that financial year, this was the maximum number of employees that could be accommodated, taking into account the exigencies of the services.

By the end of 2009/10, the unit cost had increased significantly to R202 000 from R146 000 in 2007/08, due to the introduction of various OSDs and wage agreements, which were not sufficiently funded, thus rendering some funded posts unfunded as the affordability was reduced.

In summary, Table 5.41 indicates that, from the end of 2012/13, the department will carry 1 866 unfunded posts, based on the actual number of employees in the system as at end of November 2012. This figure reduces to 1 666 and 1 602 in the two outer years, respectively. The reason for the slow increase in

affordability is due to the estimated inflationary increase of 6.1 per cent annual average in the personnel cost over the MTEF. However, it should be noted that the affordability has increased from 101 723 employees estimated in the 2011/12 MTEF to some 106 503 employees due to the reprioritisation that was undertaken during the 2012/13 Adjustments Estimate, with some carry-through over the MTEF. As evident in Table 5.41, *Compensation of employees* grows below the inflationary adjustments from 2012/13 to 2013/14, at 2.6 per cent as compared to the expected growth of 6.3 per cent projected. The growth rate stabilises in the outer year at 6.4 per cent, slightly higher than the expected growth of 5.9 per cent. The below inflation growth in 2013/14 compared to the 2012/13 Revised Estimate is mainly due to the spending pressures experienced, as well as the above-mentioned baseline cuts resulting in additional funding received being used to cushion such reductions. The department will look at moving more funds into this category in-year, once the effects of the headcount, new organogram and moratorium on the filling of non-critical posts become known to the department.

7.2 Training

Tables 5.43 and 5.44 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 the allocations for training and development and employees' bursaries, hence the total figures for Training in this table do not correspond to those in the *Annexure*.

Table 5.43: Payments and estimates on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	23 305	41 182	2 881	32 426	32 426	25 431	53 165	64 700	22 229
2. Public Ordinary School Education	19 320	10 223	23 183	154 010	154 010	78 219	197 689	212 326	232 032
3. Independent School Subsidies									
4. Public Special School Education	2 055	98	19	4 128	4 128	1 175	4 432	4 495	4 610
5. Further Education & Training									
6. Adult Basic Education & Training	105	-	-	1 201	1 201	-	1 216	1 250	1 413
7. Early Childhood Development	17 050	11 288	3 909	12 830	12 830	8 600	12 923	13 311	13 923
8. Auxiliary & Associated Services	950	246	-	-	-	-	-	-	-
Total	62 785	63 037	29 992	204 595	204 595	113 425	269 425	296 082	274 207

Table 5.44: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Number of staff	103 119	105 742	107 657	101 723	102 551	108 369	108 369	108 369	108 369
Number of personnel trained	51 300	46 500	-	3 933	3 933	3 933	106 099	107 736	110 992
of which									
Male	24 100	19 550	-	1 735	1 735	1 735	38 234	38 860	41 616
Female	27 200	26 950	-	2 198	2 198	2 198	67 865	68 876	69 376
Number of training opportunities	51 300	-	-	3 677	3 677	3 677	29 413	41 171	52 784
of which									
Tertiary	12 719	-	-	2 907	2 907	2 907	3 489	4 187	4 687
Workshops	36 268	-	-	770	770	770	924	1 109	1 309
Seminars	2 313	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	25 000	35 876	46 789
Number of bursaries offered	3 015	3 317	-	-	-	-	10 700	15 350	18 400
External	-	-	-	-	-	-	200	350	400
Internal	3 015	3 317	-	-	-	-	10 500	15 000	18 000
Number of interns appointed	200	200	-	255	255	255	306	367	400
Number of learnerships appointed	150	50	-	-	-	-	-	-	-
Number of days spent on training	-	-	-	3	3	3	4	5	5

The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. However, due to the expenditure pressures in *Compensation of employees*, the department budget slightly less than the salary expense. The decrease in expenditure from 2009/10 to 2011/12 is attributable to the continued implementation of cost-cutting. A reduction is noted in the 2012/13 Revised Estimate due to the effects of cost-cutting implemented to curtail over-expenditure, which had an impact on training expenditure. The training budget is set to increase fairly steadily over the 2013/14 MTEF, in order to address the educators' skills gaps and improve the quality of education, through the availability of the in-service training centre.

ANNEXURE – VOTE 5: EDUCATION

Table 5.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	30 979	33 384	36 780	36 420	36 420	36 420	38 423	46 108	48 229
Sale of goods and services produced by dept. (excl. capital assets)	30 963	33 383	36 779	36 420	36 420	36 420	38 423	46 108	48 229
Sales by market establishments	-	2 223	2 413	-	-	-	-	-	-
Administrative fees	2 732	31 160	34 366	36 420	36 420	36 420	38 423	46 108	48 229
Other sales	28 231	-	-	-	-	-	-	-	-
<i>of which</i>									
<i>Other</i>	28 231	-	-	-	-	-	-	-	-
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	16	1	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	22 735	1 539	11 677	243	243	1 445	256	307	321
Interest	22 735	1 539	11 677	243	243	1 445	256	307	321
Dividends									
Rent on land									
Sale of capital assets	1 749	-	6 745	-	-	-	-	-	-
Land and subsoil assets									
Other capital assets	1 749	-	6 745	-	-	-	-	-	-
Transactions in financial assets and liabilities	32 665	28 941	33 903	21 156	21 156	47 396	22 320	26 784	28 016
Total	88 128	63 864	89 105	57 819	57 819	85 261	60 999	73 199	76 566

Table 5.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Current payments	23 109 269	24 880 844	29 784 902	29 721 748	30 706 092	31 068 504	32 526 604	34 267 846	36 471 432
Compensation of employees	20 864 307	22 609 337	26 639 394	26 325 100	27 447 076	28 013 893	28 746 193	30 372 790	32 313 187
Salaries and wages	16 669 152	18 069 319	21 311 515	20 468 386	21 590 362	23 347 552	22 357 634	23 639 197	25 158 967
Social contributions	4 195 155	4 540 018	5 327 879	5 856 714	5 856 714	4 666 341	6 388 559	6 733 593	7 154 220
Goods and services	2 241 718	2 271 101	3 145 038	3 396 648	3 259 016	3 054 364	3 780 411	3 895 056	4 158 245
of which									
Administrative fees	33 514	15 990	23 650	-	-	28 471	-	-	-
Advertising	3 464	2 613	4 219	16 593	16 593	4 541	5 144	6 060	6 667
Assets <R5000	119 114	53 192	93 999	127 248	127 248	149 837	164 820	174 713	165 881
Audit cost: External	9 220	12 656	11 343	8 174	8 174	13 089	8 624	8 883	9 194
Bursaries (employees)	13 722	22 142	15 591	25 686	25 686	26 976	45 329	56 457	11 991
Catering: Departmental activities	57 085	40 772	48 424	66 716	58 023	42 432	62 216	64 462	70 098
Communication	50 728	47 606	38 335	6 574	6 574	29 896	6 574	6 771	7 008
Computer services	21 851	38 327	35 624	79 155	79 155	60 905	105 091	103 968	107 549
Cons/prof: Business & advisory services	22 002	86 178	71 031	35 478	35 478	43 083	37 853	38 552	42 902
Cons/prof: Infrastructure & planning	-	-	-	6 678	6 678	1 102	7 047	7 256	10 510
Cons/prof: Laboratory services	-	-	2 731	2 121	2 121	141	2 238	2 305	2 385
Cons/prof: Legal cost	2 775	2 845	5 814	3 045	3 045	2 760	3 212	3 308	3 424
Contractors	28 178	40 917	48 738	16 223	30 876	41 077	42 432	63 247	76 678
Agency & support/outourced services	29 559	16 423	1 155 542	1 174 076	1 198 444	1 156 842	1 252 714	1 284 171	1 334 786
Entertainment	118	7	49	924	924	293	975	1 004	1 039
Fleet services (incl. GMT)	22	216	6 295	7 788	7 788	31 880	2 801	2 886	2 987
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	588 327	752 327	806	16 851	16 851	733	1 080	1 113	1 178
Inventory: Fuel, oil and gas	260	272	2 223	241	241	936	254	262	271
Inventory: Learner and teacher supp material	293 948	418 693	601 399	655 438	655 438	532 239	877 187	875 524	1 048 392
Inventory: Materials and supplies	11 853	1 531	792	16 800	16 800	6 638	17 724	18 256	18 895
Inventory: Medical supplies	546	75	2 465	5 841	5 841	4 044	6 162	6 346	6 568
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	47 354	12 328	22 014	65 913	65 913	40 632	60 283	62 392	64 476
Inventory: Stationery and printing	243 103	91 568	135 636	129 091	129 091	137 723	136 771	142 372	141 102
Operating leases	78 976	113 954	97 808	74 191	74 191	81 137	82 958	81 216	83 862
Property payments	218 068	187 347	260 271	225 953	158 688	207 710	257 422	253 345	270 229
Transport provided: Departmental activity	30 490	19 470	16 131	86 458	62 947	32 079	60 587	63 004	65 248
Travel and subsistence	244 089	209 812	334 522	184 079	184 079	249 832	229 810	244 965	261 764
Training and development	49 063	40 895	29 992	178 909	178 909	55 156	224 096	239 625	262 217
Operating expenditure	13 296	23 631	40 470	67 116	35 453	33 838	34 837	37 532	32 488
Venues and facilities	30 993	19 314	39 032	113 288	67 767	24 581	44 170	45 061	48 456
Rental and hiring	-	-	92	-	-	13 761	-	-	-
Interest and rent on land	3 244	406	470	-	-	247	-	-	-
Interest	3 244	406	470	-	-	247	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	1 602 910	1 724 719	1 892 934	2 459 420	2 269 445	2 177 335	1 812 234	1 978 564	1 967 657
Provinces and municipalities	426	1 375	1 048	1 000	1 500	1 465	1 100	1 100	1 100
Provinces	426	1 375	1 048	1 000	1 500	1 465	1 100	1 100	1 100
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	426	1 375	1 048	1 000	1 500	1 465	1 100	1 100	1 100
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	19 278	16 552	18 944	19 961	19 961	19 891	20 981	22 030	24 098
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	19 278	16 552	18 944	19 961	19 961	19 891	20 981	22 030	24 098
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	1 520 515	1 631 707	1 745 282	2 373 100	2 176 625	2 079 284	1 732 327	1 894 661	1 867 361
Households	62 691	75 085	127 660	65 359	71 359	76 695	57 826	60 773	75 098
Social benefits	62 691	75 085	127 660	65 359	71 359	76 695	57 826	60 773	75 098
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 407 097	1 920 880	2 121 381	2 583 465	2 521 803	2 349 619	2 669 741	2 885 089	3 708 651
Buildings and other fixed structures	1 288 181	1 836 333	2 097 788	2 192 854	2 279 394	2 279 394	2 380 118	2 619 296	3 405 032
Buildings	1 288 181	1 836 333	2 097 788	2 192 854	2 279 394	2 279 394	2 365 118	2 604 296	3 405 032
Other fixed structures	-	-	-	-	-	-	15 000	15 000	-
Machinery and equipment	118 855	84 547	23 581	390 611	242 409	70 225	289 623	265 793	303 619
Transport equipment	-	43 856	-	65 694	70 841	6 642	27 007	28 357	29 383
Other machinery and equipment	118 855	40 691	23 581	324 917	171 568	63 583	262 616	237 436	274 236
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	61	-	12	-	-	-	-	-	-
Payments for financial assets	111 470	220 173	-	-	-	-	-	-	-
Total	26 230 746	28 746 616	33 799 217	34 764 633	35 497 340	35 595 458	37 008 579	39 131 499	42 147 740
Unauth. exp. (1 st charge) not available for spending	(111 466)	(133 602)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	26 119 280	28 613 014	33 799 217	34 764 633	35 497 340	35 595 458	37 008 579	39 131 499	42 147 740

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	1 153 159	1 210 585	1 311 895	1 320 950	1 323 553	1 358 585	1 453 879	1 545 880	1 780 691
Compensation of employees	716 486	778 197	856 198	848 681	865 937	887 419	929 972	1 014 594	1 263 288
Salaries and wages	573 189	622 558	684 958	693 336	710 592	740 727	763 915	834 299	1 039 002
Social contributions	143 297	155 639	171 240	155 345	155 345	146 692	166 057	180 295	224 286
Goods and services	435 860	432 096	455 325	472 269	457 616	470 921	523 907	531 286	517 403
of which									
Administrative fees	7 604	6 012	9 123	-	-	1 365	-	-	-
Advertising	3 109	2 546	3 671	14 993	14 993	4 141	3 456	4 321	4 876
Assets <R5000	5 037	1 064	1 121	44 185	44 185	6 933	46 616	41 657	33 704
Audit cost: External	5 872	11 940	10 994	8 174	8 174	12 939	8 624	8 883	9 194
Bursaries (employees)	13 722	20 832	11 178	25 686	25 686	23 900	45 329	56 457	11 991
Catering: Departmental activities	9 055	1 677	1 346	12 970	12 970	2 095	13 683	14 093	14 586
Communication	43 413	44 535	36 315	6 574	6 574	28 334	6 574	6 771	7 008
Computer services	16 392	29 659	22 236	48 906	48 906	35 912	65 678	61 098	61 442
Cons/prof: Business & advisory services	18 643	4 893	187	20 004	20 004	2 865	21 104	21 737	22 498
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	377	377	78	398	410	424
Cons/prof: Legal cost	2 775	2 845	5 814	3 045	3 045	2 760	3 212	3 308	3 424
Contractors	21 003	40 432	48 240	-	-	13 195	-	-	-
Agency & support/outsourced services	16 385	3 384	1 834	16 754	16 754	7 721	21 428	20 789	21 517
Entertainment	118	7	49	924	924	293	975	1 004	1 039
Fleet services (incl. GMT)	-	-	6 219	5 820	5 820	31 206	724	746	772
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	192	44	110	417	417	429	440	453	469
Inventory: Fuel, oil and gas	15	55	111	124	124	31	131	135	140
Inventory: Learner and teacher supp material	5 805	192	577	4 055	4 055	3 004	4 278	4 406	16 560
Inventory: Materials and supplies	281	219	132	-	-	431	-	-	-
Inventory: Medical supplies	270	2	26	3 824	3 824	3 324	4 034	4 154	4 299
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	2 983	2 042	2 517	24 241	24 241	7 282	25 574	26 341	27 263
Inventory: Stationery and printing	28 483	16 202	21 587	20 967	20 967	21 757	21 230	21 867	22 632
Operating leases	36 206	57 673	31 626	55 432	55 432	56 325	61 789	58 493	60 540
Property payments	50 316	54 097	65 464	-	-	58 410	30 663	20 000	31 740
Transport provided: Departmental activity	8 703	335	124	38 011	38 011	10 293	19 876	21 072	22 234
Travel and subsistence	115 116	98 676	144 974	79 567	79 567	117 291	91 623	105 657	108 950
Training and development	9 583	20 350	2 881	6 740	6 740	1 531	7 836	8 243	10 238
Operating expenditure	2 914	4 913	9 257	15 912	8 259	11 899	8 765	9 028	9 344
Venues and facilities	11 865	7 470	17 612	14 567	7 567	5 082	9 867	10 163	10 519
Rental and hiring	-	-	-	-	-	95	-	-	-
Interest and rent on land	813	292	372	-	-	245	-	-	-
Interest	813	292	372	-	-	245	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	6 579	9 815	12 272	26 762	27 262	17 601	28 234	29 646	30 931
Provinces and municipalities	208	1 305	1 048	1 000	1 500	1 465	1 100	1 100	1 100
Provinces	208	1 305	1 048	1 000	1 500	1 465	1 100	1 100	1 100
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	208	1 305	1 048	1 000	1 500	1 465	1 100	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	6 371	8 498	11 212	25 762	25 762	16 136	27 134	28 546	29 831
Social benefits	6 371	8 498	11 212	25 762	25 762	16 136	27 134	28 546	29 831
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	22 575	20 301	894	97 433	97 433	9 959	102 792	100 015	101 516
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	22 514	20 301	882	97 433	97 433	9 959	102 792	100 015	101 516
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	22 514	20 301	882	97 433	97 433	9 959	102 792	100 015	101 516
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	61	-	12	-	-	-	-	-	-
Payments for financial assets	111 470	220 173	-	-	-	-	-	-	-
Total	1 293 783	1 460 874	1 325 061	1 445 145	1 448 248	1 386 145	1 584 905	1 675 541	1 913 138
Unauth. exp. (1 st charge) not available for spending	(111 466)	(133 602)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	1 182 317	1 327 272	1 325 061	1 445 145	1 448 248	1 386 145	1 584 905	1 675 541	1 913 138

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	20 207 862	22 033 695	26 419 641	26 165 447	27 289 768	27 511 437	28 673 623	30 166 314	31 721 550
Compensation of employees	18 884 525	20 590 918	24 142 017	24 043 345	25 128 645	25 449 594	26 221 276	27 643 907	28 963 333
Salaries and wages	15 085 327	16 446 014	19 313 614	18 586 594	19 671 894	21 203 207	20 270 110	21 384 889	22 409 393
Social contributions	3 799 198	4 144 904	4 828 403	5 456 751	5 456 751	4 246 387	5 951 166	6 259 018	6 553 940
Goods and services	1 322 478	1 442 722	2 277 526	2 122 102	2 161 123	2 061 841	2 452 347	2 522 407	2 758 217
of which									
Administrative fees	24 811	1 344	13 517	-	-	26 621	-	-	-
Advertising	240	67	467	-	-	-	-	-	-
Assets <R5000	112 260	47 731	90 837	16 270	16 270	130 013	33 087	36 992	32 623
Audit cost: External	3 348	716	349	-	-	150	-	-	-
Bursaries (employees)	-	1 310	4 413	-	-	3 076	-	-	-
Catering: Departmental activities	10 936	5 780	7 926	5 134	5 134	9 798	5 413	5 655	5 853
Communication	5 842	1 711	1 688	-	-	1 393	-	-	-
Computer services	1 347	3 058	11 858	-	-	6 434	-	-	-
Cons/prof: Business & advisory services	3 161	80 543	70 844	13 213	13 213	38 573	14 364	14 358	17 861
Cons/prof: Infrastructure & planning	-	-	-	6 678	6 678	1 102	7 047	7 256	10 510
Cons/prof: Laboratory services	-	-	2 731	1 744	1 744	63	1 840	1 895	1 961
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	7 135	431	361	16 223	30 876	21 725	42 432	63 247	76 678
Agency & support/outsourced services	3 373	2 876	1 146 429	1 148 162	1 172 530	1 140 987	1 221 622	1 253 429	1 303 047
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	466	466	35	492	507	525
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	588 133	752 282	695	15 827	15 827	219	-	-	-
Inventory: Fuel, oil and gas	178	179	1 772	117	117	115	123	127	131
Inventory: Learner and teacher supp material	273 621	375 910	600 218	603 793	603 793	487 529	777 985	768 135	926 758
Inventory: Materials and supplies	11 453	1 246	655	16 800	16 800	6 205	17 724	18 256	18 895
Inventory: Medical supplies	276	60	2 438	2 017	2 017	720	2 128	2 192	2 269
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	41 955	8 266	17 655	13 307	13 307	9 087	14 961	15 410	15 949
Inventory: Stationery and printing	51 181	17 044	9 592	4 557	4 557	6 311	5 467	5 631	5 829
Operating leases	19 441	16 066	22 646	2 840	2 840	8 188	3 120	3 214	3 326
Property payments	47 735	41 234	79 046	-	-	-	-	-	-
Transport provided: Departmental activity	17 205	15 211	14 634	9 859	9 859	10 776	-	-	-
Travel and subsistence	69 217	53 647	118 071	70 153	70 153	90 999	95 432	102 995	100 575
Training and development	19 320	8 913	23 183	154 010	154 010	43 850	197 689	212 326	232 032
Operating expenditure	4 264	4 000	25 293	10 056	10 056	11 465	8 605	9 413	2 334
Venues and facilities	6 046	3 097	10 151	10 876	10 876	3 163	2 816	1 369	1 061
Rental and hiring	-	-	57	-	-	3 244	-	-	-
Interest and rent on land	859	55	98	-	-	2	-	-	-
Interest	859	55	98	-	-	2	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	1 067 040	1 090 044	1 135 730	1 578 147	1 373 647	1 345 121	1 484 585	1 616 368	1 588 076
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	1 013 510	1 027 543	1 022 769	1 539 936	1 329 436	1 286 975	1 455 355	1 585 676	1 544 398
Households	53 530	62 501	112 961	38 211	44 211	58 146	29 230	30 692	43 678
Social benefits	53 530	62 501	112 961	38 211	44 211	58 146	29 230	30 692	43 678
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	75 459	20 341	19 482	213 283	88 430	52 252	128 431	104 459	106 153
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	75 459	20 341	19 482	213 283	88 430	52 252	128 431	104 459	106 153
Transport equipment	-	-	-	40 095	45 242	-	-	-	-
Other machinery and equipment	75 459	20 341	19 482	173 188	43 188	52 252	128 431	104 459	106 153
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	21 350 361	23 144 080	27 574 853	27 956 877	28 751 845	28 908 810	30 286 639	31 887 141	33 415 779

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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
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									
Operating leases									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence									
Training and development									
Operating expenditure									
Venues and facilities									
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	54 098	58 524	63 114	66 525	66 525	66 525	70 184	74 395	77 817
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	54 098	58 524	63 114	66 525	66 525	66 525	70 184	74 395	77 817
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	54 098	58 524	63 114	66 525	66 525	66 525	70 184	74 395	77 817

Table 5.F: Details of payments and estimates by economic classification - Programme 4: Public Special School Education

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	439 577	458 211	621 980	512 852	525 072	606 881	554 201	598 689	638 816
Compensation of employees	422 379	447 177	612 671	508 724	520 944	601 750	549 701	594 194	634 206
Salaries and wages	337 903	366 312	490 137	419 052	431 272	508 842	452 636	490 044	526 181
Social contributions	84 476	80 865	122 534	89 672	89 672	92 908	97 065	104 150	108 025
Goods and services	17 198	11 034	9 309	4 128	4 128	5 131	4 500	4 495	4 610
of which									
Administrative fees	19	30	15	-	-	-	-	-	-
Advertising									
Assets <R5000	4	1 940	1 996	-	-	36	-	-	-
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	485	166	-	-	-	30	-	-	-
Communication	-	-	-	-	-	111	-	-	-
Computer services									
Cons/prof: Business & advisory services	-	742	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	-	-	2	-	-	3 636	-	-	-
Agency & support/outourced services	137	-	-	-	-	-	-	-	-
Entertainment									
Fleet services (incl. GMT)	22	216	76	-	-	91	-	-	-
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	39	-	-	11	-	-	-
Inventory: Stationery and printing	234	51	284	-	-	-	-	-	-
Operating leases	5	-	-	-	-	2	-	-	-
Property payments	10 870	508	6 138	-	-	-	-	-	-
Transport provided: Departmental activity	2 804	3 809	145	-	-	-	-	-	-
Travel and subsistence	229	119	330	-	-	7	-	-	-
Training and development	2 055	98	19	4 128	4 128	1 175	4 432	4 495	4 610
Operating expenditure	-	18	186	-	-	5	68	-	-
Venues and facilities	190	13	6	-	-	27	-	-	-
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	72 755	71 497	100 603	133 041	133 041	92 509	140 358	144 598	151 090
Provinces and municipalities	218	70	-	-	-	-	-	-	-
Provinces	218	70	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds	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	71 041	69 603	98 633	131 681	131 681	90 650	138 923	143 091	149 530
Households	1 496	1 824	1 970	1 360	1 360	1 859	1 435	1 507	1 560
Social benefits	1 496	1 824	1 970	1 360	1 360	1 859	1 435	1 507	1 560
Other transfers to households									
Payments for capital assets	18 311	43 856	3 024	53 391	53 391	6 642	56 328	59 144	61 214
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	18 311	43 856	3 024	53 391	53 391	6 642	56 328	59 144	61 214
Transport equipment	-	43 856	-	25 599	25 599	6 642	27 007	28 357	29 383
Other machinery and equipment	18 311	-	3 024	27 792	27 792	-	29 321	30 787	31 831
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	530 643	573 564	725 607	699 284	711 504	706 032	750 887	802 431	851 120

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	265 125	225 765	287 693	238 183	243 183	272 365	325 736	347 178	369 399
Compensation of employees	259 043	223 528	286 996	238 183	243 183	271 868	325 736	347 178	369 399
Salaries and wages	207 234	178 822	229 597	190 058	195 058	227 053	260 741	280 056	288 844
Social contributions	51 809	44 706	57 399	48 125	48 125	44 815	64 995	67 122	80 555
Goods and services	4 512	2 180	697	-	-	497	-	-	-
of which									
Administrative fees	-	-	2	-	-	-	-	-	-
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	-	6	-	-	-	-	-	-	-
Inventory: Stationery and printing									
Operating leases	-	-	5	-	-	-	-	-	-
Property payments	2 041	1 053	-	-	-	-	-	-	-
Transport provided: Departmental activity									
Travel and subsistence	2 471	1 121	680	-	-	484	-	-	-
Training and development									
Operating expenditure	-	-	10	-	-	13	-	-	-
Venues and facilities									
Rental and hiring									
Interest and rent on land	1 570	57	-	-	-	-	-	-	-
Interest	1 570	57	-	-	-	-	-	-	-
Rent on land									
Transfers and subsidies to	382 370	476 359	545 114	605 331	619 356	619 660	-	-	-
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	381 854	476 025	544 840	605 331	619 356	619 356	-	-	-
Households	516	334	274	-	-	304	-	-	-
Social benefits	516	334	274	-	-	304	-	-	-
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	647 495	702 124	832 807	843 514	862 539	892 025	325 736	347 178	369 399

Table 5.H: Details of payments and estimates by economic classification - Programme 6: Adult Basic Education and Training

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	160 273	131 823	154 957	162 199	162 833	163 154	166 884	175 491	185 582
Compensation of employees	151 379	126 226	145 275	148 510	149 144	156 367	152 492	163 315	173 999
Salaries and wages	121 103	100 981	116 220	122 435	123 069	130 995	124 924	127 016	145 067
Social contributions	30 276	25 245	29 055	26 075	26 075	25 372	27 568	36 299	28 932
Goods and services	8 894	5 597	9 682	13 689	13 689	6 787	14 392	12 176	11 583
of which									
Administrative fees	108	23	66	-	-	2	-	-	-
Advertising	972	-	-	994	994	-	999	1 029	1 254
Assets <R5000									
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	385	45	388	607	607	59	640	660	626
Communication	12	15	13	-	-	12	-	-	-
Computer services	-	-	-	407	407	194	429	442	653
Cons/prof: Business & advisory services									
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors									
Agency & support/outourced services	29	-	-	145	145	-	153	158	161
Entertainment									
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	-	-	-	607	607	85	640	660	709
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	1 055	371	532	3 348	3 348	750	3 532	1 965	1 714
Inventory: Materials and supplies	72	3	1	-	-	-	-	-	-
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	52	1	271	1 345	1 345	300	1 419	1 462	1 328
Inventory: Stationery and printing	1 884	1 589	2 180	145	145	1 066	153	158	161
Operating leases	116	176	214	-	-	384	-	-	-
Property payments	-	54	40	513	513	-	541	557	570
Transport provided: Departmental activity	79	26	99	267	267	76	282	290	297
Travel and subsistence	3 665	3 165	4 014	-	-	3 359	-	-	-
Training and development	105	-	-	1 201	1 201	-	1 216	1 250	1 413
Operating expenditure	-	129	1 089	1 595	1 595	206	1 661	1 736	1 147
Venues and facilities	360	-	740	2 515	2 515	294	2 727	1 809	1 550
Rental and hiring	-	-	35	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	199	1 001	409	26	26	115	27	28	29
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	199	1 001	409	26	26	115	27	28	29
Social benefits	199	1 001	409	26	26	115	27	28	29
Other transfers to households									
Payments for capital assets	102	-	-	1 656	1 656	-	1 747	1 834	1 621
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	102	-	-	1 656	1 656	-	1 747	1 834	1 621
Transport equipment									
Other machinery and equipment	102	-	-	1 656	1 656	-	1 747	1 834	1 621
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	160 574	132 824	155 366	163 881	164 515	163 269	168 658	177 353	187 232

Table 5.1: Details of payments and estimates by economic classification - Programme 7: Early Childhood Development

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
Current payments	213 008	286 495	329 545	398 365	399 931	440 505	492 622	559 628	759 448
Compensation of employees	169 549	218 318	315 368	197 240	198 806	327 016	250 883	293 719	483 132
Salaries and wages	135 639	174 654	252 294	162 694	164 260	274 237	206 984	242 823	395 698
Social contributions	33 910	43 664	63 074	34 546	34 546	52 779	43 899	50 896	87 434
Goods and services	43 459	68 177	14 177	201 125	201 125	113 489	241 739	265 909	276 316
of which									
Administrative fees	837	8 483	609	-	-	154	-	-	-
Advertising	55	-	-	819	819	400	864	890	921
Assets <R5000	806	2 357	-	60 188	60 188	10 747	78 198	88 937	92 050
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	720	4	32	4 490	4 490	3 075	4 737	4 879	5 050
Communication									
Computer services	-	-	-	19 791	19 791	8 802	20 880	21 506	22 259
Cons/prof: Business & advisory services	-	-	-	2 261	2 261	1 645	2 385	2 457	2 543
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	-	6	-	-	-	2 500	-	-	-
Agency & support/outsourced services	-	-	-	2 024	2 024	386	2 135	2 198	2 275
Entertainment									
Fleet services (incl. GMT)	-	-	-	1 502	1 502	525	1 585	1 633	1 690
Housing									
Inventory: Food and food supplies	2	1	1	-	-	-	-	-	-
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	13 360	39 239	-	44 242	44 242	40 956	91 392	101 018	103 360
Inventory: Materials and supplies	-	-	2	-	-	-	-	-	-
Inventory: Medical supplies	-	2	-	-	-	-	-	-	-
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	516	81	197	2 598	2 598	2 150	2 741	2 823	2 922
Inventory: Stationery and printing	2 922	528	172	3 600	3 600	2 635	3 798	4 049	4 191
Operating leases	61	59	41	-	-	101	-	-	-
Property payments	-	-	3	-	-	-	-	-	-
Transport provided: Departmental activity	52	-	62	3 130	3 130	775	3 302	3 401	3 520
Travel and subsistence	6 315	5 821	8 422	1 705	1 705	4 115	1 799	1 853	1 918
Training and development	17 050	11 288	3 909	12 830	12 830	8 600	12 923	13 311	13 924
Operating expenditure	250	291	467	13 735	13 735	6 858	6 500	7 300	8 907
Venues and facilities	513	17	260	28 210	28 210	8 643	8 500	9 654	10 786
Rental and hiring	-	-	-	-	-	10 422	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	215	334	16 080	29 627	29 627	15 856	67 865	91 499	95 616
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	12	-	15 914	29 627	29 627	15 778	67 865	91 499	95 616
Households	203	334	166	-	-	78	-	-	-
Social benefits	203	334	166	-	-	78	-	-	-
Other transfers to households									
Payments for capital assets	149	-	-	308	308	150	325	341	356
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	149	-	-	308	308	150	325	341	356
Transport equipment									
Other machinery and equipment	149	-	-	308	308	150	325	341	356
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	213 372	286 829	345 625	428 300	429 866	456 511	560 812	651 468	855 420

Table 5.J: Details of payments and estimates by economic classification - Programme 8: Infrastructure Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	104 070	83 947	100 346	211 300	149 300	149 300	211 300	217 422	222 169
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages									
Social contributions									
Goods and services	104 070	83 947	100 346	211 300	149 300	149 300	211 300	217 422	222 169
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									
Operating leases									
Property payments	104 070	83 947	100 346	211 300	149 300	149 300	211 300	217 422	222 169
Transport provided: Departmental activity									
Travel and subsistence									
Training and development									
Operating expenditure									
Venues and facilities									
Rental and hiring									
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	1 288 145	1 836 296	2 097 737	2 192 854	2 279 394	2 279 394	2 380 118	2 619 296	3 405 032
Buildings and other fixed structures	1 288 145	1 836 296	2 097 737	2 192 854	2 279 394	2 279 394	2 380 118	2 619 296	3 405 032
Buildings	1 288 145	1 836 296	2 097 737	2 192 854	2 279 394	2 279 394	2 365 118	2 604 296	3 405 032
Other fixed structures	-	-	-	-	-	-	15 000	15 000	-
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	1 392 215	1 920 243	2 198 083	2 404 154	2 428 694	2 428 694	2 591 418	2 836 718	3 627 201

Table 5.K Details of payments and estimates by economic classification - Programme 9: Auxiliary and Associated Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	566 195	450 323	558 845	712 452	612 452	566 277	648 359	657 244	793 777
Compensation of employees	260 946	224 973	280 869	340 417	340 417	319 879	316 133	315 883	425 830
Salaries and wages	208 757	179 978	224 695	294 217	294 217	262 491	278 324	280 070	354 782
Social contributions	52 189	44 995	56 174	46 200	46 200	57 388	37 809	35 813	71 048
Goods and services	305 247	225 348	277 976	372 035	272 035	246 398	332 226	341 361	367 947
of which									
Administrative fees	135	98	318	-	-	329	-	-	-
Advertising	60	-	81	781	781	-	824	849	870
Assets <R5000	35	100	45	5 611	5 611	2 108	5 920	6 098	6 250
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	35 504	33 100	38 732	43 515	34 822	27 375	37 743	39 175	43 983
Communication	1 461	1 345	319	-	-	46			
Computer services	4 112	5 610	1 530	10 051	10 051	9 563	18 104	20 922	23 195
Cons/prof: Business & advisory services	198	-	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	40	48	135	-	-	21	-	-	-
Agency & support/outsourced services	9 635	10 163	7 279	6 991	6 991	7 748	7 376	7 597	7 786
Entertainment									
Fleet services (incl. GMT)	-	-	-	-	-	23	-	-	-
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas	67	38	340	-	-	790	-	-	-
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	47	63	2	-	-	2	-	-	-
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	1 811	1 600	1 335	24 422	24 422	21 802	15 588	16 356	17 014
Inventory: Stationery and printing	158 399	56 154	101 821	99 822	99 822	105 954	106 123	110 667	108 289
Operating leases	23 147	39 980	43 276	15 919	15 919	16 137	18 049	19 509	19 996
Property payments	3 036	6 454	9 234	14 140	8 875		14 918	15 366	15 750
Transport provided: Departmental activity	1 647	89	1 067	35 191	11 680	10 159	37 127	38 241	39 197
Travel and subsistence	47 076	47 263	58 031	32 654	32 654	33 577	40 956	34 460	50 321
Training and development	950	246	-	-	-	-	-	-	-
Operating expenditure	5 868	14 280	4 168	25 818	1 808	3 392	9 238	10 055	10 756
Venues and facilities	12 019	8 717	10 263	57 120	18 599	7 372	20 260	22 066	24 540
Rental and hiring									
Interest and rent on land	2	2	-	-	-	-	-	-	-
Interest	2	2	-	-	-	-	-	-	-
Rent on land									
Transfers and subsidies to	19 654	17 145	19 612	19 961	19 961	19 948	20 981	22 030	24 098
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	19 278	16 552	18 944	19 961	19 961	19 891	20 981	22 030	24 098
Social security funds									
Entities receiving funds	19 278	16 552	18 944	19 961	19 961	19 891	20 981	22 030	24 098
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	376	593	668	-	-	57	-	-	-
Social benefits	376	593	668	-	-	57	-	-	-
Other transfers to households									
Payments for capital assets	2 356	86	244	24 540	1 191	1 222	-	-	32 759
Buildings and other fixed structures	36	37	51	-	-	-	-	-	-
Buildings	36	37	51	-	-	-	-	-	-
Other fixed structures									
Machinery and equipment	2 320	49	193	24 540	1 191	1 222	-	-	32 759
Transport equipment									
Other machinery and equipment	2 320	49	193	24 540	1 191	1 222	-	-	32 759
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	588 205	467 554	578 701	756 953	633 604	587 447	669 340	679 274	850 634

Table 5.L: Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	671 162	1 049 368	1 485 135	1 560 344	1 593 058	1 582 189	1 719 988	1 778 240	1 852 074
Compensation of employees	100	223 610	220 428	238 131	243 131	275 493	332 618	351 021	373 242
Salaries and wages	100	178 904	176 343	190 006	195 006	227 368	267 623	283 899	292 687
Social contributions	-	44 706	44 085	48 125	48 125	48 125	64 995	67 122	80 555
Goods and services	671 062	825 701	1 264 707	1 322 213	1 349 927	1 306 696	1 387 370	1 427 219	1 478 832
of which									
Administrative fees	1 588	767	1 877	1 500	1 500	1 500	-	-	-
Advertising	174	-	466	800	800	800	856	-	-
Assets <R5000	4 507	3 036	6 743	6 252	6 252	8 053	6 696	6 612	8 831
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 369	917	975	2 710	2 710	2 710	2 902	3 120	3 120
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	963	4 063	992	992	992	1 062	1 046	1 046
Cons/prof: Business & advisory services	-	2 074	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	40 293	-	-	-	-	-	-	-	-
Agency & support/outourced services	588 075	751 610	1 137 580	1 135 817	1 163 531	1 122 789	1 189 240	1 220 836	1 270 336
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	17	-	554	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	53	1 766	-	-	-	-	-	-
Inventory: Learner and teacher supp material	609	46	9 288	8 600	8 600	8 600	10 082	18 154	18 048
Inventory: Materials and supplies	-	84	31	500	500	500	535	527	527
Inventory: Medical supplies	-	-	2 429	2 300	2 300	2 300	2 463	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	9 209	949	5 723	-	-	-	-	-	-
Inventory: Stationery and printing	312	1 221	324	7 174	7 174	7 174	7 683	6 220	6 220
Lease payments	4 320	289	9 014	-	-	-	-	-	-
Rental and hiring	-	-	55	-	-	-	-	-	-
Property payments	7 903	47 886	62 550	118 594	118 594	118 594	127 013	137 574	137 574
Transport provided: Departmental activity	1 141	319	1 341	2 000	2 000	2 000	2 142	2 000	2 000
Travel and subsistence	6 402	11 856	14 338	18 286	18 286	18 770	19 583	15 680	15 680
Training and development	1 187	1 130	1 718	5 900	5 900	5 900	6 319	4 017	4 017
Operating expenditure	116	21	3	3 441	3 441	3 454	3 685	3 611	3 611
Venues and facilities	3 840	2 480	3 869	7 347	7 347	2 560	7 109	7 822	7 822
Interest and rent on land	-	57	-	-	-	-	-	-	-
Interest	-	57	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	20 425	499 951	561 826	612 531	626 556	626 556	7 711	10 800	10 800
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	20 425	499 617	561 826	612 531	626 556	626 556	7 711	10 800	10 800
Households	-	334	-	-	-	-	-	-	-
Social benefits	-	334	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	697 432	1 000 818	1 133 096	1 171 926	1 173 727	1 171 926	1 215 934	1 344 921	1 924 644
Buildings and other fixed structures	694 519	994 647	1 120 643	1 142 963	1 142 963	1 142 963	1 185 842	1 311 971	1 891 694
Buildings	694 519	994 647	1 120 643	1 142 963	1 142 963	1 142 963	1 185 842	1 311 971	1 891 694
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 913	6 171	12 453	28 963	30 764	28 963	30 092	32 950	32 950
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	2 913	6 171	12 453	28 963	30 764	28 963	30 092	32 950	32 950
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 389 019	2 550 137	3 180 057	3 344 801	3 393 341	3 380 671	2 943 633	3 133 961	3 787 518

Table 5.M: Payments and estimates by economic classification: Education Infrastructure grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	51 915	44 709	60 937	111 300	111 300	111 300	119 202	122 169	122 169
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	51 915	44 709	60 937	111 300	111 300	111 300	119 202	122 169	122 169
of which									
Contractors	40 029	-	-	-	-	-	-	-	-
Lease payments	4 313	275	8 995	-	-	-	-	-	-
Property payments	7 573	44 434	51 942	111 300	111 300	111 300	119 202	122 169	122 169
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	694 221	990 792	1 115 019	1 136 177	1 136 177	1 136 177	1 179 645	1 309 971	1 889 694
Buildings and other fixed structures	694 221	990 792	1 115 019	1 136 177	1 136 177	1 136 177	1 179 645	1 309 971	1 889 694
Buildings	694 221	990 792	1 115 019	1 136 177	1 136 177	1 136 177	1 179 645	1 309 971	1 889 694
Machinery and equipment	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	746 136	1 035 501	1 175 956	1 247 477	1 247 477	1 247 477	1 298 847	1 432 140	2 011 863

Table 5.N: 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	16 633	16 381	28 402	39 606	39 606	34 819	40 923	41 461	40 455
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	16 633	16 381	28 402	39 606	39 606	34 819	40 923	41 461	40 455
of which									
Administrative fees	1 588	758	1 622	1 500	1 500	1 500	-	-	-
Advertising	-	-	417	800	800	800	856	-	-
Assets <R5000	-	3	-	-	-	-	-	-	-
Catering: Departmental activities	1 366	635	929	2 130	2 130	2 130	2 281	2 500	2 500
Contractors	264	-	-	-	-	-	-	-	-
Agency & support/outourced services	-	60	33	-	-	-	-	-	-
Inventory: Food and food supplies	17	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	609	37	5 123	5 000	5 000	5 000	6 227	14 416	13 410
Inventory: Medical supplies	-	-	2 426	2 300	2 300	2 300	2 463	-	-
Inventory: Stationery and printing	97	1 129	281	2 904	2 904	2 904	3 110	2 000	2 000
Lease payments	7	9	5	-	-	-	-	-	-
Rental and hiring	-	-	55	-	-	-	-	-	-
Transport provided: Departmental activity	1 141	319	1 341	2 000	2 000	2 000	2 142	2 000	2 000
Travel and subsistence	6 402	10 418	12 609	14 172	14 172	14 172	15 178	13 220	13 220
Training and development	1 187	512	427	3 000	3 000	3 000	3 213	1 500	1 500
Operating expenditure	116	21	3	800	800	800	857	825	825
Venues and facilities	3 839	2 480	3 131	5 000	5 000	213	4 596	5 000	5 000
Transfers and subsidies to	20 425	23 592	16 712	7 200	7 200	7 200	7 711	10 800	10 800
Non-profit institutions	20 425	23 592	16 712	7 200	7 200	7 200	7 711	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	39 672	39 998	45 114	46 806	46 806	42 019	48 634	52 261	51 255

Table 5.O: Payments and estimates by economic classification: National School Nutrition Programme grant (NSNP)

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
Current payments	602 614	753 088	1 144 267	1 148 143	1 175 857	1 135 115	1 202 440	1 233 884	1 283 384
Compensation of employees	100	82	5	3 125	3 125	3 125	3 347	3 343	3 343
Salaries and wages	100	82	5	3 125	3 125	3 125	3 347	3 343	3 343
Goods and services	602 514	753 006	1 144 262	1 145 018	1 172 732	1 131 990	1 199 093	1 230 541	1 280 041
of which									
Administrative fees	-	-	17	-	-	-	-	-	-
Advertising	174	-	49	-	-	-	-	-	-
Assets <R5000	4 507	71	50	-	-	-	-	-	-
Catering: Departmental activities	3	282	46	560	560	560	600	590	590
Agency & support/outsource services	588 075	751 550	1 137 547	1 135 817	1 163 531	1 122 789	1 189 240	1 220 836	1 270 336
Inventory: Food and food supplies	-	-	554	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	53	1 766	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	9	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	500	500	500	535	527	527
Inventory: Other consumables	9 209	943	3 972	-	-	-	-	-	-
Inventory: Stationery and printing	215	92	43	4 000	4 000	4 000	4 284	4 220	4 220
Lease payments	-	5	14	-	-	-	-	-	-
Property payments	330	-	-	-	-	-	-	-	-
Travel and subsistence	-	1	145	600	600	600	642	633	633
Training and development	-	-	-	500	500	500	536	527	527
Operating expenditure	-	-	-	2 641	2 641	2 641	2 828	2 786	2 786
Venues and facilities	1	-	59	400	400	400	428	422	422
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	597	128	101	3 501	3 501	3 501	3 750	3 650	3 650
Buildings and other fixed structures	298	-	-	-	-	-	-	-	-
Buildings	298	-	-	-	-	-	-	-	-
Machinery and equipment	299	128	101	3 501	3 501	3 501	3 750	3 650	3 650
Other machinery and equipment	299	128	101	3 501	3 501	3 501	3 750	3 650	3 650
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	603 211	753 216	1 144 368	1 151 644	1 179 358	1 138 616	1 206 190	1 237 534	1 287 034

Table 5.P: Payments and estimates by economic classification: FET College Sector grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
Current payments	-	225 765	220 423	234 506	239 506	272 365	325 736	347 178	369 399
Compensation of employees	-	223 528	220 423	234 506	239 506	271 868	325 736	347 178	369 399
Salaries and wages	-	178 822	176 338	186 381	191 381	223 743	260 741	280 056	288 844
Social contributions	-	44 706	44 085	48 125	48 125	48 125	64 995	67 122	80 555
Goods and services	-	2 180	-	-	-	497	-	-	-
of which									
Inventory: Other consumables	-	6	-	-	-	-	-	-	-
Property payments	-	1 053	-	-	-	-	-	-	-
Travel and subsistence	-	1 121	-	-	-	484	-	-	-
Operating expenditure	-	-	-	-	-	13	-	-	-
Interest and rent on land	-	57	-	-	-	-	-	-	-
Interest	-	57	-	-	-	-	-	-	-
Transfers and subsidies to	-	476 359	545 114	605 331	619 356	619 660	-	-	-
Non-profit institutions	-	476 025	545 114	605 331	619 356	619 356	-	-	-
Households	-	334	-	-	-	304	-	-	-
Social benefits	-	334	-	-	-	-	-	-	-
Payments for capital assets	-	3 759	-	-	-	-	-	-	-
Buildings and other fixed structures	-	3 759	-	-	-	-	-	-	-
Buildings	-	3 759	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	705 883	765 537	839 837	858 862	892 025	325 736	347 178	369 399

Table 5.Q: Payments and estimates by economic classification: Technical Secondary Schools Recap grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	-	8 925	18 956	15 052	15 052	16 853	16 119	23 480	25 699
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	8 925	18 956	15 052	15 052	16 853	16 119	23 480	25 699
of which									
Administrative fees	-	9	10	-	-	-	-	-	-
Assets <R5000	-	2 962	6 693	6 252	6 252	8 053	6 696	6 612	8 831
Computer services	-	963	975	992	992	992	1 062	1 046	1 046
Cons/prof. Business & advisory services	-	2 074	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	84	31	-	-	-	-	-	-
Inventory: Medical supplies	-	-	3	-	-	-	-	-	-
Property payments	-	1 899	10 608	7 294	7 294	7 294	7 811	15 405	15 405
Travel and subsistence	-	316	220	114	114	114	122	67	67
Training and development	-	618	416	400	400	400	428	350	350
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	6 114	17 806	25 438	27 239	25 438	26 598	21 800	21 800
Buildings and other fixed structures	-	96	5 624	5 786	5 786	5 786	6 197	2 000	2 000
Buildings	-	96	5 624	5 786	5 786	5 786	6 197	2 000	2 000
Machinery and equipment	-	6 018	12 182	19 652	21 453	19 652	20 401	19 800	19 800
Other machinery and equipment	-	6 018	12 182	19 652	21 453	19 652	20 401	19 800	19 800
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	15 039	36 762	40 490	42 291	42 291	42 717	45 280	47 499

Table 5.R: Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	-	500	-	-	-	-	3 000	-	-
Compensation of employees	-	-	-	-	-	-	3 000	-	-
Goods and services	-	500	-	-	-	-	-	-	-
of which									
Property payments	-	500	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	1 000	1 000	1 000	-	-	-
Buildings and other fixed structures	-	-	-	1 000	1 000	1 000	-	-	-
Buildings	-	-	-	1 000	1 000	1 000	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	500	-	1 000	1 000	1 000	3 000	-	-

Table 5.S: Payments and estimates by economic classification: Dinaledi Schools grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	-	-	12 150	11 737	11 737	11 737	12 568	10 068	10 968
Compensation of employees	-	-	-	500	500	500	535	500	500
Salaries and wages	-	-	-	500	500	500	535	500	500
Goods and services	-	-	12 150	11 237	11 237	11 237	12 033	9 568	10 468
of which									
Administrative fees	-	-	228	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	20	20	20	21	30	30
Computer services	-	-	3 088	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	4 165	3 600	3 600	3 600	3 855	3 738	4 638
Inventory: Other consumables	-	-	1 751	-	-	-	-	-	-
Inventory: Stationery and printing	-	-	-	270	270	270	289	-	-
Travel and subsistence	-	-	1 364	3 400	3 400	3 400	3 641	1 760	1 760
Training and development	-	-	875	2 000	2 000	2 000	2 142	1 640	1 640
Venues and facilities	-	-	679	1 947	1 947	1 947	2 085	2 400	2 400
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	170	5 810	5 810	5 810	5 941	9 500	9 500
Machinery and equipment	-	-	170	5 810	5 810	5 810	5 941	9 500	9 500
Other machinery and equipment	-	-	170	5 810	5 810	5 810	5 941	9 500	9 500
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	12 320	17 547	17 547	17 547	18 509	19 568	20 468

Table 5.T: 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	Units (i.e. number of classrooms or	Date: Start	Date: Finish						2013/14	2014/15	2015/16
R thousand														
New and replacement assets														
1.	Nkombose H.S.	The Big 5 False Bay	School - Secondary	15	27 Aug 2009	31 Mar 2016	Equitable share (ES)	Programme 2	-	31 628	24 111	582	-	582
2.	Amandlakazulu (Bilanyoni) P.S.	Abaqulusi	School - Primary	21	04 Sep 2009	31 Mar 2016	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 2016	Edu. Infrs. grant	Programme 4	-	70 000	7 314	8 895	13 320	8 895
4.	New Ulundi Sect D Area P.S.	Ulundi	School - Primary	1	01 Apr 2012	31 Mar 2016	ES	Programme 2	-	30 000	-	10 000	5 000	10 000
5.	New Makhana P.S.	Jozini	School - Primary	1	01 Apr 2012	31 Mar 2016	ES	Programme 2	-	30 000	-	5 000	5 000	5 000
6.	Gannahoek P.S.	Umtshezi	School - Primary	10	01 Apr 2012	31 Mar 2016	ES	Programme 2	-	14 000	1 308	1 125	1 000	1 125
7.	Khethokuhle P.S.	Newcastle	School - Primary	21	09 Mar 2011	31 Mar 2016	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 2016	Edu. Infrs. grant	Programme 4	-	7 000	5 257	272	-	272
9.	Mkhamba Gardens P.S.	Emnambithi/Ladysmith	School - Primary	1	01 Apr 2012	31 Mar 2016	Edu. Infrs. grant	Programme 2	-	30 000	-	4 000	12 000	4 000
Other	Various	All	Various	Several	01 Apr 2010	31 Mar 2016	ES/Edu. Infrs. grant	All	-	1 361 446	329 277	717 587	982 969	1 226 359
Total New and replacement assets									-	1 644 600	383 285	757 865	1 028 289	1 266 637
Upgrades and additions														
1.	A M Moolla Spes Nova For C P Children	eThekwini	School - Specialised	1	01 Apr 2012	31 Mar 2014	ES	Programme 4	-	900	-	900	-	-
2.	Abaqulusi H.S.	Zululand	Sanitation/toilet buildings	0	01 Apr 2012	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	1 306	-	474	-	-
3.	Abaqulusi H.S.	Zululand	Mobile school	1	01 Feb 2011	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	479	307	172	-	-
4.	Albert Falls P.S.	uMshwathi	School - Primary	7	01 Apr 2012	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	18 303	812	16 000	-	-
6.	Alexandra H.S.	Msunduzi	School - Secondary	1	01 Apr 2012	31 Mar 2016	Edu. Infrs. grant	Programme 2	-	768	-	384	-	384
7.	Alpha	Zululand	Mobile school	2	01 Apr 2012	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	137	-	137	-	-
8.	Altona Senior P.S.	Zululand	School - Primary	1	01 Apr 2012	31 Mar 2016	Edu. Infrs. grant	Programme 2	-	10 000	-	4 400	1 000	4 400
Other	Various	All	Various	38095	01 Apr 2010	31 Mar 2016	ES/Edu. Infrs. grant	All	-	6 502 536	1 508 819	1 090 411	1 039 959	1 429 973
Total Upgrades and additions									-	6 536 525	1 510 858	1 112 878	1 040 959	1 434 757
Rehabilitation, renovations and refurbishments														
1.	Alstone P.S.	uMgungundlovu	School - Primary	1	01 Apr 2012	31 Mar 2016	Edu. Infrs. grant	Programme 2	-	13 500	251	4 100	3 900	4 100
2.	Altona Sps	UPhongo	Office accommodation	1	18 Jan 2011	31 Mar 2014	Edu. Infrs. grant	Programme 2	-	1 409	718	691	-	-
3.	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 2016	ES/Edu. Infrs. grant	All	-	4 106 574	882 434	503 684	543 948	698 638
Total Rehabilitation, renovations and refurbishments									-	4 130 057	887 127	509 375	550 048	703 638
Maintenance and repairs														
Other	Maintenance - Public School	Various	Maintenance of schools	Several	01 Apr 2010	various	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	2 591 418	2 836 718	3 627 201

VOTE 6

Provincial Treasury

Operational budget	R 683 276 776
MEC remuneration	R 1 652 224
Total amount to be appropriated	R 684 929 000
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 resources 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 (B-BBEE) through effective 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)
- Borrowing Powers of Provincial Governments 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)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Provincial Appropriation Act (Act No. 2 of 2009)

2. Review of the 2012/13 financial year

Section 2 provides a review of 2012/13, 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

Infrastructure: There was good progress regarding infrastructure spending in KZN during 2012/13, with the unit continuing to monitor and support sector departments and municipalities in the delivery of infrastructure through the implementation of various initiatives such as:

- The Infrastructure Delivery Improvement Programme (IDIP) which contributes to the successful delivery of infrastructure by sector departments through liaising with National Treasury, training and workshops on impact assessments, feasibility studies, etc.

- The deployment of the Infrastructure Crack Team to assist departments (currently Health, Education, Co-operative Governance and Traditional Affairs (COGTA) and Human Settlements), and various municipalities in unblocking blocked infrastructure projects.
- The recent approval of the KZN Infrastructure Delivery Management Strategy (IDMS) will assist in the creation of much needed capacity, in terms of personnel within the departments, as it articulates uniform processes that should be followed by departments in the planning, budgeting, procurement etc. of infrastructure projects.

Economic Analysis: The unit continued to undertake district municipality profiling. It also provided informative analysis about the provincial Socio-economic Review Outlook (SERO), and provided contribution to municipalities' Infrastructure Development Plans (IDPs). The unit also monitored the economic activity of the various airports, such as Richards Bay, Ulundi and Pietermaritzburg, which were all recently upgraded.

Public Finance: The spending and service delivery achievements of all 16 departments were monitored and 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. In addition, Cabinet was constantly kept up-to-date on KZN's spending. The 2012/13 *Adjustments Estimate of Provincial Revenue and Expenditure (AEPRE)*, which is a legislative requirement of the PFMA, was prepared and tabled in the Legislature. The 2013/14 Main Budget was prepared for tabling on 12 March 2013, as well as the Unauthorised Expenditure Authorisation Act for 2011/12. Key focus was placed on the enhancement of revenue collected from health patient fees, with Treasury working closely with Health in conducting this study. The cost-cutting measures first implemented in 2009/10 have been expanded and the adherence thereto by departments was monitored.

The Division of Revenue Bill for 2013/14 was reviewed and recommendations were made to address specific problem areas in conditional grant frameworks. Reforms in public entities continued to be implemented, with focus being placed on the listing of provincial public entities, analysis of APPs and reviewing of quarterly performance.

Municipal Finance: Since the introduction of the Municipal Budget and Reporting Regulations (MBRR), a number of municipalities struggled to complete the budget schedules. This prompted the unit to continue providing technical support to municipalities in preparation of the 2012/13 draft budget and, as a result, out of the 58 delegated municipalities, 57 municipalities submitted their draft budgets to Provincial Treasury timeously, and were assessed accordingly. The unit embarked on four district workshops, to discuss the state of municipal finances with a view of identifying and strengthening the weaker areas of financial performance. Jointly with COGTA and the A-G, the unit also conducted district workshops for the Municipal Public Accounts Committee (MPAC) in order to equip the committee with knowledge to ensure that it efficiently performs its roles of monitoring, oversight and accountability over the use of municipal resources. Certain delegated municipalities were called before the Joint Portfolio Committees of Finance and COGTA and the unit prepared reports for the committee regarding the financial viability of the selected municipalities. Furthermore, the unit prepared monthly reports on the financial performance of the 58 delegated municipalities. In addition, four quarterly reports on the financial performance of all municipalities in KZN were prepared. There are 18 municipalities that have been assisted in various work streams through the Municipal Support Programme (MSP), such as cashflow management, internal control enhancement, preparation of AFS, SCM and Internal Audit.

Financial Management

Financial Assets and Liabilities: Significant progress was made in KZN's cash position. Departments were monitored on a daily basis to ensure that funds were available as per the departments' cashflow forecast in line with the equitable share received from National Treasury.

Public Private Partnerships (PPP): With increased interest in two large potential PPP projects (Health and Education), the PPP unit rendered assistance and offered innovative solutions to challenges faced by both initiatives.

Supply Chain Management: Support was provided to departments and municipalities with regard to SCM policies and procedures. This entailed conducting compliance assessments to determine the required support interventions and the provision of training, where required. The Contract Management Project (CMP) continued, with contract registers being developed for six departments and three municipalities, as part of the initial phase. This system ensures suppliers' performance measurement and monitoring for the purpose of getting value for money from all contracts entered into as an ultimate objective.

The unit also started a process of establishing a Municipal Bid Appeals Tribunal (MBAT) for all municipalities in KZN. These tribunals will enable aggrieved suppliers and other interested parties in concerned communities to lodge complaints relating to bids awarded by municipalities. The unit completed the review of the KZN SCM Policy Framework for adoption by Cabinet early in 2013/14. Two special interventions at one public entity and one provincial department were undertaken.

Financial Reporting: Significant progress was made in financial management practices in KZN. Five departments received unqualified audit opinions and only three departments were qualified. A major asset management intervention in Social Development resulted in an unqualified audit opinion for the first time in three years. Treasury also obtained a clean audit report for the Revenue Fund for 2010/11.

Norms and Standards: The unit co-ordinated the implementation of the diagnostic compliance tool, the revised Financial Capability Maturity Model for 2012, and assessed departmental progress where financial management weaknesses were previously identified. The findings were accordingly analysed and action plans were compiled per department to facilitate the achievement of an improved level of maturity in the various focus areas.

Internal Audit

Assurances Services: The unit provided internal audit services to departments and certain public entities with specific focus on governance and good audit outcomes. The unit identified critical service delivery projects and undertook performance audits to determine value for money for the resources expended. The unit also assisted clients in achieving and sustaining clean audit outcomes, and embarked on a process to identify, review and recommend corrective action on certain financial controls as part of their review of financial statements, follow-ups on A-G 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. The unit 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.

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. This framework was also customised for municipalities, and has been rolled out to 16 municipalities. During 2012/13, the unit also embarked on a risk stream-lining project. This project involved assisting departments to consolidate and clean-up various pockets of risk profiles to create one risk register for organisational risks.

Forensic Audit Services: The unit successfully completed 39 investigations, despite the challenges currently faced in terms of resources and a 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, including fraud risk assessments and the review of fraud prevention strategies implemented by departments, public entities and municipalities. At the same time, the unit continued to assist the Office of the Premier (OTP) to strengthen its capacity to deal with fraud and corruption.

3. Outlook for the 2013/14 financial year

Section 3 looks at the key focus areas of 2013/14, 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

Economic Analysis: The unit plans to engage with stakeholders to discuss and debate economic matters and undertake research that will address the state of the province's economic challenges.

Infrastructure: The unit will continue with the monitoring and support of departments in the delivery of infrastructure. The Crack Team will be assigned to various sector departments, including Health, Education, Human Settlements, COGTA and Agriculture, Environmental Affairs and Rural Development, and various municipalities to facilitate seamless delivery of infrastructure. The implementation of the HR capacitation in the implementation of the KZN IDMS framework, as approved by Cabinet, will continue to be co-ordinated.

Public Finance: Public Finance's functions are largely process driven and governed by various legislative requirements. As such, the work often remains largely unchanged from the previous year in terms of the processes that need to be followed and undertaken. Accordingly, monitoring the spending of departments through the various reporting mechanisms, including the monthly IYM, QPR and quarterly budget performance reports, will continue with the aim of keeping provincial spending within budget. Cabinet will continue to be kept informed of the province's budget performance, especially in view of the recent significant equitable share reductions resulting from the 2011 Census data updates of the provincial equitable share formula. These reductions have seen a review and tightening of the cost-cutting measures and the re-introduction of the moratorium on the filling of non-critical posts. The Unauthorised Expenditure Authorisation Bill for 2012/13, the *AEPRE* for 2013/14 and the *EPRE* for 2014/15 will be prepared. The findings of the health patient fees study will be assessed and improvements implemented to ensure that KZN's own revenue increases, in view of recent equitable share reductions.

National Treasury will be provided with information on the Division of Revenue and Provincial Equitable Share (PES), as well as the conditional grant frameworks. The unit's oversight role and monitoring of the performance of public entities will continue.

Municipal Finance: This year will be the fourth year that all municipalities are required to prepare their annual budgets in accordance with the MBRR. The unit will continue to 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 for the 2013/14 cycle. Furthermore, enhancing the sustainability of municipalities is of paramount importance. The requirements vary with each municipality, and it is crucial to address their individual needs urgently and comprehensively. The MSP will focus on assisting municipalities to reach the goal of receiving clean audit reports, supporting performance information reporting, improving governance structures, enhancing internal controls, instituting cashflow management practices and improving the credibility of their budgets.

Financial Management

Financial Assets and Liabilities: The unit will continue to monitor all departmental bank balances on a daily basis to ensure that proper cashflow is being maintained. Excess funds will be invested with the Corporate for Public Deposit (CPD) to obtain maximum interest.

Public Private Partnership: The PPP unit will continue to address the lack of capacity in 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, and to prevent deals taking place that are not considered to be value for money and/or affordable.

Supply Chain Management: The unit will continue to provide hands-on support to departments and municipalities, and will continue with the second phase of the CMP which will culminate with all departments and municipalities having fully completed contract registers supported by legitimate contract documents. The MBAT will become fully functional during 2013/14. The KZN SCM Policy Framework has undergone significant revisions and is anticipated to be adopted during 2013/14. The unit has advertised and is expected to roll-out a provincial E-Procurement tool, together with a benchmark pricing list for use in KZN. The unit will undertake the vetting of database suppliers in terms of the new B-BBEE validation requirements.

Financial Reporting: To improve the effectiveness of the unit, 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 Operation 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 provision of policy assistance to municipalities and departments will focus primarily on the review and development of critical finance related policies as outlined in the MFMA and PFMA, respectively. Moreover, a concerted effort will be made to determine the status of these policies in municipal and provincial entities, and provide the necessary support where required.

Internal Audit

Assurance Services: The unit will continue to provide internal audit services to 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 to determine value for money for the resources expended as part of its focus on performance auditing. The unit will continue to assist clients in achieving and sustaining 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 area. The unit will also continue to perform governance reviews, as well as support the Audit Committee structures.

Risk and Advisory Services: The unit's main focus will be to ensure that the risk management responsibility is devolved to the respective government institutions in line with the PFMA as prescribed in the Provincial Risk Management Framework. The risk management tool (CURA) is to be rolled out to all 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 investigations conducted in KZN, will assist in achieving efficiencies in the fight against fraud and corruption.

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 2009/10 to 2015/16. 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Provincial allocation	626 623	640 637	491 486	568 247	528 247	528 247	587 252	608 584	633 362
Conditional grants	-	1 634	-	-	-	-	-	-	-
Education and Health Infrastructure grants	-	1 634	-	-	-	-	-	-	-
Total receipts	626 623	642 271	491 486	568 247	528 247	528 247	587 252	608 584	633 362
Total payments	613 902	388 936	390 325	604 274	613 235	613 235	684 929	620 584	633 362
Surplus/(Deficit) before financing	12 721	253 335	101 161	(36 027)	(84 988)	(84 988)	(97 677)	(12 000)	-
Financing									
of which									
Provincial roll-overs	-	-	18 538	16 027	40 926	40 926	-	-	-
Provincial cash resources	(103 174)	50 229	-	20 000	44 062	44 062	97 677	12 000	-
Suspension to ensuing year	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after financing	(90 453)	303 564	119 699	-	-	-	-	-	-

The department only receives a provincial allocation. The 2010/11 conditional grant amount was 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 for IDIP.

The provincial allocation in 2009/10 included R150 million 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 respect of the OSD for doctors and specialists. As per National Treasury instruction, the funding for the doctors' and specialists' OSD was kept against Treasury's vote, until the details of the OSD implementation were finalised. 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 against provincial cash resources was additional funding allocated toward the development of the Pietermaritzburg airport. The balance of R10.229 million was allocated in respect of prescribed local government levy. The 2010/11 surplus of R303.564 million mainly related to savings realised in respect of overdraft interest charges, as well as under-spending on the construction of the Pietermaritzburg airport due to adverse weather conditions. Funds not spent in respect of the construction of the airport were rolled over to 2011/12, as explained below.

The provincial allocation decreased in 2011/12 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 decrease is also attributed to a drop in the interest on the overdraft provision due to the bank balance remaining positive since May 2010.

The department ended 2011/12 with a surplus of R119.699 million. Mostly in respect of savings on the overdraft interest provision, following the improvement in the funds available in the IGCC account, due to the effective implementation of cost-cutting measures by the province.

The department's provincial allocation decreased in the 2012/13 Adjusted Appropriation by R40 million. This is due to the fact that these funds were suspended to Vote 1: Office of the Premier, Vote 4: Economic Development and Tourism, and Vote 16: Sport and Recreation in respect of various Strategic Cabinet Initiatives, as explained in more detail later. The amount of R40.926 million against provincial roll-overs is in respect of roll-overs from the previous financial year as follows:

- R16.027 million in respect of the Pietermaritzburg airport.
- R3.904 million in respect of the Infrastructure Crack Team.
- R2.659 million for the purchasing of a server refresher for the computer network system.
- R10.562 million for consultants' fees, in respect of Risk Management facilitation workshops and training, forensic investigations, conducting IT risk assessments on the BAS system and the development of the Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) guidelines.
- R7.774 million in respect of the upgrading of the Pietermaritzburg (R733 000) and Richards Bay (R7.041 million) airports.

The amount of R44.062 million against Provincial cash resources is made up as follows:

- R20 million in respect of the Pietermaritzburg airport.
- R4 million toward the Thuthuka Bursary Fund. The purpose of this fund is to annually place 100 students at selected SAICA-accredited universities in cohorts of 50 per university on special undergraduate Bachelor of Commerce (BCom) Accounting education programmes. The accredited universities include the University of Johannesburg, Stellenbosch University, University of Cape Town (UCT), University of the Free State, and the Nelson Mandela Metropolitan University.
- R10 million for the Infrastructure Crack Team, to enable it to reach and assist more departments (currently the team is assisting Health, Education, COGTA and Human Settlements), and to allow Provincial Treasury to assist various municipalities in unblocking blocked infrastructure projects.

- R2.062 million for the Shayamoya eco-complex. This is a cultural complex and community park in Kokstad, which aims to make East Griqualand a more attractive tourist destination.
- R8 million for the development of a light industrial park at Bhongweni in the Greater Kokstad Municipality. This project aims to develop the infrastructure and institutional arrangements and operationalise a light industrial park that will operate as a small business incubator to attract, train, mentor and assist in the development of skilled artisans. Agriculture, manufacturing, construction and quarrying will constitute the main economic drivers in the area.

The 2013/14 allocation includes additional funds for the feasibility studies of the Government office park, Operation Clean Audit, forensic investigations and the Aero Grand Prix, among others. The bulk of the funding is once-off, explaining the decrease in 2014/15. Only the Thuthuka Bursary Fund and the light industrial park at Bhongweni are funded in 2014/15, explaining the R12 million shown in that year.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	161	168	152	140	140	163	160	165	170
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	7 584	29 584	288 008	185 003	185 003	250 818	200 004	215 004	236 504
Sale of capital assets	-	634	760	-	-	8	-	-	-
Transactions in financial assets and liabilities	2 136	440	333	362	362	494	340	374	411
Total	9 881	30 826	289 253	185 505	185 505	251 483	200 504	215 543	237 085

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 2009/10 and 2010/11 can be attributed to over-expenditure incurred by KZN in that year. The funds available for investment in the IGCC account decreased significantly, and hence the low revenue collected. The significant improvement in 2011/12 and the 2012/13 Revised Estimate is due to the increased level of funds available in these accounts, largely due to the collective implementation of cost-cutting by provincial departments.

The department has decreased its projections over the 2013/14 MTEF due to the 1, 2 and 3 per cent baseline reductions, implemented by National Treasury coupled with the impact of the 2011 Census outcome on the provinces' equitable share. As a result of the expected decrease in funds available in the IGCC, the department expects a decrease in the amount of interest earned.

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. This revenue source is conservatively budgeted, as it depends on the number of people visiting, the game lodges, and the season. In addition, revenue items such as staff parking fees and commission received from insurance companies for monthly contributions are collected under this category. The budget for the 2013/14 MTEF grows by inflationary increments.

Sale of capital assets relates to the auctioning of redundant items, such as vehicles, computers, etc. This category is not budgeted for in 2012/13 and the 2013/14 MTEF as no sales are anticipated.

Transactions in financial assets and liabilities relates to recoveries from previous financial years. The fluctuating trend is due to the difficulty in forecasting accurately for this item due to its uncertain nature.

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 6: Provincial Treasury*.

5.1 Key assumptions

The budget for the 2013/14 MTEF is based on the department's approved Strategic Plan and APP 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 expanded cost-cutting measures, as reissued by Provincial Treasury in 2013/14, will continue to be adhered to over the 2013/14 MTEF.
- Provision was made for the carry-through costs of the 2012 wage agreement and an inflationary wage adjustment of 6.3, 6.1 and 5.9 per cent for the three years of the 2013/14 MTEF, and an annual 1.5 per cent pay progression.
- Provision has been made for the filling of vacant posts, bearing in mind the moratorium on the filling of non-critical posts.

5.2 Additional allocations for the 2011/12 to 2013/14 MTEF

Table 6.3 shows additional funding received by the department over the three MTEF periods: 2011/12, 2012/13 and 2013/14. 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 2011/12 and 2012/13 MTEF periods (i.e. for the financial year 2015/16) are based on the incremental percentage used in the 2013/14 MTEF.

Table 6.3: Summary of additional provincial allocations for the 2011/12 to 2013/14 MTEF

R thousand	2011/12	2012/13	2013/14	2014/15	2015/16
2011/12 MTEF period	(129 591)	(133 699)	(133 870)	(141 902)	(148 430)
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement	1 744	1 723	1 662	1 762	1 843
Capping overdraft interest charges at R100 million per year	(135 000)	(135 000)	(135 000)	(143 100)	(149 683)
National Cabinet decision to cut provinces by 0.3 per cent	(335)	(422)	(532)	(564)	(590)
Performance audits	4 000	-	-	-	-
2012/13 MTEF period		51 116	4 585	(1 087)	(1 137)
Carry-through of 2011/12 Adjustments Estimate - Ulundi airport		20 000	-	-	-
Carry-through of 2011/12 Adjustment Estimate - 2011 wage agreement		1 089	1 144	1 201	1 256
Capping overdraft interest charges at R50 million per year (R10 million remains within Vote 6)		(40 000)	(40 000)	(46 000)	(48 116)
BEE verification		6 000	6 000	6 000	6 276
Pietermaritzburg airport (roll-over)		16 027	-	-	-
Improving infrastructure support		8 000	8 400	8 820	9 226
Strategic Cabinet Initiatives		40 000	29 041	28 892	30 221
2013/14 MTEF period			89 580	(4 539)	(20 517)
Census data update and 1%, 2% and 3% baseline cuts			(8 097)	(16 539)	(20 517)
Feasibility study of government office park			9 000	-	-
Operation Clean Audit (Financial Management)			10 000	-	-
Provincial SCM procurement tool			8 000	-	-
SCM contract management			10 000	-	-
Infrastructure Crack Team			10 000	-	-
Operation Clean Audit (Internal Audit)			10 000	-	-
Forensic investigations			8 000	-	-
Shayamoya eco-complex, cultural village and community park			13 677	-	-
Thuthuka Bursary Fund			4 000	4 000	-
Development of light industrial park			7 000	8 000	-
Aero Grand Prix			8 000	-	-
Total	(129 591)	(82 583)	(39 705)	(147 528)	(170 084)

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 reduced by R135 million and 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 the carry-through costs for the 2011 wage agreement, the B-BBEE 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 KZN. The overdraft interest charges funding was 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 CMP, as well as the MBAT.

In the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period.

The department achieved this reduction in budget through stringent implementation of cost-cutting measures and reprioritisation in order to achieve full effectiveness of each programme. The main area where the department's cut-back is evident is against Programme 1: Administration, as explained in detail under Section 6.1 below.

Over the 2013/14 MTEF, the department received once-off allocations amounting to R97.677 million in respect of the following:

- Feasibility study of the government office park (R9 million). This study aims to gauge the feasibility of building a government office park which will house all departments head offices.
- Operation Clean Audit (R10 million for Financial Management and R10 million for Internal Audit), which aims to improve departments financial management in obtaining clean audits.
- Provincial E-Procurement Tool (R8 million). This is a customised system which will assist departments to electronically find and assess service providers' quotes and bids.
- SCM contract management (R10 million). This project deals with the management of all contracts entered into by provincial departments and municipalities.
- Infrastructure Crack Team (R10 million). This funding allows this team to reach and assist more departments, and will allow Provincial Treasury to assist various municipalities in unblocking blocked infrastructure projects.
- Forensic investigations (R8 million) for Provincial Treasury to undertake forensic investigations in departments and municipalities when the need arises.
- Shayamoya eco-complex, cultural village and community park (R13.677 million). This is a cultural complex and community park in Kokstad, which aims to make East Griqualand a more attractive tourist destination.
- Aero Grand Prix (R8 million). This event will take place in Durban and will include, among other events, shows by five international and 15 national extreme aerobatic pilots, air races, etc.

The department also received additional allocations in 2013/14 and 2014/15 for the following:

- Thuthuka Bursary Fund (R4 million in both 2013/14 and 2014/15).
- Development of a light industrial park at Bhongweni (R7 million in 2013/14 and R8 million in 2014/15).

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 conform to the generic programme structure for the sector. 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.

Table 6.4: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	74 988	68 755	80 361	100 094	114 594	114 594	108 328	115 147	119 343
2. Fiscal Resource Management	52 394	53 161	32 280	83 807	95 174	95 174	99 507	93 773	97 242
3. Financial Management	238 920	161 359	164 794	238 345	225 391	225 391	237 874	243 163	252 595
4. Internal Audit	68 687	81 025	75 169	93 619	106 931	106 931	106 079	111 749	115 558
5. Growth and Development	178 913	24 636	37 721	88 409	71 145	71 145	133 141	56 752	48 624
Total	613 902	388 936	390 325	604 274	613 235	613 235	684 929	620 584	633 362

Note: Programme 1 includes MEC remuneration: Salary: R1 652 224

Table 6.5: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	448 037	368 945	353 868	559 679	539 819	539 819	651 162	602 911	623 321
Compensation of employees	102 117	109 901	127 078	186 893	183 479	183 479	210 636	226 146	241 120
Goods and services	243 662	243 536	225 784	322 786	352 040	352 040	431 618	368 997	371 969
Interest and rent on land	102 258	15 508	1 006	50 000	4 300	4 300	8 908	7 768	10 232
Transfers and subsidies to:	162 574	17 033	32 406	41 321	67 469	67 469	26 337	13 675	5 678
Provinces and municipalities	159 654	15 676	31 264	39 329	53 877	53 877	20 697	8 022	25
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 920	1 357	1 142	1 992	13 592	13 592	5 640	5 653	5 653
Payments for capital assets	3 291	2 295	3 819	3 274	5 933	5 933	7 430	3 998	4 363
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 155	2 275	3 294	3 274	5 933	5 933	7 430	3 998	4 363
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	136	20	525	-	-	-	-	-	-
Payments for financial assets	-	663	232	-	14	14	-	-	-
Total	613 902	388 936	390 325	604 274	613 235	613 235	684 929	620 584	633 362

The department shows a fluctuating trend over the seven-year period.

The decrease in 2010/11 against Programme 1: Administration was due to cost-cutting. The increase in 2011/12 was due to the lifting of the moratorium on the filling of vacant posts. The increase in the 2012/13 Adjusted from the Main Appropriation pertains largely to once-off additional funding to assist OTP with regard to bursaries for non-employees. This payment relates to the previous financial year and was to be paid through the inter-departmental account. However, Treasury only received the documentation to reimburse OTP on the last day of 2011/12 and it was therefore too late to process in that year, and hence payment could only be made in 2012/13. The slight increase over the 2013/14 MTEF relates to inflationary increments, as well as a provision toward the Thuthuka Bursary Fund, which aims to annually place 100 students at selected SAICA accredited universities.

Programme 2: Fiscal Resource Management shows a substantial decrease in spending from 2010/11 to 2011/12, due to the slow implementation of the MSP, resulting from delays in the appointment of service providers to assist municipalities with their financial management activities. The non-filling of posts due to a lack of suitably qualified candidates also contributed to low spending. The increase in 2012/13 related mainly to continued implementation of the MSP, as well as spending on the Infrastructure Crack Team that assisted provincial departments and municipalities in the delivery of infrastructure projects.

The increase from the 2012/13 Main to the Adjusted Appropriation relates to an amount of R3.904 million rolled over from 2011/12, as well as an additional allocation of R10 million for the Infrastructure Crack Team. In 2013/14, this programme receives a once-off additional allocation toward the Infrastructure Crack Team, thus explaining the decrease in 2014/15.

The high expenditure in 2009/10 against Programme 3: Financial Management included the payment of interest on overdraft charges resulting from provincial over-expenditure. The decrease in 2010/11 resulted from the improvement in the level of funds available in the PMG and IGCC accounts, due to the collective implementation of cost-cutting measures by provincial departments, therefore reducing the amount of interest paid on the overdraft significantly. The substantial increase from 2011/12 to the 2012/13 Main Appropriation was due to the fact that the 2012/13 Main Appropriation includes a provision toward the overdraft interest charges of R50 million, as well as an allocation toward MBAT, CMP, and the B-BBEE verification exercise required to be undertaken on all service providers who did business with government.

The reduction in the budget of Programme 3 from the 2012/13 Main to the Adjusted Appropriation can be ascribed to savings from the overdraft interest charges being shifted to fund various financial management initiatives across the department. The 2013/14 MTEF includes a far lower provision for the overdraft interest charges, an allocation toward the B-BBEE verification, MBAT, as well as the CMP.

Programme 4: Internal Audit shows an increase from 2009/10 to 2010/11, mainly due to increased emphasis on project *Unembeza*, specialised audit assignments such as performance audits, as well as forensic investigations. The decrease from 2010/11 to 2011/12 was attributed to delays in finalising the appointment of service providers in respect of specialised audit assignments. Furthermore, the expiry of the contract with the service provider of project *Unembeza* also contributed to the low spending. The increase from the 2012/13 Main to the Adjusted Appropriation was due to the department receiving a roll-over of R10.562 million for consultants' fees in respect of Risk Management facilitation workshops and training, forensic investigations, conducting IT risk assessments on the BAS system and the development of BCP and DRP guidelines. The increase over the 2013/14 MTEF can be ascribed to additional funding allocated for forensic investigations.

In respect of Programme 5: Growth and Development, the department received an allocation of R150 million in 2009/10 toward the construction of the Moses Mabhida Stadium, which explains the substantial reduction in 2010/11. Additional funding was allocated in 2009/10 and 2010/11 for the prescribed local government levy, which has since been discontinued due to a change in legislation. Spending in 2010/11 and 2011/12 related mainly to the development of the Pietermaritzburg, Ulundi and Richards Bay airports. The increase in the 2012/13 Main Appropriation was mainly attributed to funding toward the development of these airports, and Strategic Cabinet Initiatives. The 2012/13 Adjusted Appropriation shows a decrease from the Main Appropriation as the Strategic Cabinet Initiatives funding was allocated to various departments for various initiatives, such as AFCON, Manchester United, the BRICS summit, among others. Setting off this decrease was additional funding allocated for the Thuthuka Bursary Fund, the Shayamoya eco-complex, and the light industrial park in the Greater Kokstad area. The department also received a roll-over of R7.774 million in respect of the upgrading of the Pietermaritzburg (R733 000) and Richards Bay (R7.041 million) airports, the upgrading of which was delayed in 2011/12 due to poor weather conditions.

The substantial increase in Programme 5 in 2013/14 is in respect of once-off allocations toward special projects such as the feasibility studies of the government office park, the Shayamoya eco-complex, the development of a light industrial park, as well as the Aero Grand Prix, as explained under Section 5.2 above.

The increase against *Compensation of employees* from 2010/11 onward was due to the higher than anticipated salary increases, as well as the filling of posts. The department has budgeted for the full organisational structure over the 2013/14 MTEF, but will fill these in line with the moratorium on the filling of non-critical posts. The slight reduction in the 2012/13 Adjusted compared to the Main Appropriation can be attributed to delays in the filling of vacant posts due to a lack of suitably qualified candidates.

The minimal decrease against *Goods and services* from 2009/10 to 2010/11 is due to cost-cutting. The decrease from 2010/11 to 2011/12 results from delays in finalising the appointment of service providers for various projects such as the MSP, Operation Clean Audit, forensic investigations, and the Infrastructure Crack Team, among others. The increase in the 2012/13 Main Appropriation can be ascribed to additional funding allocated toward MBAT, costs in respect of the Municipal Debt project relating to the reconciliation of all provincial and municipal government accounts, CMP which deals with the management of all contracts entered into by departments and municipalities, Operation Pay-On-Time which aims to improve the payment of invoices by departments and to assist with the payment of arrear accounts to municipalities and service providers, 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 and forensic investigations. The 2013/14 MTEF includes provision for the B-BBEE verification, MBAT and CMP required to be undertaken by the SCM unit, funds for the Infrastructure Crack Team, forensic investigations, Operation Clean Audit, Strategic Cabinet Initiatives, among others.

The expenditure against *Interest and rent on land* in 2009/10, 2010/11 and 2011/12 related to interest paid by the province, as previously explained. The 2012/13 Main Appropriation included an allocation of R50 million for overdraft interest charges. The decrease in the 2012/13 Adjusted Appropriation was due to savings from the overdraft interest provision being shifted to fund various financial management initiatives. The improvement in the provincial cash balances resulted in a lower interest provision being made over the 2013/14 MTEF.

The high expenditure reflected against *Transfers and subsidies to: Provinces and municipalities* in 2009/10 can largely be ascribed to R150 million allocated toward the construction of the Moses Mabhida Stadium, which explains the substantial reduction from 2010/11 onward. Included in 2010/11 and 2011/12 are the development of the Pietermaritzburg, Ulundi and Richards Bay airports, and the prescribed local government levy. The increase in the 2012/13 Adjusted from the Main Appropriation was due to a roll-over of R7.774 million, from 2011/12, for the development of the Pietermaritzburg (R733 000) and Richards Bay (R7.041 million) airports. The construction of these airports was delayed due to poor weather conditions. The allocation over the 2013/14 MTEF is ascribed to the payment of motor vehicle licences, as well as a provision for special infrastructure projects which include the development of a light industrial park and the Shayamoya eco-complex.

Transfers and subsidies to: Households caters for staff exits. The major fluctuations can be ascribed to the difficulty in budgeting for this item due to its uncertain nature. Further detail is provided under Section 6 below. The Thuthuka Bursary fund is also allocated against this category in 2012/13 and 2013/14.

Machinery and equipment is purchased on a cyclical nature, hence the fluctuating trend against this category. The increase in 2012/13 and 2013/14 relates to the upgrade of the department's computer servers, which explains the decrease in 2014/15 and 2015/16.

The expenditure against *Software and other intangible assets* in 2009/10 related to software purchases for the implementation of the Biometric Access Solution in all departments which was completed in 2009/10. The spending in 2010/11 and 2011/12 pertains to the purchase of network management software, as well as open text licences for the ECM system.

Payments for financial assets relates to write-off of irrecoverable staff debts. The amount in 2011/12 relates to the Soccerex (soccer exhibition) receivables, which were deemed irrecoverable.

5.4 Summary of payments and estimates by district municipal area

Table 6.6 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. The services provided by the department are transversal, hence it is difficult to separate administrative from service delivery costs.

Table 6.6: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15	2015/16
eThekweni	-	-	-	-	-
Ugu	-	-	-	-	-
uMgungundlovu	376 851	576 132	664 252	612 584	633 362
Uthukela	-	-	-	-	-
Umzinyathi	-	-	-	-	-
Amajuba	-	-	-	-	-
Zululand	10 015	20 000	-	-	-
Umkhanyakude	-	-	-	-	-
uThungulu	3 459	7 041	-	-	-
Ilembe	-	-	-	-	-
Sisonke	-	10 062	20 677	8 000	-
Unallocated	-	-	-	-	-
Total	390 325	613 235	684 929	620 584	633 362

Included against uMgungundlovu in 2011/12 is a roll-over of R18.538 million for the development of the Pietermaritzburg airport. Also included against this municipality over the period are major projects which are to be undertaken, including the Infrastructure Crack Team, Operation Clean Audit, the E-Procurement Tool, etc.

The 2012/13 Revised Estimate for Zululand and uThungulu relate to the development of the Ulundi and Richards Bay airports, respectively.

The amount in 2012/13 reflected against Sisonke relate to the development of a light industrial park, as well as the Shayamoya eco-complex. Amounts of R20.677 million and R8 million have been allocated against Sisonke in 2013/14 and 2014/15, respectively, as carry-through funding toward these projects.

In the 2013/14 MTEF, the allocations reflected against uMgungundlovu include salary and subsistence and travel costs due to the fact that the department is based in this district and only provides support services to departments, public entities and municipalities across the province.

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 provided for technical assistants to assist departments in the roll-out of their infrastructure projects. This grant was allocated against Programme 2 under the sub-programme Economic Analysis and the economic category *Goods and services*. The details of the grant 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		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
New and replacement assets									
Existing infrastructure assets	-	-	-	-	-	-	-	-	-
Upgrades and additions									
Rehabilitation, renovations and refurbishments									
Maintenance and repairs									
Infrastructure transfers	150 000	5 435	31 264	39 315	45 328	45 328	20 677	8 000	-
Current									
Capital	150 000	5 435	31 264	39 315	45 328	45 328	20 677	8 000	-
<i>Capital infrastructure</i>	150 000	5 435	31 264	39 315	45 328	45 328	20 677	8 000	-
<i>Current infrastructure</i>	-	-	-	-	-	-	-	-	-
Total	150 000	5 435	31 264	39 315	45 328	45 328	20 677	8 000	-

The infrastructure budget of the department is placed solely against *Infrastructure transfers: Capital*, as is evident in the table above.

As mentioned previously, R150 million was allocated in 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 related to the development of the Pietermaritzburg airport.

The amount of R31.264 million in 2011/12 related to spending on the Pietermaritzburg (R17.790 million), Ulundi (R10.015 million) and Richards Bay (R3.459 million) airports.

An amount of R7.774 million was rolled-over from 2011/12 to 2012/13 in respect of the upgrading of the Pietermaritzburg and the Richards Bay airports. An additional allocation of R10.062 million was allocated to the department toward the Shayamoya eco-complex, as well as the development of a light industrial park. Also included in the infrastructure budget in 2012/13 is funding toward the development of the Pietermaritzburg and Ulundi airports.

The proposed development of the airports includes, among others, the upgrading of the run-ways and the building of parallel taxi ways to increase aircraft parking space (Pietermaritzburg airport). The allocations are disbursed to the relevant municipalities on satisfactory proof of progress. The development of the airports is expected to be finalised in 2012/13, hence there is no provision in the 2013/14 MTEF.

The allocation in 2013/14 and 2014/15 is for the development of a light industrial park, as well as the Shayamoya eco-complex (2013/14 only).

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 6.8 and 6.9 provide a summary of transfers to municipalities. The details are presented in the *Annexure – Vote 6: Provincial Treasury*.

Table 6.8: Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Category A	157 484	7 937	-	-	-	-	-	-	-
Category B	-	5 435	21 249	19 315	33 863	33 863	20 677	8 000	-
Category C	2 162	2 292	10 015	20 000	20 000	20 000	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
Total	159 646	15 664	31 264	39 315	53 863	53 863	20 677	8 000	-

Table 6.9: 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		
		2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Local government levy	5.2: Special Infrastructure Projects	9 646	10 229	-	-	-	-	-	-	-
Moses Mabhida Stadium	5.2: Special Infrastructure Projects	150 000	-	-	-	-	-	-	-	-
Pietermaritzburg airport	5.2: Special Infrastructure Projects	-	5 435	17 790	16 027	16 760	16 760	-	-	-
Ulundi airport	5.2: Special Infrastructure Projects	-	-	10 015	20 000	20 000	20 000	-	-	-
Richards Bay airport	5.2: Special Infrastructure Projects	-	-	3 459	-	7 041	7 041	-	-	-
Feasibility studies	5.2: Special Infrastructure Projects	-	-	-	3 288	-	-	-	-	-
Dev. of light industrial park	5.2: Special Infrastructure Projects	-	-	-	-	8 000	8 000	7 000	8 000	-
Shayamoya eco-complex	5.2: Special Infrastructure Projects	-	-	-	-	2 062	2 062	13 677	-	-
Total		159 646	15 664	31 264	39 315	53 863	53 863	20 677	8 000	-

Category A transfers include R150 million in 2009/10 for the construction of the Moses Mabhida Stadium, as well as the prescribed local government levy (in 2009/10 and 2010/11), which has since been discontinued due to a change in legislation. Category C transfers also relate mainly to the discontinued prescribed local government levy, as well as funding for the development of the Ulundi airport.

Category B transfers mainly provides for the development of the Pietermaritzburg and Richards Bay airports. It also included funds for feasibility studies, undertaken by the department, which aimed to gauge the feasibility of hosting various events in KZN, such as cycling events, etc. These funds were misallocated, but were correctly classified as *Goods and services* in the 2012/13 Adjusted Appropriation.

Transfers to local government includes funds in respect of motor vehicle licences. However, these funds will not be transferred to any municipality and, hence, the amounts are not reflected in Table 6.8.

5.11 Transfers and subsidies

Table 6.10 below is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a fluctuating trend from 2009/10 to 2015/16 for the category as a whole, details of which are provided below Table 6.10.

Table 6.10: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	1 796	227	453	636	12 236	12 236	4 260	4 275	4 278
Provinces and municipalities	8	12	-	14	14	14	20	22	25
Motor vehicle licences	8	12	-	14	14	14	20	22	25
Households	1 788	215	453	622	12 222	12 222	4 240	4 253	4 253
Employee social benefits	1 707	-	-	392	392	392	-	-	-
Other Transfers	81	215	453	230	11 830	11 830	4 240	4 253	4 253
2. Fiscal Resource Management	-	-	-	-	13	13	-	-	-
Households	-	-	-	-	13	13	-	-	-
Employee social benefits	-	-	-	-	13	13	-	-	-
3. Financial Management	1 122	917	689	1 370	1 357	1 357	1 400	1 400	1 400
Households	1 122	917	689	1 370	1 357	1 357	1 400	1 400	1 400
Employee social benefits	1 122	917	689	1 370	1 357	1 357	1 400	1 400	1 400
4. Internal Audit	10	225	-	-	-	-	-	-	-
Households	10	225	-	-	-	-	-	-	-
Employee social benefits	10	225	-	-	-	-	-	-	-
5. Growth and Development	159 646	15 664	31 264	39 315	53 863	53 863	20 677	8 000	-
Provinces and municipalities	159 646	15 664	31 264	39 315	53 863	53 863	20 677	8 000	-
Local government levy	9 646	10 229	-	-	-	-	-	-	-
Moses Mabhida Stadium	150 000	-	-	-	-	-	-	-	-
Pietermaritzburg airport	-	5 435	17 790	16 027	16 760	16 760	-	-	-
Ulundi airport	-	-	10 015	20 000	20 000	20 000	-	-	-
Richards Bay airport	-	-	3 459	-	7 041	7 041	-	-	-
Feasibility studies	-	-	-	3 288	-	-	-	-	-
Development of light industrial park	-	-	-	-	8 000	8 000	7 000	8 000	-
Shayamoya eco-complex	-	-	-	-	2 062	2 062	13 677	-	-
Total	162 574	17 033	32 406	41 321	67 469	67 469	26 337	13 675	5 678

The category *Transfers and subsidies* fluctuates over the seven-year period, and includes the following:

- *Households* (Employee social benefits) across all programmes cater for staff exit costs.
- The substantial increase against *Households (Other transfers)* under Programme 1 in the 2012/13 Adjusted Appropriation was a result of a Cabinet decision to assist OTP with bursaries for non-employees, as well as an additional allocation toward the Thuthuka Bursary Fund, which continues over the 2013/14 MTEF.
- *Provinces and municipalities* against Programme 1 are in respect of motor vehicle licence fees.
- *Provinces and municipalities* against Programme 5 includes the following:
 - Amounts in 2009/10 and 2010/11 include the prescribed local government levy, which has since been discontinued.

- o Amounts in 2009/10 include R150 million, allocated to the eThekweni Metro, for the construction of the Moses Mabhida Stadium.
- o Amounts from 2010/11 to 2012/13 include allocations toward the development of the Pietermaritzburg, Ulundi, and Richards Bay airports, and funds for feasibility studies which aim to gauge the feasibility of hosting various events in the province, such as cycling. Further, allocations are made in 2013/14 and 2014/15 for the development of a light industrial park and Shayamoya eco-complex (2013/14 only). The amount of R3.288 million for the feasibility studies was misallocated to this category, and was then correctly classified in the 2012/13 Adjusted Appropriation as *Goods and services*.

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 corporate support services, and financial management support to the department.

This programme consists of four sub-programmes, namely Office of the MEC, Head of the Department, Chief Financial Office 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 provide human resource management functions to the department.
- To render legal professional guidance in operational matters of the department.
- To deliver auxiliary services to the department, such as the telecom system, transport fleet management and control of registry.

Tables 6.11 and 6.12 below provide a summary of payments and budgeted estimates pertaining to the programme over the seven-year period from 2009/10 to 2015/16.

As reflected in the table, some sub-programmes show a steady increase over the seven-year period, while others reflect fluctuating trends.

Table 6.11: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Office of the MEC	26 697	14 403	18 522	29 318	26 318	26 318	27 794	29 222	30 408
Head of the Department	5 716	5 110	5 739	8 317	8 317	8 317	7 149	7 500	7 786
Chief Financial Office	10 313	16 859	17 289	19 306	21 892	21 892	23 114	25 878	26 901
Corporate Services	32 262	32 383	38 811	43 153	58 067	58 067	50 271	52 547	54 248
Total	74 988	68 755	80 361	100 094	114 594	114 594	108 328	115 147	119 343

Table 6.12: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	72 726	67 582	78 484	97 688	100 588	100 588	101 382	108 625	112 763
Compensation of employees	29 965	32 044	35 936	45 142	46 142	46 142	54 786	59 145	62 816
Goods and services	42 761	35 538	42 548	52 546	54 446	54 446	46 596	49 480	49 947
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 796	227	453	636	12 236	12 236	4 260	4 275	4 278
Provinces and municipalities	8	12	-	14	14	14	20	22	25
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 788	215	453	622	12 222	12 222	4 240	4 253	4 253
Payments for capital assets	466	934	1 424	1 770	1 770	1 770	2 686	2 247	2 302
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	466	934	1 424	1 770	1 770	1 770	2 686	2 247	2 302
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	12	-	-	-	-	-	-	-
Total	74 988	68 755	80 361	100 094	114 594	114 594	108 328	115 147	119 343

The decrease from 2009/10 to 2010/11 against the sub-programme: Office of the MEC can be attributed to cost-cutting in areas such as advertising, among others. The decrease from the 2012/13 Main to Adjusted Appropriation against this sub-programme was due to cost-cutting, particularly in the areas of stationery and printing. This sub-programme shows steady growth over the 2013/14 MTEF.

The sub-programme: Head of the Department shows a fluctuating trend. The slight decrease from 2009/10 to 2010/11 can be ascribed to cost-cutting and unanticipated staff exits. The decrease from 2012/13 to 2013/14 pertains to the baseline reductions.

The low spending in 2009/10 against the sub-programme: Chief Financial Office is due to cost-cutting and the moratorium on the filling of vacant posts. The significant increase from 2009/10 to 2010/11 and 2011/12 relates to the expansion of the CFO structure to cater for the Strategic Management Services component and audit fees. In addition, 2011/12 included once-off spending in respect of performance audits. The increase from the 2012/13 Main to Adjusted Appropriation was due to higher than anticipated legal costs.

The sub-programme: Corporate Services shows an increase from 2010/11 to 2011/12 due to provision for the reconfiguration of the department's office space. The increase from 2011/12 to the 2012/13 Main Appropriation is the result of the upgrading of office space. From the 2012/13 Adjusted Appropriation onward, there is an additional allocation of R4 million toward the Thuthuka Bursary Fund.

Compensation of employees shows a steady increase from 2009/10 onward due to additional funding allocated for the various wage agreements, as well as the expansion of the CFO structure. The increase from the 2012/13 Main to the Adjusted Appropriation relates to an allocation toward the implementation of the Human Resource Management generic structure as approved by DPSA. The increase over the 2013/14 MTEF is due to inflationary wage increments and the filling of posts in line with the moratorium.

The decrease from 2009/10 to 2010/11 against *Goods and services* is attributed to the department's pledge of R10 million toward the Provincial Recovery Plan, as well as cost-cutting. The increase from 2010/11 to 2011/12 can mainly be ascribed to a once-off allocation of R4 million towards performance audits. The increase from 2011/12 to the 2012/13 Main Appropriation is due to the upgrading of office accommodation. The increase from the 2012/13 Main to the Adjusted Appropriation can be attributed to higher than expected legal costs. The decrease from the 2012/13 Adjusted Appropriation to 2013/14 is due to the implementation of baseline reductions.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licence fees. The department did not receive invoices from the Department of Transport in 2011/12, which accounts for no spending recorded against this category. Invoices in this regard are expected to be submitted in 2012/13.

Transfers and subsidies to: Households caters for staff exits, as well as bursaries for non-employees. The substantial increase in the 2012/13 Adjusted Appropriation is a result of a Cabinet decision to assist the OTP with bursaries for non-employees, as well as an allocation toward the Thuthuka Bursary Fund which continues over the 2013/14 MTEF.

Machinery and equipment caters for the purchase of departmental motor vehicles which is centralised under Programme 1. The fluctuating trend over the period can be attributed to the fact that machinery and equipment are purchased on a cyclical nature. The budget over the 2013/14 MTEF allows for the purchase of office furniture and computer equipment resulting from the anticipated appointment of critical staff, as well as the replacement of motor vehicles as per the departmental motor vehicle replacement strategy.

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 6.13 and 6.14 below provide a summary of payments and budgeted estimates pertaining to this programme for the period 2009/10 to 2015/16.

This programme shows a fluctuating trend over the seven-year period, as explained in more detail below.

Table 6.13: Summary of payments and estimates - Programme 2: Fiscal Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Programme Support	3 176	928	548	4 554	1 267	1 267	2 905	3 059	3 200
Economic Analysis	3 486	5 345	4 166	13 615	27 519	27 519	27 511	18 177	18 713
Public Finance	15 434	7 794	9 435	12 071	12 071	12 071	12 733	13 564	14 188
Municipal Finance	30 298	39 094	18 131	53 567	54 317	54 317	56 358	58 973	61 141
Total	52 394	53 161	32 280	83 807	95 174	95 174	99 507	93 773	97 242

Table 6.14: Summary of payments and estimates by economic classification - Programme 2: Fiscal Resource Management

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	52 247	52 947	31 778	83 492	94 846	94 846	99 107	93 490	96 802
Compensation of employees	18 193	17 371	21 191	38 085	36 785	36 785	43 007	46 036	48 984
Goods and services	34 054	35 576	10 587	45 407	58 061	58 061	56 100	47 454	47 818
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	-	13	13	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	13	13	-	-	-
Payments for capital assets	147	208	374	315	315	315	400	283	440
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	114	188	374	315	315	315	400	283	440
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	33	20	-	-	-	-	-	-	-
Payments for financial assets	-	6	128	-	-	-	-	-	-
Total	52 394	53 161	32 280	83 807	95 174	95 174	99 507	93 773	97 242

The sub-programme: Programme Support reflects a fluctuating trend over the seven-year period. The high expenditure in 2009/10 was due to a province-wide sector review of the education system in respect of strengthening research capacity for policy development. The significantly large drop from 2009/10 to 2010/11, as well as the further decrease in 2011/12, was due to the non-filling of vacant posts resulting from a lack of suitably qualified candidates and the moratorium on the filling of non-critical posts, as well as cost-cutting. The decrease from the 2012/13 Main to the Adjusted Appropriation was due to the non-filling of posts due to a lack of suitably qualified candidates, and the shifting of funds originally earmarked for research capacity to other areas of service delivery across the department.

The fluctuating trend against the sub-programme: Economic Analysis from 2009/10 to 2011/12 is mainly attributed to the high staff turn-over within the unit. Also, in 2010/11 this sub-programme included once-off spending of R1.634 million in respect of the IDIP, which explains the decrease in 2011/12. The increase from 2011/12 to the 2012/13 Main Appropriation and over the 2013/14 MTEF pertains to additional funding for the Infrastructure Crack Team to assist departments and municipalities in the delivery of infrastructure projects.

The high expenditure against the sub-programme: Public Finance in 2009/10 relates to the implementation of the Performance Budgeting System (PBS) in the province. PBS was cancelled following a Cabinet decision, which explains the significant decrease in spending against this sub-programme from 2009/10 to 2010/11. The 2013/14 MTEF includes a provision for the filling of vacant posts in line with the moratorium on the filling of non-critical posts, as well as inflationary increments.

Additional funding was allocated to the sub-programme: Municipal Finance in respect of the MSP from 2009/10 onward. The substantial decrease from 2010/11 to 2011/12 was 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 increase from the 2012/13 Main to Adjusted Appropriation was to cater for municipal support to municipalities, which was higher than anticipated.

The MTEF allocations for all four sub-programmes include a provision for the filling of vacant posts in line with the moratorium, as well as inflationary increments, and the baseline reductions.

The decrease against *Compensation of employees* from 2009/10 to 2010/11 was due to high staff turnover in this programme. The substantial increase from 2011/12 to the 2012/13 Main Appropriation pertains to the anticipated filling of vacant posts. The decrease from the 2012/13 Main to the Adjusted Appropriation was due to the shifting of funds from this category (due to the non-filling of posts resulting from a lack of suitably qualified candidates) to *Goods and services* to cater for expenditure pressures within the

department. The increase from the 2012/13 Adjusted Appropriation onwards relates to inflationary increments as well as the anticipated filling of vacant posts, in line with the moratorium.

The significantly low expenditure in 2011/12 against *Goods and services* was due to the slow implementation of the MSP and the Infrastructure Crack Team as a result of delays in the appointment of service providers. Included in 2010/11 was once-off funding of R1.634 million in respect of IDIP. The MTEF allocation includes funding toward the Infrastructure Crack Team, as well as the MSP to assist municipalities with their financial management activities.

The high expenditure against *Machinery and equipment* in 2011/12 was due to the replacement and upgrading of computer equipment, as well as the purchase of office furniture and computer equipment following the filling of some vacant posts. The fluctuating trend against this category over the period results from the fact that machinery and equipment is purchased on a cyclical nature.

The amount against *Software and other intangible assets* relates to the purchase of Econometrics and Stata software packages.

Expenditure against *Payments for financial assets* is in respect of the write-off of staff debts that were deemed irrecoverable.

Service delivery measures – Programme 2: Fiscal Resource Management

Table 6.15 below illustrates the service delivery measures pertaining to Programme 2.

Table 6.15: Service delivery measures – Programme 2: Fiscal Resource Management

Outputs	Performance indicators	Estimated performance		Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	
1.1 Economic Analysis						
1.1.1	To determine and evaluate economic parameters and socio-economic imperatives to inform provincial and local resource allocation	<ul style="list-style-type: none"> To provide an economic analysis for the province 	-	Produce 4 provincial, departmental economic reports	Produce 5 provincial, departmental economic reports	Produce 6 provincial, departmental economic reports
		Produce 1 Socio-economic Review Outlook (SERO)	Produce 1 SERO	Produce 1 SERO	Produce 1 SERO	
		Produce 9 district socio-economic reports	Produce 9 district socio-economic reports	Produce 9 district socio-economic reports	Produce 9 district socio-economic reports	
	<ul style="list-style-type: none"> To provide input to Overview of Provincial Revenue and Expenditure (OPRE) on time for tabling 	Input to OPRE on time for tabling	Input to OPRE on time for tabling	Input to OPRE on time for tabling	Input to OPRE on time for tabling	Input to OPRE on time for tabling
1.1.2	Provide a platform to enhancing regional economic growth and development	<ul style="list-style-type: none"> To provide quality research for regional policy analysis 	1 research project	Produce 4 economic research reports	Produce 5 economic research reports	Produce 6 economic research reports
1.2 Infrastructure						
1.2.1	Ensure efficient infrastructure planning and management in the province	<ul style="list-style-type: none"> Timely completion of provincial Infrastructure Plan 	Compile a consolidated report to NT by 28 February 2013	Compile a consolidated 2014/15 report to NT by 28 February 2014	Compile a consolidated 2015/16 report to NT by 28 February 2015	Compile a consolidated 2016/17 report to NT by 28 February 2016
	<ul style="list-style-type: none"> Reports on the implementation of the IDIP in KZN 	Produce 4 reports on implementation of IDIP in KZN	Produce 4 reports on implementation of IDIP in KZN	Produce 4 reports on implementation of IDIP in KZN	Produce 4 reports on implementation of IDIP in KZN	Produce 4 reports on implementation of IDIP in KZN
	<ul style="list-style-type: none"> Progress reports on infrastructure budgets and delivery plans 	Submit 4 reports to NT on Infrastructure expenditure in KZN	Submit 4 reports to NT on Infrastructure expenditure in KZN	Submit 4 reports to NT on Infrastructure expenditure in KZN	Submit 4 reports to NT on Infrastructure expenditure in KZN	Submit 4 reports to NT on Infrastructure expenditure in KZN
	<ul style="list-style-type: none"> Report on site visits conducted 	Submit 1 consolidated report on site visits conducted	Submit 4 reports on site visits conducted	Submit 4 reports on site visits conducted	Submit 4 reports on site visits conducted	Submit 4 reports on site visits conducted
	<ul style="list-style-type: none"> Estimates of Provincial Revenue and Expenditure (EPRE) 	Inputs into EPRE on time for tabling	Inputs into EPRE on time for tabling	Inputs into EPRE on time for tabling	Inputs into EPRE on time for tabling	Inputs into EPRE on time for tabling

Table 6.15: Service delivery measures – Programme 2: Fiscal Resource Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2012/13	2013/14	2014/15	2015/16
2. Public Finance					
2.1 Provincial Budget Management					
2.1.1 Promote effective and optimal financial resource allocation for provincial govt.	<ul style="list-style-type: none"> No. of chapters in MTEC report EPRE 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
2.1.2 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 each quarter)	12 reports to be submitted to NT by 22nd of each month 3 reports per annum (completed 1 month after end of each quarter)	12 reports to be submitted to NT by 22nd of each month 3 reports per annum (completed 1 month after end of each quarter)	12 reports to be submitted to NT by 22nd of each month 3 reports per annum (completed 1 month after end of each quarter)
2.2 Provincial Own Revenue					
2.2.1 Promote optimal and sustainable revenue generation and collection by provincial depts. and public entities	<ul style="list-style-type: none"> Conduct quarterly Provincial Revenue Forums Monitoring of dept. revenue collection Revenue input into EPRE 	4 forums per year Quarterly report Revenue input into EPRE on time for tabling	4 forums per year Quarterly report Revenue input into EPRE on time for tabling	4 forums per year Quarterly report Revenue input into EPRE on time for tabling	4 forums per year Quarterly report Revenue input into EPRE on time for tabling
2.3 Special Advisory Support Services					
2.3.1 Promote effective and optimal financial resource allocation for provincial govt. (including public entities)	<ul style="list-style-type: none"> Input into the revision and maintenance of DORA Institutionalise framework for monitoring of provincial public entities 	Input submitted by due date Implement monitoring tool and report quarterly for 10 public entities	Input submitted by due date Report bi-annually for listed public entities	Input submitted by due date Report bi-annually for listed public entities	Input submitted by due date Report bi-annually for listed public entities
3. Municipal Finance					
3.1 To ensure efficient budget and expenditure management and accurate financial reporting for local govt.	<ul style="list-style-type: none"> Section 71(6) report (Monthly municipal IYM report) within the prescribed time frame Section 71(7) quarterly budget performance reports 	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
3.2 To assist and provide technical support to delegated municipalities that are 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 (SCM), Financial Reporting and Norms and Standards and Supporting 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 Pay Master-General 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 6.16 and 6.17 provide a summary of payments and budgeted estimates pertaining to Programme 3.

Table 6.16: Summary of payments and estimates - Programme 3: Financial Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Financial Asset and Liability Management	116 597	28 956	15 261	67 750	21 899	21 899	27 520	27 255	30 435
Public Private Partnerships (PPPs)	2 737	2 594	3 021	6 677	3 677	3 677	7 158	7 592	7 871
Supply Chain Management	9 732	13 560	27 862	35 206	51 723	51 723	51 492	50 114	51 341
Financial Reporting	6 804	12 400	12 617	11 426	26 147	26 147	26 210	25 022	25 638
Norms and Standards	2 424	2 765	3 857	4 754	4 754	4 754	5 016	5 327	5 668
Supporting & Interlinked Financial Systems	100 626	101 084	102 176	112 532	117 191	117 191	120 478	127 853	131 642
Total	238 920	161 359	164 794	238 345	225 391	225 391	237 874	243 163	252 595

Table 6.17: 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	235 606	159 520	162 478	236 544	220 944	220 944	232 980	241 195	250 514
Compensation of employees	24 319	27 132	34 784	47 082	48 482	48 482	51 945	55 663	59 500
Goods and services	109 029	116 880	126 688	139 462	168 162	168 162	172 127	177 764	180 782
Interest and rent on land	102 258	15 508	1 006	50 000	4 300	4 300	8 908	7 768	10 232
Transfers and subsidies to:	1 122	917	689	1 370	1 357	1 357	1 400	1 400	1 400
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 122	917	689	1 370	1 357	1 357	1 400	1 400	1 400
Payments for capital assets	2 192	830	1 536	431	3 090	3 090	3 494	568	681
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 089	830	1 011	431	3 090	3 090	3 494	568	681
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	103	-	525	-	-	-	-	-	-
Payments for financial assets	-	92	91	-	-	-	-	-	-
Total	238 920	161 359	164 794	238 345	225 391	225 391	237 874	243 163	252 595

The programme as a whole reflects a fluctuating trend over the period, as explained in detail below.

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 2009/10. The decrease from 2010/11 to 2011/12 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 by departments, therefore reducing the amount of interest paid on the overdraft significantly. The considerable reduction from 2010/11 to 2011/12 was 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 R26 million moved to Programme 5 to cater for the development of the Ulundi and Richards Bay airports. The increase from 2011/12 to the 2012/13 Main Appropriation related to a provision for overdraft interest charges which was capped at R50 million in that year. The decrease from the 2012/13 Main to the Adjusted Appropriation was attributed 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, resulting in the interest on the overdraft provision not being fully utilised in that year.

The low amounts against the sub-programme: Public Private Partnerships (PPPs) from 2009/10 to the 2012/13 Adjusted Appropriation relates to the non-filling of vacant posts due to a lack of suitably qualified candidates, as well as the continued implementation of cost-cutting. The 2013/14 MTEF allocation includes provision for the filling of vacant posts in line with the moratorium, as well as inflationary increments.

With regard to the sub-programme: Supply Chain Management, the increase from 2009/10 to 2010/11 related to the MBAT dealing with court appeals, and legal fees within the SCM unit. The significant increase from 2010/11 to 2011/12 was due to costs associated with the MBAT, and CMP which deals with the management of all contracts entered into by departments and municipalities. The increase from the 2012/13 Main to the Adjusted Appropriation was the result of funds shifted from Programme 2 to this sub-programme to cater for MBAT, funds were allocated for the CMP, the B-BBEE verification required to be undertaken, and the E-Procurement Tool.

The substantial increase from 2009/10 to 2011/12 against the sub-programme: Financial Reporting was in respect of the Municipal Debt project relating to the reconciliation of all provincial and municipal government accounts, and Operation Pay-On-Time which aims to improve payment of invoices by departments and to assist with the payment of arrear accounts to municipalities and service providers. The substantial increase from the 2012/13 Main to the Adjusted Appropriation going forward pertains to additional funds for Operation Clean Audit.

The increase in the sub-programme: Norms and Standards from 2010/11 to 2011/12 was in respect of the filling of posts. There is a steady increase from 2012/13 onward.

The sub-programme: Supporting and Interlinked Financial Systems includes costs relating to all transversal systems (such as BAS, PERSAL, HARDCAT, etc.) for the entire province. The increase from 2011/12 to the 2012/13 Main Appropriation was attributed to the purchase of server refresher hardware for the computer network system. The increase in the Adjusted Appropriation pertains to the purchase of software licences. The increase over the MTEF relates to inflationary increments.

The low spending reflected in the first three years against *Compensation of employees* related to the non-filling of posts due to a lack of suitably qualified candidates, as well as the moratorium on the filling of posts. The substantial increase from 2011/12 to the 2012/13 Main Appropriation was due to the filling of posts in line with the moratorium.

The increase from 2010/11 to 2011/12 against *Goods and services* can be ascribed to the Municipal Debt project, CMP, MBAT, as well as Operation Clean Audit. The substantial increase in the 2012/13 Adjusted Appropriation is related to funds provided for these projects, as well as for the E-Procurement Tool. The 2013/14 MTEF includes an additional provision for the B-BBEE verification, as well as for the aforementioned projects.

Transfers and subsidies to: Households provides for the payment of staff exit costs.

The high 2009/10 spending against *Machinery and equipment* related mainly to the purchase of computer equipment for the once-off implementation of the Biometric Access Solution which was completed in 2009/10. The increase from 2010/11 to 2011/12 was in respect of the upgrade of the department's computer servers. The increase from 2011/12 to the 2012/13 Adjusted Appropriation was in respect of a roll-over of R2.659 million for the purchase of a server refresher for the computer network system.

The expenditure against *Software and other intangible assets* in 2009/10 was in respect of software purchased for the implementation of the Biometric Access Solution, and the expenditure in 2011/12 relates to a once-off purchase of the network management software, as well as open text licences for the ECM system.

The amounts against *Payments for financial assets* relate to the write-off of irrecoverable debts.

Service delivery measures – Programme 3: Financial Management

Table 6.18 below illustrates the main service delivery measures for Programme 3.

Table 6.18: Service delivery measures – Programme 3: Financial Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2012/13	2013/14	2014/15	2015/16
1. Financial Assets and Liability Management					
1.1. To promote sound cash management practices and improve liquidity in KZN province and assist depts. and municipalities in attainment of a clean audit outcome for the province	<ul style="list-style-type: none"> Conduct tax information seminar annually Risk analysis per dept. to ensure compliance to tax legislation Provide quarterly assessment reports to depts. on status of bank related suspense accounts Produce monthly reconciled bank reconciliations per dept. Produce quarterly report on withdrawals from municipal bank accounts 	2 sessions 64 reports 64 assessment reports 192 reconciled bank reconciliations 4 reports on withdrawals from municipal bank accounts	2 sessions 64 reports 64 assessment reports 192 reconciled bank reconciliations 4 reports on withdrawals from municipal bank accounts	2 sessions 64 reports 64 assessment reports 192 reconciled bank reconciliations 4 reports on withdrawals from municipal bank accounts	2 sessions 64 reports 64 assessment reports 192 reconciled bank reconciliations 4 reports on withdrawals from municipal bank accounts
1.2. To promote sound Asset Management practices in provincial depts.	<ul style="list-style-type: none"> Conduct asset information seminars and asset management workshops 	4 seminars/training workshops	4 seminars/training workshops	4 seminars/training workshops	4 seminars/training workshops
2. Public Private Partnerships (PPPs)					
2.1. To provide technical, financial and legal advice in support of all provincial PPP projects in line with PPP project cycle as regulated by NT guidelines	<ul style="list-style-type: none"> No. of seminars/workshops conducted No. of reports for Provincial Treasury, NT PPP unit No. of reports on closed deal 	2 4 4	2 4 4	2 4 4	2 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 and information sessions conducted No. of assessments No. of policies and practice notes reviewed and issued 	4 training sessions/workshops 4 SCM forums for depts. and municipalities 60 compliance assessment reports issued for municipalities and depts. Review 4 practice notes	10 training sessions/workshops 6 SCM forums for depts. and municipalities 76 compliance assessment reports issued for municipalities and depts. Review 4 practice notes	10 training sessions/workshops 6 SCM forums for depts. and municipalities 76 compliance assessment reports issued for municipalities and depts. Review 4 practice notes	10 training sessions/workshops 6 SCM forums for depts. and municipalities 76 compliance assessment reports issued for municipalities and depts. Review 4 practice notes
4. Financial Reporting					
4.1. To present fairly the consolidated financial position of the province	<ul style="list-style-type: none"> Consolidation of AFS: <ul style="list-style-type: none"> Depts. Revenue fund and public entities 	Consolidated AFS for FY11/12	Consolidated AFS for FY12/13	Consolidated AFS for FY13/14	Consolidated AFS for FY14/15
4.2. To provide financial management support to depts, public entities and municipalities	<ul style="list-style-type: none"> AFS support and training to depts. Provide audit outcomes analysis General financial management support to municipalities 	1 AFS training workshop Pre-audit review in 16 depts. Summary of Audit Outcomes Analysis after A-G Audit Report 12 municipalities	1 AFS training workshop Pre-audit review in 16 depts. Summary of Audit Outcomes Analysis after A-G Audit Report 12 municipalities	1 AFS training workshop Pre-audit review in 16 depts. Summary of Audit Outcomes Analysis after A-G Audit Report 12 municipalities	1 AFS training workshop Pre-audit review in 16 depts. Summary of Audit Outcomes Analysis after A-G Report 12 municipalities
5. Norms and Standards					
5.1. Develop, review and facilitate the implementation of financial norms and standards in depts. municipalities and the respective entities	<ul style="list-style-type: none"> No. of policies and practice notes developed/ reviewed and issued 	28 policies and practice notes developed and reviewed based on need analysis	28 policies and practice notes developed and reviewed based on need analysis	28 policies and practice notes developed and reviewed based on need analysis	28 policies and practice notes developed and reviewed based on need analysis
5.2. Compliance monitoring and evaluation of financial norms and standards	<ul style="list-style-type: none"> No. of depts. assessed and monitored 	All depts. assessed and monitored	All depts. assessed and monitored	All depts. assessed and monitored	All depts. assessed and monitored

Table 6.18: Service delivery measures – Programme 3: Financial Management

Outputs		Performance indicators	Estimated performance		Medium-term targets	
			2012/13	2013/14	2014/15	2015/16
6. Supporting and Interlinked Financial Systems						
6.1.	Develop and review, implement and monitor departmental supporting information technology enabler policies and procedures	• No. of policy reviews completed	4	4	4	4
6.2.	To ensure business continuity through management of IT network infrastructure, desktop and LAN support and network security	• No. of compliance reports completed	12	12	12	12
		• No. of information sessions conducted	8	8	8	8
		• Mean time to resolve (MTTR)	8 hours	8 hours	8 hours	8 hours
		• Percentage network uptime	99%	99%	99%	99%
6.3.	Provide technical support for transversal systems	• MTTR (transversal systems)	8-24hr MTTR	8-24hr MTTR	8-24hr MTTR	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 6.19 and 6.20 provide a summary of payments and budgeted estimates pertaining to Programme 4.

Table 6.19: Summary of payments and estimates - Programme 4: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Assurance Services	33 177	38 917	40 738	50 229	60 791	60 791	57 633	59 885	61 989
Risk Management	35 510	42 108	34 431	43 390	46 140	46 140	48 446	51 864	53 569
Total	68 687	81 025	75 169	93 619	106 931	106 931	106 079	111 749	115 558

Table 6.20: 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	68 191	80 474	74 671	92 861	106 159	106 159	105 229	110 849	114 618
Compensation of employees	29 640	33 354	35 167	56 584	52 070	52 070	60 898	65 302	69 820
Goods and services	38 551	47 120	39 504	36 277	54 089	54 089	44 331	45 547	44 798
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	486	323	485	758	758	758	850	900	940
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	486	323	485	758	758	758	850	900	940
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	3	13	-	14	14	-	-	-
Total	68 687	81 025	75 169	93 619	106 931	106 931	106 079	111 749	115 558

The sub-programme: Assurance Services reflected an increase between 2009/10 to 2010/11 mainly due to the re-organisation of the unit's structure, coupled with the creation of a new Audit Committee. The substantial increase from 2011/12 to the 2012/13 Main Appropriation, increasing to the 2012/13 Adjusted Appropriation, was the result of interventions and audits being undertaken in the Department of Health.

The sub-programme: Risk Management includes expenditure in respect of Project *Unembeza*, forensic investigations in 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 2010/11 was attributed to an increase in forensic investigations. This also explains the high expenditure against *Goods and services* in the same year. The decrease in 2011/12 was due to delays experienced in finalising the appointment of service providers for Project *Unembeza*. The increase from 2011/12 to the 2012/13 Adjusted Appropriation can be attributed to commitments from the previous financial year for forensic investigations, as well as Risk Management facilitation workshops and training. The increase over the 2013/14 MTEF can be attributed to a provision made for inflationary increments and the filling of vacant posts, in line with the moratorium.

The substantial increase from 2011/12 to the 2012/13 Main Appropriation onward against *Compensation of employees* is mainly due to the provision for inflationary increments and to cater for the unit's intention to fully implement the approved post structure. The slight decrease in the 2012/13 Adjusted Appropriation was a result of delays in the filling of vacant posts. The increase over the 2013/14 MTEF is inflationary related.

The expenditure against *Goods and services* from 2009/10 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 forensic investigations. The high spending in 2010/11 can be attributed to the increase in forensic investigations, as well as the appointment of service providers with regard to specialised audit assignments, such as performance audits. The substantial increase in the 2012/13 Adjusted Appropriation was due to commitments from the previous financial year for forensic investigations, risk management facilitation workshops and training, IT risk assessments on the BAS application system and the development of the BCP and DRP guidelines. The MTEF includes funding for Project *Unembeza*.

Transfers and subsidies to: Households caters for the payment of 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 fluctuating trend against this category over the period is due to its cyclical nature. The spending against *Payments for financial assets* pertains to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 4: Internal Audit

Table 6.21 below illustrates the main service delivery measures for Programme 4.

Table 6.21: Service delivery measures – Programme 4: Internal Audit

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2012/13	2013/14	2014/15	2015/16
1. Assurance Services						
1.1.	An efficient, effective and economical assurance service	• No. of audit assignments completed on predetermined objectives as per operational plan	22	20	20	20
		• No. of risk based audit assignments including follow ups and projects completed on design, implementation, and/or effectiveness of controls, business ethics and related objectives, progs, activities and systems	22	160	160	160
		• Annual Audit Committee report on clients' areas of risk management, governance and internal control submitted to MEC: Finance	1	1	1	1
		• No. of IA annual operational plans and rolling 3-year strategic plans developed and approved	22	20	20	20
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 internal and/ independent external quality assurance reviews conducted	10	16	16	16
		• 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	• Risk reports issued for municipalities	40	30	30	30
		• Updated risk reports issued for depts. and public entities	-	22	24	28
		• Bi-annual risk follow-up reports for depts. and municipalities	22	60	60	60
		• No. of follow up reports on risk maturity gap analysis for public entities	1	-	15	15
		• No. of ERM compliance reports for municipalities	-	30	35	35
		• No. of risk maturity gap analysis reports issued	10	15	-	-
		• No. of Audit Committee quarterly reports on the clients' areas of risk management and risk governance	21	4	4	4
		• Training/raising awareness on governance and risk management	4	10	10	10
		• No. of risk management forum meetings held	15	4	6	6
3. Risk Management (Forensic Services)						
3.1	Promote a culture of zero tolerance for fraud and corruption	• No. of reviews on the status of fraud management in depts. public entities and municipalities	16	16	16	16
		• No. of forensic audits performed and investigations as per clients' requests and referrals from the Assurance team	Per client request	Per client request	Per client request	Per client request
		• Updated register of forensic investigations	2	4	4	4
		• No. of follow-ups conducted per completed investigation	16	16	16	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 Special Projects. It makes provision for budget road shows, the feasibility studies for the government office park, the 2010 World Cup, special initiatives approved by Cabinet, as well as infrastructure projects such as the development of airports in Pietermaritzburg and Ulundi, among others.

Tables 6.22 and 6.23 illustrate the payments and budgeted estimates pertaining to Programme 5.

Table 6.22: Summary of payments and estimates - Programme 5: Growth and Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Budget Communication	5 205	3 190	6 457	7 094	7 094	7 094	7 464	7 810	8 097
Special Infrastructure Projects	150 000	5 436	31 264	39 315	62 051	62 051	20 677	8 000	-
Strategic Cabinet Initiatives	23 708	16 010	-	40 000	-	-	40 000	38 942	40 527
Special Projects	-	-	-	2 000	2 000	2 000	65 000	2 000	-
Total	178 913	24 636	37 721	88 409	71 145	71 145	133 141	56 752	48 624

Table 6.23: 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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	19 267	8 422	6 457	49 094	17 282	17 282	112 464	48 752	48 624
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	19 267	8 422	6 457	49 094	17 282	17 282	112 464	48 752	48 624
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	159 646	15 664	31 264	39 315	53 863	53 863	20 677	8 000	-
Provinces and municipalities	159 646	15 664	31 264	39 315	53 863	53 863	20 677	8 000	-
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	-	550	-	-	-	-	-	-	-
Total	178 913	24 636	37 721	88 409	71 145	71 145	133 141	56 752	48 624

The decrease against the sub-programme: Budget Communication from 2009/10 to 2010/11 was due to the reduction in the number of budget road shows as a result of cost-cutting. The increase in 2011/12 relates to the department's contribution toward the Financial Literacy programme. The allocation against this sub-programme increases gradually over the 2013/14 MTEF and relates to budget road shows.

The high spending in 2009/10 against the sub-programme: Special Infrastructure Projects related to a once-off allocation for the construction of the Moses Mabhida Stadium, which explains the substantial decrease in 2010/11. The increase from 2010/11 to 2011/12 pertained to the development of the Pietermaritzburg, Ulundi and Richards Bay airports. The 2012/13 Main Appropriation consisted of airport funding for the Pietermaritzburg (R16.027 million) and Ulundi airports (R20 million), as well as R3.288 million for feasibility studies to gauge the feasibility of hosting various events in the province, such as cycling events, etc.

The increase from the 2012/13 Main to the Adjusted Appropriation was due to the following:

- An amount of R7.774 million against *Transfers and subsidies to: Provinces and municipalities* was rolled over from 2011/12 in respect of the upgrading of the Pietermaritzburg (R733 000) and Richards Bay (R7.041 million) airports, the upgrading of which was delayed in 2011/12 due to poor weather conditions.
- R4.900 million in *Goods and services* to provide for costs in respect of the feasibility study being undertaken to gauge the feasibility of developing a government office park.
- R2.062 million for the Shayamoya eco-complex. This is a cultural complex and community park in Kokstad, which aims to make East Griqualand a more attractive tourist destination.
- R8 million for the development of a light industrial park at Bhongweni in the Greater Kokstad Municipality. This project aims to develop the infrastructure and institutional arrangements and operationalise a light industrial park that will operate as a small business incubator.

The budget against this sub-programme over the 2013/14 MTEF is in respect of the Shayamoya eco-complex (2013/14 only) and the light industrial park (2013/14 and 2014/15), as well as the feasibility study for the government office park.

The sub-programme: Strategic Cabinet Initiatives incorporates projects identified and approved by Cabinet. The spending in 2009/10 and 2010/11 was the prescribed local government levy which was discontinued in 2011/12, hence there is no expenditure in that year. The 2012/13 Main Appropriation of R40 million was in respect of the Strategic Cabinet Initiatives funding which was allocated and held by Treasury for allocation to other departments for various strategic provincial events, as and when approved by Cabinet. Due to the high demand placed on these funds, a further R52 million was allocated to this fund in the 2012/13 Adjustments Estimate, bringing the total to R92 million. This allocation is not seen in the table as it was fully suspended to various departments following Cabinet approval for various events as listed below:

- The following amounts were suspended to Vote 1: Office of the Premier:
 - R2 million for the President's *Imbizo* that was held in Umzimkulu on 24 July 2012.
 - R15 million being KZN's contribution toward the hosting of the 2013 AFCON.
 - R5 million for the Choral Music Award.
- The following amounts were suspended to Vote 4: Economic Development and Tourism:
 - R3.800 million to fund the Manchester United Tour held in July 2012.
 - R9 million for the Women's Golf Championship held in November 2012.
 - R5 million for the Nelson Mandela Golf Tournament held in December 2012.
 - R28 million for the North Sea Jazz Festival.
 - R10.527 million for the Metro Awards, scheduled to take place in November 2012.
 - R5 million for the Volvo European Golf Championship which is to be held in 2013.
 - R2.973 million for the BRICS summit scheduled to take place in March 2013.
- The following was suspended to Vote 16: Sport and Recreation
 - R5.700 million for the Soccerex Africa Forum which took place in October 2012.

An amount of R2 million is allocated each year in 2012/13, 2013/14 and 2014/15 against the sub-programme: Special Projects to cater for air shows to be held at various airports in the province, to support the provincial aviation industry. Also included in 2013/14 are once-off allocations for special projects such as the Aero Grand Prix (R8 million), Operation Clean Audit (R20 million), E-Procurement Tool (R8 million), forensic investigations (R8 million) and the SCM CMP (R10 million).

The amounts reflected against *Goods and services* include expenditure in respect of budget road shows, air shows and special projects, as listed above.

The expenditure reflected against *Transfers and subsidies to: Provinces and municipalities* in 2009/10 related mainly to the construction of the Moses Mabhida Stadium. Included in 2009/10 and 2010/11 was the prescribed local government levy that has since been discontinued following a change in legislation. The expenditure in 2011/12 related to the development of the Pietermaritzburg, Ulundi and Richards Bay airports. The 2012/13 Main Appropriation included a roll-over relating to the development of the Pietermaritzburg airport of R16.027 million, as well as a provision of R20 million toward the development of Ulundi airport. The Shayamoya eco-complex and the light industrial park were also included in the 2012/13 Adjusted Appropriation. The amount allocated in 2013/14 caters for these two developments, with carry-through costs in respect of the light industrial park going forward into 2014/15.

The amount against *Payments for financial assets* in 2010/11 was for the write-off of debts relating to Soccerex.

Service delivery measures – Programme 5: Growth and Development

Table 6.24 reflects the main service delivery measures pertaining to Programme 5.

Table 6.24: Service delivery measures – Programme 5: Growth and Development

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
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 6.25 below reflects personnel information per programme for the Provincial Treasury, for the period March 2010 to March 2016. Table 6.26 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.

Table 6.25: Personnel numbers and costs per programme

	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	As at 31 March 2016
Personnel numbers							
1. Administration	141	133	175	169	170	171	171
2. Fiscal Resource Management	41	35	52	63	73	73	73
3. Financial Management	77	71	111	117	118	118	118
4. Internal Audit	106	71	135	140	168	168	168
5. Growth and Development							
Total	365	310	473	489	529	530	530
Total personnel cost (R thousand)	102 117	109 901	127 078	183 479	210 636	226 146	241 120
Unit cost (R thousand)	280	355	269	375	398	427	455

Table 6.26: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Total for department									
Personnel numbers (head count)	365	310	473	469	489	489	529	530	530
Personnel cost (R thousand)	102 117	109 901	127 078	186 893	183 479	183 479	210 636	226 146	241 120
Human resources component									
Personnel numbers (head count)	25	25	23	30	30	30	31	31	31
Personnel cost (R thousand)	5 133	7 384	7 113	9 517	9 517	9 517	12 365	13 105	13 856
Head count as % of total for department	6.85	8.06	4.86	6.40	6.13	6.13	5.86	5.85	5.85
Personnel cost as % of total for department	5.03	6.72	5.60	5.09	5.19	5.19	5.87	5.79	5.75
Finance component									
Personnel numbers (head count)	16	23	23	29	29	29	41	42	42
Personnel cost (R thousand)	5 884	5 884	7 937	9 525	9 525	9 525	14 096	15 866	16 908
Head count as % of total for department	4.38	7.42	4.86	6.18	5.93	5.93	7.75	7.92	7.92
Personnel cost as % of total for department	5.76	5.35	6.25	5.10	5.19	5.19	6.69	7.02	7.01
Full time workers									
Personnel numbers (head count)	330	269	424	429	444	444	489	490	490
Personnel cost (R thousand)	100 647	108 431	124 902	185 093	181 481	181 481	208 836	224 346	239 320
Head count as % of total for department	90.41	86.77	89.64	91.47	90.80	90.80	92.44	92.45	92.45
Personnel cost as % of total for department	98.56	98.66	98.29	99.04	98.91	98.91	99.15	99.20	99.25
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)	35	41	49	40	45	45	40	40	40
Personnel cost (R thousand)	1 470	1 470	2 176	1 800	1 998	1 998	1 800	1 800	1 800
Head count as % of total for department	9.59	13.23	10.36	8.53	9.20	9.20	7.56	7.55	7.55
Personnel cost as % of total for department	1.44	1.34	1.71	0.96	1.09	1.09	0.85	0.80	0.75

The general decrease across all programmes in March 2011 can be attributed to unplanned staff exits, and non-filling of budgeted vacant posts due to the moratorium on the filling of non-critical vacant posts, and a lack of suitably qualified candidates.

As reflected in the table, there is a general increase in the total personnel cost in March 2012, as well as over the 2013/14 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, while being cognisant of the moratorium on the filling of posts.

7.2 Training

Tables 6.27 and 6.28 show the department's actual spending and estimates on training per programme. As reflected in Table 6.27, 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 6.27: Payments and estimates on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	356	139	791	521	521	521	583	626	612
2. Fiscal Resource Management	84	69	223	94	94	94	190	200	203
3. Financial Management	380	149	369	246	246	246	322	368	297
4. Internal Audit	376	128	702	460	460	460	740	765	780
5. Growth and Development	342	-	-	-	-	-	-	-	-
Total	1 538	485	2 085	1 321	1 321	1 321	1 835	1 959	1 892

The high spending 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, and the department undertook to conduct in-house training, where possible.

The expenditure against Programme 5 in 2009/10 was for training provided to non-employees on stock market (trade in shares), money management and psychology of trading.

The department largely complies with the Skills Development Act – i.e. it mostly budgets for at least 1 per cent of its salary expense to go towards staff training.

Table 6.28 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 6.28: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Number of staff	365	310	473	469	489	489	529	530	530
Number of personnel trained	365	310	360	325	325	302	500	515	515
of which									
Male	146	152	187	165	165	115	250	261	261
Female	219	158	173	160	160	187	250	254	254
Number of training opportunities	28	51	49	59	59	57	71	65	65
of which									
Tertiary	-	3	-	4	4	2	4	8	8
Workshops	-	39	13	29	29	43	40	30	30
Seminars	-	4	5	11	11	8	12	12	12
Other	28	5	31	15	15	4	15	15	15
Number of bursaries offered	20	27	13	25	25	32	40	25	25
External	-	4	3	10	10	8	10	10	10
Internal	20	23	10	15	15	24	30	15	15
Number of interns appointed	35	41	49	40	40	42	40	40	40
Number of learnerships appointed	30	15	20	20	55	67	60	60	60
Number of days spent on training	87	149	202	140	140	200	150	150	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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	161	168	152	140	140	163	160	165	170
Sale of goods and services produced by dept. (excl. capital assets)	161	168	152	140	140	163	160	165	170
Sales by market establishments									
Administrative fees									
Other sales	161	168	152	140	140	163	160	165	170
of which									
Other	161	168	152	140	140	163	160	165	170
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	7 584	29 584	288 008	185 003	185 003	250 818	200 004	215 004	236 504
Interest	7 580	29 582	288 004	185 000	185 000	250 815	200 000	215 000	236 500
Dividends	4	2	4	3	3	3	4	4	4
Rent on land									
Sale of capital assets	-	634	760	-	-	8	-	-	-
Land and subsoil assets									
Other capital assets	-	634	760	-	-	8	-	-	-
Transactions in financial assets and liabilities	2 136	440	333	362	362	494	340	374	411
Total	9 881	30 826	289 253	185 505	185 505	251 483	200 504	215 543	237 085

Table 6.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	448 037	368 945	353 868	559 679	539 819	539 819	651 162	602 911	623 321
Compensation of employees	102 117	109 901	127 078	186 893	183 479	183 479	210 636	226 146	241 120
Salaries and wages	90 387	94 479	112 306	161 151	158 391	158 391	183 340	197 429	210 989
Social contributions	11 730	15 422	14 772	25 742	25 088	25 088	27 296	28 717	30 131
Goods and services	243 662	243 536	225 784	322 786	352 040	352 040	431 618	368 997	371 969
of which									
Administrative fees	9 190	8 088	9 999	10 422	10 422	10 422	10 871	11 412	11 547
Advertising	2 373	1 439	2 609	3 629	3 629	3 629	3 865	3 786	3 810
Assets <R5000	5 037	133	989	1 004	1 004	1 004	1 021	797	894
Audit cost: External	4 051	3 479	6 700	7 751	7 751	7 751	7 540	8 310	8 245
Bursaries (employees)	259	236	227	300	300	300	350	360	300
Catering: Departmental activities	2 203	536	1 867	2 344	2 344	2 344	2 602	2 647	2 591
Communication	2 714	2 055	1 706	3 006	3 006	3 006	2 625	2 890	2 974
Computer services	90 417	102 332	97 452	107 116	109 116	109 116	111 818	122 298	125 704
Cons/prof: Business & advisory services	85 017	88 090	50 080	129 999	158 253	158 253	238 622	161 268	159 635
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	429	1 088	2 270	211	211	211	539	585	593
Contractors	4 119	2 844	2 771	4 438	4 438	4 438	2 836	3 061	3 124
Agency & support/outsourced services	1 043	553	1 181	1 043	1 043	1 043	567	728	764
Entertainment	7	33	2	58	58	58	44	47	53
Fleet services (incl. GMT)	822	785	949	1 317	1 317	1 317	1 005	1 060	1 115
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	133	87	129	208	208	208	266	275	297
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	27	-	-	-	64	74	79
Inventory: Materials and supplies	338	86	310	271	271	271	323	340	347
Inventory: Medical supplies	11	1	-	67	67	67	-	-	-
Inventory: Medicine	-	-	-	5	5	5	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	296	110	105	371	371	371	266	324	381
Inventory: Stationery and printing	2 631	2 066	1 758	2 408	2 408	2 408	2 277	2 303	2 417
Operating leases	10 850	12 951	11 789	13 407	13 407	13 407	13 971	14 990	15 103
Property payments	2 504	2 211	7 335	4 474	6 474	6 474	5 200	5 520	5 685
Transport provided: Departmental activity	518	374	992	850	850	850	904	970	1 024
Travel and subsistence	8 405	7 993	8 144	16 456	16 456	16 456	16 152	17 132	17 850
Training and development	1 538	485	2 085	1 321	1 321	1 321	1 835	1 959	1 892
Operating expenditure	1 791	4 859	12 351	8 466	5 466	5 466	3 599	3 338	2 877
Venues and facilities	6 966	622	1 957	1 844	1 844	1 844	2 456	2 523	2 668
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	102 258	15 508	1 006	50 000	4 300	4 300	8 908	7 768	10 232
Interest	102 258	15 508	1 006	50 000	4 300	4 300	8 908	7 768	10 232
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	162 574	17 033	32 406	41 321	67 469	67 469	26 337	13 675	5 678
Provinces and municipalities	159 654	15 676	31 264	39 329	53 877	53 877	20 697	8 022	25
Provinces	8	12	-	14	14	14	20	22	25
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	8	12	-	14	14	14	20	22	25
Municipalities	159 646	15 664	31 264	39 315	53 863	53 863	20 677	8 000	-
Municipalities	159 646	15 664	31 264	39 315	53 863	53 863	20 677	8 000	-
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	2 920	1 357	1 142	1 992	13 592	13 592	5 640	5 653	5 653
Social benefits	2 839	1 142	689	1 762	1 762	1 762	1 400	1 400	1 400
Other transfers to households	81	215	453	230	11 830	11 830	4 240	4 253	4 253
Payments for capital assets	3 291	2 295	3 819	3 274	5 933	5 933	7 430	3 998	4 363
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 155	2 275	3 294	3 274	5 933	5 933	7 430	3 998	4 363
Transport equipment	-	-	-	1 027	1 027	1 027	1 656	1 250	1 328
Other machinery and equipment	3 155	2 275	3 294	2 247	4 906	4 906	5 774	2 748	3 035
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	136	20	525	-	-	-	-	-	-
Payments for financial assets	-	663	232	-	14	14	-	-	-
Total	613 902	388 936	390 325	604 274	613 235	613 235	684 929	620 584	633 362

Table 6.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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	72 726	67 582	78 484	97 688	100 588	100 588	101 382	108 625	112 763
Compensation of employees	29 965	32 044	35 936	45 142	46 142	46 142	54 786	59 145	62 816
Salaries and wages	26 437	27 951	31 476	37 966	38 366	38 366	46 620	50 563	53 872
Social contributions	3 528	4 093	4 460	7 176	7 776	7 776	8 166	8 582	8 944
Goods and services	42 761	35 538	42 548	52 546	54 446	54 446	46 596	49 480	49 947
of which									
Administrative fees	178	114	656	382	382	382	252	291	286
Advertising	2 138	805	2 187	3 064	3 064	3 064	3 253	3 136	3 129
Assets <R5000	385	31	422	459	459	459	493	532	593
Audit cost: External	4 051	3 479	6 700	7 751	7 751	7 751	7 540	8 310	8 245
Bursaries (employees)	259	238	227	300	300	300	350	360	300
Catering: Departmental activities	679	89	576	353	353	353	575	610	588
Communication	1 905	1 226	883	1 563	1 563	1 563	1 371	1 548	1 632
Computer services	-	5 301	-	4	4	4	-	-	-
Cons/prof: Business & advisory services	2 412	87	464	240	3 140	3 140	671	603	510
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	118	76	321	211	211	211	419	465	473
Contractors	2 761	2 240	1 263	2 972	2 972	2 972	1 055	1 147	1 120
Agency & support/outsourced services	1 043	97	132	304	304	304	88	106	112
Entertainment	3	33	-	51	51	51	34	36	39
Fleet services (incl. GMT)	822	784	949	1 317	1 317	1 317	1 005	1 060	1 115
Housing									
Inventory: Food and food supplies	36	49	47	124	124	124	157	165	168
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	-	-	27	-	-	-	64	74	79
Inventory: Materials and supplies	118	79	300	267	267	267	304	329	335
Inventory: Medical supplies	11	1	-	67	67	67	-	-	-
Inventory: Medicine	-	-	-	5	5	5	-	-	-
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	291	109	104	368	368	368	262	317	372
Inventory: Stationery and printing	1 757	1 186	1 118	1 050	1 050	1 050	986	1 046	1 105
Operating leases	10 708	12 917	11 272	13 236	13 236	13 236	13 505	14 484	14 570
Property payments	2 339	2 211	7 185	4 474	6 474	6 474	5 200	5 520	5 685
Transport provided: Departmental activity	-	-	94	50	50	50	60	70	74
Travel and subsistence	3 745	2 730	2 442	7 235	7 235	7 235	5 750	6 238	6 639
Training and development	356	139	791	521	521	521	583	626	612
Operating expenditure	759	1 348	3 971	5 742	2 742	2 742	2 044	1 781	1 490
Venues and facilities	5 887	169	417	436	436	436	575	626	676
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	1 796	227	453	636	12 236	12 236	4 260	4 275	4 278
Provinces and municipalities	8	12	-	14	14	14	20	22	25
Provinces	8	12	-	14	14	14	20	22	25
Provincial Revenue Funds									
Provincial agencies and funds	8	12	-	14	14	14	20	22	25
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	1 788	215	453	622	12 222	12 222	4 240	4 253	4 253
Social benefits	1 707	-	-	392	392	392	-	-	-
Other transfers to households	81	215	453	230	11 830	11 830	4 240	4 253	4 253
Payments for capital assets	466	934	1 424	1 770	1 770	1 770	2 686	2 247	2 302
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	466	934	1 424	1 770	1 770	1 770	2 686	2 247	2 302
Transport equipment	-	-	-	1 027	1 027	1 027	1 656	1 250	1 328
Other machinery and equipment	466	934	1 424	743	743	743	1 030	997	974
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	12	-	-	-	-	-	-	-
Total	74 988	68 755	80 361	100 094	114 594	114 594	108 328	115 147	119 343

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	52 247	52 947	31 778	83 492	94 846	94 846	99 107	93 490	96 802
Compensation of employees	18 193	17 371	21 191	38 085	36 785	36 785	43 007	46 036	48 984
Salaries and wages	16 276	14 823	19 071	34 037	33 037	33 037	38 292	41 036	43 686
Social contributions	1 917	2 548	2 120	4 048	3 748	3 748	4 715	5 000	5 298
Goods and services	34 054	35 576	10 587	45 407	58 061	58 061	56 100	47 454	47 818
<i>of which</i>									
Administrative fees	51	44	66	70	70	70	93	105	115
Advertising	4	4	16	-	-	-	25	25	25
Assets <R5000	170	43	115	28	28	28	38	45	53
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	55	11	81	54	54	54	98	106	120
Communication	163	130	146	291	291	291	300	319	306
Computer services									
Cons/prof: Business & advisory services	31 449	33 172	6 919	41 345	53 999	53 999	51 656	42 907	43 349
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	9	5	18	12	12	12	12	6	5
Agency & support/outsourced services									
Entertainment	2	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	44	11	17	30	30	30	34	28	34
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	3	-	3	4	4	4	-	-	-
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	1	-	-	1	1	1	1	2	3
Inventory: Stationery and printing	310	212	219	403	403	403	392	337	349
Operating leases	-	-	133	1	1	1	96	105	107
Property payments									
Transport provided: Departmental activity	3	-	-	-	-	-	-	-	-
Travel and subsistence	1 049	948	840	1 798	1 798	1 798	2 057	2 170	2 260
Training and development	84	69	223	94	94	94	190	200	203
Operating expenditure	626	927	1 791	1 264	1 264	1 264	1 095	1 086	876
Venues and facilities	31	-	-	12	12	12	13	13	13
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	-	-	-	-	13	13	-	-	-
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	-	-	-	-	13	13	-	-	-
Social benefits	-	-	-	-	13	13	-	-	-
Other transfers to households									
Payments for capital assets	147	208	374	315	315	315	400	283	440
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	114	188	374	315	315	315	400	283	440
Transport equipment									
Other machinery and equipment	114	188	374	315	315	315	400	283	440
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	33	20	-	-	-	-	-	-	-
Payments for financial assets	-	6	128	-	-	-	-	-	-
Total	52 394	53 161	32 280	83 807	95 174	95 174	99 507	93 773	97 242

Table 6.E: Details of payments and estimates by economic classification - Programme 3: Financial Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	235 606	159 520	162 478	236 544	220 944	220 944	232 980	241 195	250 514
Compensation of employees	24 319	27 132	34 784	47 082	48 482	48 482	51 945	55 663	59 500
Salaries and wages	21 324	22 933	30 500	40 065	41 065	41 065	44 456	47 820	51 286
Social contributions	2 995	4 199	4 284	7 017	7 417	7 417	7 489	7 843	8 214
Goods and services	109 029	116 880	126 688	139 462	168 162	168 162	172 127	177 764	180 782
of which									
Administrative fees	8 912	7 830	9 094	9 877	9 877	9 877	10 331	10 794	10 913
Advertising	13	419	33	16	16	16	-	-	-
Assets <R5000	4 210	59	393	210	210	210	490	220	248
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	41	18	25	90	90	90	55	61	65
Communication	381	373	385	507	507	507	523	556	543
Computer services	89 715	96 996	96 655	106 993	108 993	108 993	111 018	121 483	124 874
Cons/prof: Business & advisory services	2 302	7 279	12 041	18 086	44 786	44 786	44 559	39 354	38 840
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	195	1 012	1 949	-	-	-	120	120	120
Contractors	532	68	187	66	66	66	85	98	107
Agency & support/outsourced services									
Entertainment	1	-	-	4	4	4	6	7	9
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	17	14	34	21	21	21	39	44	54
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	217	7	5	-	-	-	16	7	8
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	3	-	1	2	2	2	3	5	6
Inventory: Stationery and printing	310	373	224	607	607	607	515	559	590
Operating leases	33	34	195	47	47	47	105	118	135
Property payments	-	-	13	-	-	-	-	-	-
Transport provided: Departmental activity									
Travel and subsistence	1 553	1 342	1 888	2 556	2 556	2 556	3 811	3 828	3 819
Training and development	380	149	369	246	246	246	322	368	297
Operating expenditure	31	859	3 161	24	24	24	23	28	34
Venues and facilities	183	48	36	110	110	110	106	114	120
Rental and hiring									
Interest and rent on land	102 258	15 508	1 006	50 000	4 300	4 300	8 908	7 768	10 232
Interest	102 258	15 508	1 006	50 000	4 300	4 300	8 908	7 768	10 232
Rent on land									
Transfers and subsidies to	1 122	917	689	1 370	1 357	1 357	1 400	1 400	1 400
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									
Households	1 122	917	689	1 370	1 357	1 357	1 400	1 400	1 400
Social benefits	1 122	917	689	1 370	1 357	1 357	1 400	1 400	1 400
Other transfers to households									
Payments for capital assets	2 192	830	1 536	431	3 090	3 090	3 494	568	681
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	2 089	830	1 011	431	3 090	3 090	3 494	568	681
Transport equipment									
Other machinery and equipment	2 089	830	1 011	431	3 090	3 090	3 494	568	681
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	103	-	525	-	-	-	-	-	-
Payments for financial assets	-	92	91	-	-	-	-	-	-
Total	238 920	161 359	164 794	238 345	225 391	225 391	237 874	243 163	252 595

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	68 191	80 474	74 671	92 861	106 159	106 159	105 229	110 849	114 618
Compensation of employees	29 640	33 354	35 167	56 584	52 070	52 070	60 898	65 302	69 820
Salaries and wages	26 350	28 772	31 259	49 083	45 923	45 923	53 972	58 010	62 145
Social contributions	3 290	4 582	3 908	7 501	6 147	6 147	6 926	7 292	7 675
Goods and services	38 551	47 120	39 504	36 277	54 089	54 089	44 331	45 547	44 798
of which									
Administrative fees	49	77	183	93	93	93	195	222	233
Advertising	-	7	7	-	-	-	9	10	11
Assets <R5000	272	-	59	307	307	307	-	-	-
Audit cost: External	-	(2)	-	-	-	-	-	-	-
Bursaries (employees)	43	2	26	41	41	41	58	61	17
Catering: Departmental activities	265	326	292	645	645	645	431	467	493
Communication	702	35	797	119	119	119	800	815	830
Computer services	33 977	41 771	30 647	28 328	46 140	46 140	36 683	37 406	36 351
Cons/prof: Business & advisory services	-	-	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	116	-	-	-	-	-	-	-	-
Contractors	12	9	5	34	34	34	-	-	-
Agency & support/outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	1	-	2	3	3	3	4	4	5
Fleet services (incl. GMT)	-	1	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	27	13	17	33	33	33	36	38	41
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	2	-	-	-	3	4	4
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	1	1	-	-	-	-	-	-	-
Inventory: Stationery and printing	253	285	183	348	348	348	384	361	373
Operating leases	109	-	189	123	123	123	265	283	291
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	2 058	2 973	2 974	4 867	4 867	4 867	4 534	4 896	5 132
Training and development	376	128	702	460	460	460	740	765	780
Operating expenditure	289	1 494	3 419	856	856	856	189	215	237
Venues and facilities	1	-	-	20	20	20	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
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	486	323	485	758	758	758	850	900	940
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	486	323	485	758	758	758	850	900	940
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	486	323	485	758	758	758	850	900	940
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	3	13	-	14	14	-	-	-
Total	68 687	81 025	75 169	93 619	106 931	106 931	106 079	111 749	115 558

Table 6.G: Details of payments and estimates by economic classification - Programme 5: Growth and Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	19 267	8 422	6 457	49 094	17 282	17 282	112 464	48 752	48 624
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	19 267	8 422	6 457	49 094	17 282	17 282	112 464	48 752	48 624
of which									
Administrative fees	-	23	-	-	-	-	-	-	-
Advertising	218	204	366	549	549	549	578	615	645
Assets <R5000	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 385	416	1 159	1 806	1 806	1 806	1 816	1 809	1 801
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	14 877	5 781	9	42 000	10 188	10 188	105 053	40 998	40 585
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	805	522	1 298	1 354	1 354	1 354	1 684	1 810	1 892
Agency & support/outsourced services	-	456	1 049	739	739	739	479	622	652
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	9	-	14	-	-	-	-	-	-
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	1	10	14	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	165	-	137	-	-	-	-	-	-
Transport provided: Departmental activity	515	374	898	800	800	800	844	900	950
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	342	-	-	-	-	-	-	-	-
Operating expenditure	86	231	9	580	580	580	248	228	240
Venues and facilities	864	405	1 504	1 266	1 266	1 266	1 762	1 770	1 859
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	159 646	15 664	31 264	39 315	53 863	53 863	20 677	8 000	-
Provinces and municipalities	159 646	15 664	31 264	39 315	53 863	53 863	20 677	8 000	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	159 646	15 664	31 264	39 315	53 863	53 863	20 677	8 000	-
Municipalities	159 646	15 664	31 264	39 315	53 863	53 863	20 677	8 000	-
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	-	-	-	-	-	-	-	-	-
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	-	550	-	-	-	-	-	-	-
Total	178 913	24 636	37 721	88 409	71 145	71 145	133 141	56 752	48 624

Table 6.H: Payments and estimates by economic classification: Conditional grant: Education and Health Infrastructure grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	-	1 634	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	1 634	-	-	-	-	-	-	-
<i>of which</i>									
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/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	-	1 634	-	-	-	-	-	-	-

Table 6.I: Summary of transfers to local government (Casino taxes pay-over, 2010 Soccer Stadium, airports, Shayamoya eco-complex and light industrial park)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
A KZN2000 eThekweni	157 484	7 937	-	-	-	-	-	-	-
Total: Ugu Municipalities	84	98	-	-	-	-	-	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	-	-	-	-	-	-	-	-	-
B KZN213 Umzumbhe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	84	98	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	1 017	6 482	17 790	19 315	16 760	16 760	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	5 435	17 790	19 315	16 760	16 760	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	1 017	1 047	-	-	-	-	-	-	-
Total: Uthukela Municipalities	15	22	-	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	-	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	15	22	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	19	31	-	-	-	-	-	-	-
B KZN241 Endumeni	-	-	-	-	-	-	-	-	-
B KZN242 Nqutu	-	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	-	-	-	-	-	-	-
B KZN245 Umvoti	-	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	19	31	-	-	-	-	-	-	-
Total: Amajuba Municipalities	394	427	-	-	-	-	-	-	-
B KZN252 Newcastle	-	-	-	-	-	-	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	394	427	-	-	-	-	-	-	-
Total: Zululand Municipalities	23	33	10 015	20 000	20 000	20 000	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	23	33	10 015	20 000	20 000	20 000	-	-	-
Total: Umkhanyakude Municipalities	2	3	-	-	-	-	-	-	-
B KZN271 Umhlathayalingana	-	-	-	-	-	-	-	-	-
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	577	584	3 459	-	7 041	7 041	-	-	-
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	-	-	3 459	-	7 041	7 041	-	-	-
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	577	584	-	-	-	-	-	-	-
Total: Ilembe Municipalities	31	45	-	-	-	-	-	-	-
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	31	45	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	2	-	-	10 062	10 062	20 677	8 000	-
B KZN431 Ingwe	-	-	-	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	10 062	10 062	20 677	8 000	-
B KZN434 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 Umzimkulu	-	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	2	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	159 646	15 664	31 264	39 315	53 863	53 863	20 677	8 000	-

VOTE 7

Health

Operational budget	R 28 646 224 776
MEC remuneration	R 1 652 224
Total amount to be appropriated	R 28 647 877 000
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 2013/14 MTEF period and which are aligned to national and provincial priorities, are as follows:

- *Overhauling provincial health services* 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 efficiency and quality of health services including 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, quality and efficiency, sustainability, community participation, appropriate technology, and 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 10.267 million people (Census 2011). 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, as well as 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

Rendering specialised forensic and medico-legal services to establish the circumstances and causes surrounding unnatural death, 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) and Regulations
- 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 Laboratory Service 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 2012/13 financial year

Section 2 provides a review of 2012/13, outlining the main achievements and progress made by the department, as well as providing a brief discussion on the challenges and new developments.

Fiscal and economic management of the department

The management of the infrastructure unit was strengthened through improving human capacity, with the appointment of an additional five staff, as well as an extension to the Development Bank of Southern Africa contract which provides further capacity support to the unit. Special attention was given to improving the working relationship with the implementing agents (IA), the Department of Public Works (DOPW) and the Independent Development Trust (IDT). This was achieved through monthly meetings of all role-players, as well as regular account reconciliation meetings with the IDT.

The department continued to commit to achieving an operational clean audit by 2014. Despite receiving an audit qualification in 2011/12, progress was made, with the assistance of Provincial Treasury, to develop and populate its asset register as Phase 1 of the process to achieve a clean audit by 2014.

Continued focus on national and provincial priorities

In line with the national outcome of *a long and healthy life for all South Africans*, focus continued on key national and provincial priorities that support government's goal of improving the public health care system. Such priorities included the attainment of the following outputs over the MTEF:

- *Output 1: Increasing life expectancy at birth* which included the following:
 - Strengthening of Primary Health Care (PHC) outreach teams in National Health Insurance (NHI) districts and each district increased the number of teams to 35. Each team consists of one professional nurse, three staff nurses and six community care-givers (CCG). Strengthening was not only limited to NHI districts, with non-NHI districts also strengthening integrative interventions at community level through Operation *Sukuma Sakhe* (OSS), with the focus being on early detection, health promotion and prevention.
 - All districts strengthened their school health services, and an additional 70 teams were appointed in this regard during 2012/13.
- *Output 2: Decreasing Maternal and Child mortality* which included:
 - *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 improved outcomes in 2012/13 (mid-year), including:
 - Antenatal first visit before 20 weeks rate increased from 41 to 45 per cent.
 - Maternal mortality in facility ratio (annualised) decreased from 190.6/100 000 to 188/100 000.
 - Infants first Polymerase Chain Reaction (PCR) test positive within two months after birth, as proportion of all babies tested, decreased from 4 to 2.2 per cent.
 - Improved targets were assisted by the commissioning of 40 dedicated ambulances, an increased bed capacity for pregnant women with high risk pregnancies at prioritised facilities, as well as a new mothers' lodge for pregnant women at the Lower Umfolozi War Memorial District Hospital.
 - District Specialist Teams were strengthened through the appointment of additional specialists and specialised nursing staff at all districts.
 - Monitoring and evaluation of maternal and child health services was strengthened with the assistance of district specialist teams, programme managers and facility management teams. This resulted in early identification of challenges and the timeous development of appropriate actions.

- **Output 3: Combating HIV and AIDS and decreasing the burden of diseases from TB**, where the department scaled up prevention strategies including voluntary HIV and AIDS testing and counselling, as well as medical male circumcision:
 - A total of 189 136 males were circumcised as part of the male medical circumcision campaign, against a target of 174 826.
 - The total number of patients on Anti-Retroviral Therapy (ART) increased from 547 411 to an expected 785 000.
 - An expected total of 2 983 716 clients will have been tested for HIV in 2012/13 against an expected 2 900 000.
 - Additional staff appointments took place at fixed clinics to cope with the increased workload. The initiation of HIV and AIDS treatment is now done at all fixed primary health care clinics. Stable patients on ARVs are actively referred to clinics, and it is projected that more than 50 per cent of all patients on ARVs will be attended to at clinics by the end of March 2013.
 - The department continued to focus on the expansion of TB programmes in all districts:
 - The TB defaulter rate decreased from 6.7 to 6.1 per cent.
 - The Pulmonary Tuberculosis (PTB) two-month smear conversion rate increased from 68.3 to 69.5 per cent.
 - The TB cure rate increased from 68.2 to 73.7 per cent.
 - A total of 80 additional TB injection and patient defaulter tracing staff were appointed.
- **Output 4: Strengthening health system effectiveness**, which included:
 - Steady progress was made with the finalisation of the Service Transformation Plan (STP), development of core standards of health facilities, the integration of health teams at sub-district level, re-engineering of PHC and revitalisation of hospital services.
 - Although no facilities have yet been accredited for NHI implementation, progress was made in this regard. The accreditation of facilities depends on ground work being done and the level of funding provided, and this should result in the first facilities being accredited in the latter part of the 2013/14 MTEF.

Other new specific priorities and concrete interventions funded in 2012/13 included the following:

- Training and development for managers and other categories of staff with a focus on, among others, financial, administration and IT skills, took place, with 30 staff trained in 2012/13.
- Investment in medical equipment and related facilities for MNC&WH, including the purchase of obstetric ambulances with a minimum of two per district, was fully achieved.

Creating and increasing economic participation and creating jobs

In 2012/13, job creation 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, with an estimated R16 million spent on SMMEs.

Drive to improve clinical outcomes will be increased in 2012/13

Key issues and areas that were characterised as key challenges for Health were addressed as follows:

- The shift from curative to preventative health care services was ongoing, and there was increased spending on various projects, including additional PHC outreach teams, school health teams, TB tracing teams, lay-counsellors and CCGs.
- Infrastructure backlogs were addressed through increased spending in Programme 8: Health Facilities Management, where total expenditure increased to R2.367 billion from R1.865 billion.
- The department continued to address fraud and corruption, resulting in a number of suspensions, dismissals and criminal investigations. This improved financial discipline resulted in savings related

to unauthorised and fruitless and wasteful expenditure. Direct recoveries from the proceeds of crime are expected to increase, if legal processes rule in favour of the department. More emphasis must be placed on prevention over the MTEF period, strengthening controls and other interventions – e.g. re-engineering SCM structures, policies, systems, etc.

3. Outlook for the 2013/14 financial year

Section 3 looks at the key focus areas of 2013/14, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments.

Improving the provision of health care

With regard to infrastructure, the department will shift focus toward maintaining and upgrading existing facilities and withdraw funding from new building projects, where possible.

The budget will make provision for the commissioning of more than 20 new clinics, the phased in commissioning of the KZN Children's Hospital (outpatient services) and implementation of the final phase of commission of King Dinuzulu (formerly King George V) Hospital, as well as St. Chads, Turton and Gamalakhe community health centres (CHC) during 2013/14.

Funds have also been provided for the take-over of municipal clinics, and this involves recruitment of additional clinical staff required to address shortages identified prior to take-over. Increases for transfer payments have also been provided for municipal clinics in the eThekweni Metro and Umhlathuze Municipality, for pressures in the treatment of HIV and AIDS.

In addition, a number of programmes will be strengthened:

- In Programme 1, the focus will be on improving audit outcomes and filling various critical posts related to the SCM and Asset Management functions.
- In Programme 2, provision has been made for the strengthening of school health, mobile services, district specialist teams, malaria, port health services, as well as the appointment of additional staff nurses and nutrition advisors as a result of the CCG career programme started in 2012/13.
- In Programme 5, provision has been made for the strengthening of Central Hospital Services at the Inkosi Albert Luthuli Central Hospital (IALCH), to prevent the costly use of private sector beds, as well as increasing own revenue for the department.

The budget for training of staff nurses and nurse assistants has been reprioritised to employ more staff, in order to address high vacancy rates in these occupational classes, and to provide support for PHC re-engineering through ward-based teams.

Considerable in-year efforts will be made to identify savings through efficiency gains and effective utilisation of resources, to address the identified budget deficiencies.

Main focus areas for 2013/14

- Although the NHI grant decreases significantly in 2013/14, the department will seek funding from the National Department of Health (NDOH) for the prioritised pilot districts to implement new and innovative solutions. Additional PHC outreach teams will also be employed in these districts, should funding be made available. Note that this funding reduction is due to new indirect National Health grant, which will be spent by NDOH on behalf of provinces. The new grant has two components, one to support infrastructure projects and one to support the national health insurance scheme pilots.
- *Financial management* – The priorities for 2013/14 will be to obtain an unqualified audit through management effectiveness and improved controls, increased value for money through re-engineered SCM processes and structures to improve contract management and tender turn-around time. A dedicated Asset Management Unit will be established. In addition, the own revenue enhancement programme will continue in an effort to maximise potential revenue retention of health patient fees above the revenue budget, as agreed with Provincial Treasury. This is a continuation of a process,

which commenced in 2012/13, whereby the department is being incentivised (through the offer of limited revenue retention) to maximise the collection of patient fees.

- *Human resource management* – The priorities will be to finalise the organisational structure review and the filling of critical managerial posts, as well as finalise the appointment of hospital management teams in line with the STP and the NHS 10-point plan. In addition, the focus of the reprioritised budget will provide support to the strategy of progressive budget alignment with clinical demand, and the availability of critical clinical resources throughout KZN, with emphasis on strengthening and addressing shortages of critical staff at facilities.
- *Strategic planning* – The priorities will be to finalise the APP and the STP, and align all short, medium and long term plans with the reduction of the baseline, as explained in the sections below.
- *Clinical services* – The priority continues to be improving the provision of health care services 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 MDGs.
- The department will finalise the costing for optimal maternal and neonatal services in 2013/14, to inform the 2014/15 budget, and this will include the development of staffing, equipment and facility norms and the costing of gaps. This project will also provide the cost of required additional obstetrical ambulances and mother lodges for pregnant women, and will demand innovative cost effective solutions.
- The department anticipates a progressive reduction in demand for outpatient services in 2013/14 as a result of improved access to primary health care facilities and community based initiatives, and a budget has been provided to support this expected change in demand for health care services. Facilities will set targets for the anticipated reduction of inappropriate PHC visits, monitor and report quarterly on attaining these set targets, as well as the improved cost effectiveness of these interventions. Other interventions to be embarked upon in 2013/14, with beneficial effects of reducing cost and improved clinical outcomes, will be:
 - Reviewing and updating of referral pathways with identification and clearing of bottlenecks.
 - The strengthening of the GeneXpert system in diagnosing TB faster.
 - The refurbishment of the Dundee regional laundry.
 - Monitoring of re-admission rates and develop targets for hospitals in this regard.
 - Development of an electronic referral system as part of a longer term goal of implementing electronic patient records.
 - The on-going strengthening of telemedicine.

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 2009/10 to 2015/16. The table also compares actual and budgeted receipts against actual and budgeted payments.

Note that from 2013/14, all conditional grants in the health sector, which focus on infrastructure delivery, have been consolidated into one grant with separate grant components. The newly amalgamated grant is called the Health Facility Revitalisation grant, and funds the construction and maintenance of health infrastructure. This grant has been created through the merger of the Health Infrastructure grant, Hospital Revitalisation grant and the Nursing Colleges and Schools grant, which are now three components within the merged grant.

The department ended 2009/10 with a deficit of R2.109 billion, mainly 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 repayment (in terms of Section 34(2) of the PFMA) of the accumulated over-spending incurred from 2007/08 to 2009/10.

Table 7.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Provincial allocation	15 125 877	18 192 039	20 152 053	21 734 501	22 014 761	22 014 761	23 278 063	24 453 324	25 718 953
Conditional grants	3 114 646	3 924 609	4 435 205	4 820 849	5 023 849	5 023 849	5 319 234	5 992 400	6 539 263
Health Professions Training and Development grant	222 425	235 771	249 917	261 860	261 860	261 860	276 262	292 837	306 308
Health Facility Revitalisation grant	648 579	901 053	906 169	976 452	1 176 452	1 176 452	962 469	1 090 431	1 139 972
of which:									
Health Infrastructure component	359 717	400 238	358 471	393 367	573 367	573 367	373 969	410 845	430 527
Hospital Revitalisation component	288 862	500 815	547 698	566 605	586 605	586 605	560 104	646 132	676 544
Nursing Colleges and Schools component	-	-	-	16 480	16 480	16 480	28 396	33 454	32 901
National Tertiary Services grant	983 948	1 102 585	1 201 831	1 323 114	1 323 114	1 323 114	1 415 731	1 496 427	1 565 263
Comprehensive HIV and AIDS grant	1 121 575	1 518 811	1 889 427	2 225 423	2 225 423	2 225 423	2 652 072	3 098 705	3 512 927
Forensic Pathology Services grant	134 538	152 406	161 550	-	-	-	-	-	-
2010 World Cup Health Preparation Strategy grant	3 581	-	-	-	-	-	-	-	-
Social Sector EPWP Incentive Grant for Provinces	-	2 676	25 775	-	-	-	-	-	-
EPWP Integrated Grant for Provinces	-	11 307	536	1 000	1 000	1 000	3 000	-	-
National Health Insurance grant	-	-	-	33 000	33 000	33 000	9 700	14 000	14 793
AFCON 2013: Medical Services grant	-	-	-	-	3 000	3 000	-	-	-
Total receipts	18 240 523	22 116 648	24 587 258	26 555 350	27 038 610	27 038 610	28 597 297	30 445 724	32 258 216
Total payments	20 349 276	20 734 986	24 791 118	26 555 350	27 290 930	27 596 404	28 647 877	30 445 724	32 258 216
Surplus/(Deficit) before financing	(2 108 753)	1 381 662	(203 860)	-	(252 320)	(557 794)	(50 580)	-	-
Financing									
of which									
Provincial roll-overs	-	3 538	81 838	-	-	-	-	-	-
Provincial cash resources	-	-	-	-	252 320	252 320	50 580	-	-
Surplus/(deficit) after financing	(2 108 753)	1 385 200	(122 022)	-	-	(305 474)	-	-	-

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 2010 World Cup Health Preparation Strategy grant.

In 2011/12, the department over-spent by R122.022 million. This was attributed to the ongoing processing of various categories of OSD (occupational therapists, advanced maternity staff and artisans), exacerbated by the filling of critical posts required for restructuring of service delivery to bring the department in line with NHI requirements. In addition, there were increased payments to the NHLS related to an agreement to increase the monthly payment from R34 million to R43 million, backdated to January 2011, until such time as the dispute was finalised. There was also a once-off payment of R50 million towards HIV and AIDS costs, as per a special request from NDOH, to avert a financial crisis in the NHLS.

An amount of R81.838 million was included against provincial roll-overs, being an approved roll-over of R63.953 million from 2009/10, of commitments relating to the Hospital Revitalisation component of the Health Facility Revitalisation grant, which was under-spent in 2009/10, and a roll-over of R17.885 million from 2010/11 in respect of the Comprehensive HIV and AIDS grant.

In the 2012/13 Adjusted Appropriation, additional funding of R280.260 million was received for the higher than expected 2012 wage agreement. In addition, the two components of the Health Facility Revitalisation grant, namely the Health Infrastructure component (R180 million) and the Hospital Revitalisation component (R20 million), received additional funding. A new grant was introduced, namely the AFCON 2013: Medical Services grant, with once-off funding of R3 million. These grants are discussed in more detail in Section 5.5 below. Furthermore, provincial cash resources were increased by R252.320 million, made up as follows:

- R48.107 million to top up the allocation from National Treasury for the higher than expected 2012 wage agreement.
- R12 million for a vaccine campaign to reduce maternal and child mortality.

- R6.250 million to improve the department's PABX systems.
- R185.963 million to address pressures in various infrastructure projects.

The projected over-spending in 2012/13 relates mainly to pressures in the Comprehensive HIV and AIDS grant largely driven by the provision of micro-nutrients for ARV patients, where the new national contract prices are significantly higher than previously. The department has approached NDOH for assistance in this regard.

In 2013/14, the department has been allocated an additional R50.580 million for the refurbishment of the Dundee regional laundry.

Total receipts are expected to increase from R27.291 billion in the 2012/13 Adjusted Appropriation, to R32.251 billion in 2015/16. The equitable share allocation shows strong growth from 2009/10 to 2010/11, as mentioned above. The increase from 2010/11 to 2012/13 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 PHC structures (R410 million). Further detail is provided in Section 5.2 below. Additional funding was provided in the 2012/13 MTEF for the introduction of a NHI pilot programme through the NHI conditional grant, the refurbishment of nurses training colleges (Nursing Colleges and Schools component), 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 10 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*.

The bulk of revenue collected by this department is against *Sale of goods and services other than capital assets*. The major receipts under this category relate to patient fees, boarding fees, rentals, parking fees, and commission charged on PERSAL deductions for insurance premiums and garnishees.

Table 7.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	198 762	164 198	196 395	200 013	200 013	207 758	217 666	220 512	231 538
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	11	2 449	17	1	1	12	21	21	21
Interest, dividends and rent on land	74	816	366	1	1	140	217	217	217
Sale of capital assets	14 678	7 231	-	-	-	17 929	12 000	10 000	10 000
Transactions in financial assets and liabilities	19 352	16 527	11 220	13 977	13 977	12 650	13 577	15 411	16 182
Total	232 877	191 221	207 998	213 992	213 992	238 489	243 481	246 161	257 958

Most of the remaining revenue categories do not follow a predictable trend, and are not received on a regular basis, such as the sale of redundant equipment and vehicles. For this reason, projections for future years were formulated based on past trends. The collection of revenue from patient fees is influenced by the following factors:

- Historically, the majority of patients attending the department's health facilities have been unable to make a meaningful contribution for the services provided. However, the department is currently in the process of developing an own-revenue enhancement programme, which will seek to identify patients who are able to pay for services, but previously received free treatment.

- The continued provision of free services at health institutions to pregnant women and children under 16 years of age who do not belong to any medical aid, pensioners, the disabled, the unemployed and patients on the ART programme.
- The ongoing review of the Uniform Patient Fee Structure (UPFS) that is applicable to private hospital patients (PHP), i.e. medical aid patients, statutory cases and patients whose income exceeds the limit for free services, 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.

In the aftermath of efforts to recover funds from patients with private medical aid cover, prisoner patients related to the SAPS and Correctional Services, as well as the Road Accident Fund (RAF) claims in 2009/10, *Sale of goods and services other than capital assets* decreased in 2010/11. Also affecting the 2010/11 revenue collection was the expiry of the agreement with the RAF. The high collection in 2011/12 can be ascribed to the alignment of boarding fees to R800 per person as per the housing allowance paid to employees. In the 2012/13 Revised Estimate, the expected over-recovery can be attributed to improved recoveries mainly from RAF and the Compensation of Injuries and Disease Act (COIDA) after an intensive capacity building drive aimed at improving the department's revenue collection. This trend is expected to continue over the 2013/14 MTEF.

Fines penalties and forfeits reflect revenue from domestic fines transgressions which is difficult to budget for due to its unpredictable nature. The department collected approximately R2.431 million during 2010/11 from fraud recovery efforts from various suppliers.

Interest, dividends and rent on land largely reflects interest on staff debts. The fluctuation over the seven-year period is due to the volatility in staff debts coupled with interest rate changes.

Sale of capital assets comprises income generated from the sale of redundant equipment, including motor vehicles. The amounts recovered in 2009/10, 2010/11 and the 2012/13 Revised Estimate were mainly due to the unanticipated sale of redundant vehicles. The department projects to receive a cumulative amount of R32 million from the auctioning of redundant assets over the 2013/14 MTEF.

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, decreased gradually from 2010/11 to 2012/13 before rising marginally. The peak in 2009/10 resulted from a concerted effort to clear debts. It is difficult to project revenue from this category, due to its uncertain nature.

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.

The majority of donations are small once-off allocations. The Global Fund for HIV and AIDS patients was largely finalised in 2009/10 and the TB Global Fund in 2010/11. The European Union PHC project was finalised in 2011/12.

Table 7.3: Details of donor funding receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Donor funding	36 072	1 294	4 231	-	-	-	-	-	-
Aspen	-	-	3 500	-	-	-	-	-	-
Atlantic Philanthropies	6 000	-	-	-	-	-	-	-	-
Ben Booysen	-	1	-	-	-	-	-	-	-
CMC DI Ravenna	-	150	-	-	-	-	-	-	-
Comrades Marathon	-	-	10	-	-	-	-	-	-
Conforth Investments (IALCH)	-	-	151	-	-	-	-	-	-
European Union PHC	9 318	101	-	-	-	-	-	-	-
Global fund for HIV and AIDS patients	17 353	-	-	-	-	-	-	-	-
HWSETA Learnership - Bethesda sub-campus	-	-	121	-	-	-	-	-	-
HWSETA Learnership - HIV and AIDS Support	-	76	-	-	-	-	-	-	-
HWSETA Learnership - King Edward sub-campus	-	-	126	-	-	-	-	-	-
HWSETA Learnership - Mseleni and Mosvold	42	-	-	-	-	-	-	-	-
HWSETA Learnership - Pharmacy	-	75	-	-	-	-	-	-	-
HWSETA Learnership - PMMH	96	28	-	-	-	-	-	-	-
HWSETA Learnership - St Aiden's	263	63	323	-	-	-	-	-	-
HWSETA Learnership - Unemployed Graduates	-	700	-	-	-	-	-	-	-
S.A. Breweries	-	100	-	-	-	-	-	-	-
UNICEF: Ilembe District	3 000	-	-	-	-	-	-	-	-
Total	36 072	1 294	4 231	-	-	-	-	-	-

Table 7.4: Details of payments and estimates of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Donor funding	41 571	7 404	6 227	13 345	13 345	13 345	-	-	-
Aspen	-	-	1 000	2 500	2 500	2 500	-	-	-
Astra Zeneca (Grey's)	7	6	14	196	196	196	-	-	-
Atlantic Philanthropies	1 537	890	144	9 429	9 429	9 429	-	-	-
Bayer Health Care: Greys	-	4	-	6	6	6	-	-	-
Ben Booysen	-	-	1	-	-	-	-	-	-
Bhayla - Orthopaedic (IALCH)	46	14	-	-	-	-	-	-	-
Canadian HIV Trials Network (Edendale)	309	42	-	-	-	-	-	-	-
CMC DI Ravenna	-	150	-	-	-	-	-	-	-
COGTA	1 856	-	851	228	228	228	-	-	-
Comrades Marathon	-	-	10	-	-	-	-	-	-
Dept. of Water Affairs & Forestry (Environ HO)	-	-	124	151	151	151	-	-	-
European Union PHC	15 500	4 759	2 462	-	-	-	-	-	-
Global Fund for HIV and AIDS patients	15 890	-	1 463	-	-	-	-	-	-
Grey's Canadian Trial	519	36	58	-	-	-	-	-	-
HWSETA Learnership - Bethesda sub-campus	-	-	-	121	121	121	-	-	-
HWSETA Learnership - Head Office	185	-	-	37	37	37	-	-	-
HWSETA Learnership - HIV and AIDS Support	-	16	15	45	45	45	-	-	-
HWSETA Learnership - King Edward sub-campus	-	-	-	126	126	126	-	-	-
HWSETA Learnership - Mseleni and Mosvold	62	42	-	12	12	12	-	-	-
HWSETA Learnership - Pharmacy	-	81	-	-	-	-	-	-	-
HWSETA Learnership - PMMH	1	37	32	54	54	54	-	-	-
HWSETA Learnership - St Aiden's	328	128	-	323	323	323	-	-	-
HWSETA Learnership - Unemployed Graduates	-	700	-	-	-	-	-	-	-
HWSETA: Mosvold	-	-	-	91	91	91	-	-	-
Impumelelo Trust Innovation	-	-	-	24	24	24	-	-	-
Rashid Suliman & Associates	3	-	2	-	-	-	-	-	-
S.A. Breweries	-	50	48	2	2	2	-	-	-
TB Global Fund	2 580	155	-	-	-	-	-	-	-
UNICEF: Ilembe District	2 721	279	-	-	-	-	-	-	-
Zinc Study (Nu Health & Pfizer)(Grey's)	27	15	3	-	-	-	-	-	-
Total	41 571	7 404	6 227	13 345	13 345	13 345	-	-	-

In 2008/09 and 2009/10, the department received a donation in two instalments of R6 million each from Atlantic Philanthropies, which is being used to strengthen the capacity of nursing education institutions in KZN. These funds should be fully utilised by the end of 2012/13.

It is noted that spending on donor funds from 2009/10 to 2012/13 (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 related mainly 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 were received in 2012/13, nor are any expected over the 2013/14 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 2012 wage agreement and an inflationary wage adjustment of 6.3, 6.1 and 5.9 per cent for each of the three years of the 2013/14 MTEF, respectively. 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 critical vacant posts to enable the department to meet its service delivery needs, while taking cognisance of the moratorium on the filling of non-critical posts.
- Funding for the eThekweni Metro and uMhlathuze Municipality clinics will be provided *via* transfer payments over the 2013/14 MTEF, as these clinics are not being provincialised.
- The expanded cost-cutting measures, as re-issued by Provincial Treasury in 2013/14, will continue to be adhered to over the 2013/14 MTEF.

5.2 Additional allocations for the 2011/12 to 2013/14 MTEF

Table 7.5 shows additional funding received by the department over the three MTEF periods: 2011/12, 2012/13 and 2013/14. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

Table 7.5: Summary of additional provincial allocations for the 2011/12 to 2013/14 MTEF

R thousand	2011/12	2012/13	2013/14	2014/15	2015/16
2011/12 MTEF period	797 971	1 365 598	1 583 426	1 678 432	1 755 639
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement	434 471	419 915	399 439	423 405	442 882
National priorities	373 987	959 462	1 201 367	1 273 449	1 332 028
Health technology	3 496	5 018	5 626	5 964	6 238
Nursing colleges	5 593	5 352	4 501	4 771	4 990
OSD for doctors	19 227	19 904	17 722	18 785	19 649
OSD for therapists	63 449	71 254	63 151	66 941	70 020
Maternal and child health	39 852	83 798	98 454	104 362	109 162
Personnel and goods	91 241	179 472	203 097	215 283	225 186
ARV 350 threshold	-	83 631	70 325	74 544	77 973
Registrars esp paed, obs	17 479	33 452	42 195	44 726	46 784
Family health team pilots/ models	17 479	66 905	98 454	104 362	109 162
Public hospital norms and standards	41 950	81 289	74 825	79 315	82 963
Phasing in of Forensic Pathology Services grant into ES	-	135 594	143 481	152 090	159 086
Phasing in of Hospital Revitalisation grant into ES	-	-	109 695	116 277	121 625
General policy adjustment (including family health teams and PHC re-engineering, public hospital norms and standards)	74 221	193 792	269 840	286 030	299 188
National Cabinet decision to cut provinces by 0.3 per cent	(10 487)	(13 779)	(17 380)	(18 423)	(19 270)
2012/13 MTEF period		208 794	219 234	230 195	240 784
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement		189 939	199 436	209 408	219 041
Improving infrastructure support		18 855	19 798	20 787	21 743
2013/14 MTEF period			257 068	(352)	140 408
Carry-through of 2012/13 Adjustments Estimate - 2012 wage agreement			513 767	629 426	894 376
Census data update and 1%, 2% and 3% baseline cuts			(313 796)	(646 991)	(802 590)
National priorities:			6 517	17 213	48 622
TB - GeneXpert			6 517	17 213	48 622
Regional laundry in Dundee			50 580	-	-
Total	797 971	1 574 392	2 059 728	1 908 275	2 136 831

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 2011/12 and 2012/13 MTEF periods (i.e. for the financial year 2015/16) are based on the incremental percentage used in the 2013/14 MTEF.

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 7.5), 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 were provided:

- Carry-through costs for the 2011 wage agreement.
- Funding to build capacity to improve infrastructure support.

It is noted that, in recent years, the department has had additional funding for the OSDs for nurses, doctors, medical officers, specialists, pharmacists, dentists, emergency care workers and therapists. In this document, all these 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.

In the 2013/14 MTEF, the following changes are made to the department's baseline:

- Carry-through costs for the 2012 wage agreement.
- National priority funding for the extension of the TB-GeneXpert system.
- Once-off funding for the upgrading and refurbishment of the regional laundry in Dundee.
- National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period.

The department has effected the baseline cuts mainly by reprioritising infrastructure spending, largely on new projects (clinics, CHCs and additions to existing hospitals). The baseline cuts will also be effected against *Machinery and equipment* by extending the replacement cycles. These measures are to ensure no reduction in current services provided. A review of this will be undertaken in-year in an attempt to mitigate the effect on infrastructure projects and *Machinery and equipment*.

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, and they largely adhere to the generic Health sector structure. Tables 7.6 and 7.7 below provide a summary of payments and estimates of these eight programmes, as well as per economic classification.

Table 7.6: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	1 159 694	463 648	576 425	397 670	418 090	559 494	591 078	628 340	661 600
2. District Health Services	9 095 886	9 729 299	10 692 335	11 953 719	11 986 929	12 156 931	13 063 776	14 211 182	15 188 621
3. Emergency Medical Services	762 479	822 618	1 070 387	1 045 888	973 431	949 390	972 362	1 063 938	1 126 728
4. Provincial Hospital Services	5 002 719	5 584 757	7 058 831	7 568 389	7 827 233	7 753 449	8 326 401	8 845 275	9 395 878
5. Central Hospital Services	2 059 124	2 103 382	2 512 654	2 659 359	2 742 074	2 741 097	2 922 125	3 098 392	3 288 335
6. Health Sciences and Training	773 998	832 279	860 457	998 051	960 723	934 894	992 246	1 022 500	1 075 603
7. Health Care Support Services	117 127	111 756	125 030	15 170	15 170	133 869	143 286	153 359	162 823
8. Health Facilities Management	1 378 249	1 087 247	1 894 999	1 917 104	2 367 280	2 367 280	1 636 603	1 422 738	1 358 628
Total	20 349 276	20 734 986	24 791 118	26 555 350	27 290 930	27 596 404	28 647 877	30 445 724	32 258 216
Unauth. exp. (1 st charge) not available for spending	(758 000)	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	19 591 276	20 734 986	24 791 118	26 555 350	27 290 930	27 596 404	28 647 877	30 445 724	32 258 216

Note: Programme 1 includes MEC remuneration: Salary: R1 652 224

Table 7.7: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	17 547 270	18 985 210	22 364 652	24 121 856	24 537 676	24 843 121	26 585 714	28 488 374	30 378 686
Compensation of employees	11 367 849	12 935 381	15 118 307	16 516 085	16 896 484	16 891 594	18 355 557	19 601 916	20 830 264
Goods and services	6 179 421	6 049 829	7 246 325	7 605 771	7 641 192	7 951 527	8 230 157	8 886 458	9 548 422
Interest and rent on land	-	-	20	-	-	-	-	-	-
Transfers and subsidies to:	498 292	562 374	515 846	562 780	542 709	542 738	655 168	650 155	673 063
Provinces and municipalities	84 010	126 756	88 879	88 819	102 371	102 371	148 683	171 508	184 638
Departmental agencies and accounts	34 795	18 942	23 249	24 530	25 317	25 769	27 851	30 440	31 962
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	278 846	289 009	273 487	296 679	281 361	281 361	274 168	241 750	248 960
Households	100 641	127 667	130 231	152 752	133 660	133 237	204 466	206 457	207 503
Payments for capital assets	1 545 699	1 181 773	1 910 011	1 870 714	2 210 545	2 210 545	1 406 995	1 307 195	1 206 467
Buildings and other fixed structures	1 005 258	778 749	1 048 172	1 085 471	1 492 131	1 492 131	864 152	903 641	813 796
Machinery and equipment	540 441	402 226	835 384	785 243	718 414	718 414	542 843	403 554	392 671
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	798	26 455	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	758 015	5 629	609	-	-	-	-	-	-
Total	20 349 276	20 734 986	24 791 118	26 555 350	27 290 930	27 596 404	28 647 877	30 445 724	32 258 216
Unauth. exp. (1 st charge) not available for spending	(758 000)	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	19 591 276	20 734 986	24 791 118	26 555 350	27 290 930	27 596 404	28 647 877	30 445 724	32 258 216

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 and is reflected as a footnote in Tables 7.6 and 7.7 above. The first charge is 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 AFS, and the repayment of the first charge is thus not reflected in the tables.

Most programmes show substantial growth from 2009/10 to 2015/16, with conditional grants accounting for a significant portion of this increase. The relatively low growth from 2009/10 to 2010/11 was largely due to spending pressures in 2009/10 in the service delivery programmes caused by medical inflation, the various OSDs for medical personnel, wage agreements and the filling of unbudgeted posts. Despite this low growth, expenditure in 2010/11 included emergency medical services for the 2010 Soccer World Cup, infrastructure development, the modernisation of tertiary services, the implementation of primary health care structures, PILIR, as well as the previously mentioned funding for the OSDs for medical personnel.

Apart from the carry-through costs from previous financial years, expenditure in 2011/12 included an increase in general health capacity and national priorities such as personnel and goods, OSDs for medical personnel, maternal and child health, and public hospitals norms and standards.

In the 2012/13 Adjusted Appropriation, the department received additional funding for the higher than expected 2012 wage agreement, as well as additional funding to address pressures in two components of the Health Facility Revitalisation grant, with R180 million allocated to the Health Infrastructure component and R20 million for the Hospital Revitalisation component. In addition, to further address the infrastructure pressures, an amount of R185.963 million was allocated from provincial cash resources. The pressures are largely driven by improved infrastructure project management.

The increase over the 2013/14 MTEF incorporates the carry-through costs of previous wage agreements, the OSD for medical personnel, as well as increases to existing conditional grants. Funding is also provided to build capacity for infrastructure support in Programme 8: Health Facilities Management. Note that, from 2013/14, the department has centralised the Laundry and Orthotic and Prosthetic Services as separate sub-programmes within Programme 7, in line with the budget and programme structure for the Health sector. These functions were previously spread over Programmes 2, 4 and 5. Historical data was adjusted accordingly for comparative purposes. In addition, all computer service costs have been centralised within Programme 1, from all other programmes, and historical data was restated accordingly.

The significant reduction in 2010/11 in Programme 1: Administration relates to the R758 million first charge, which the department was obliged to pay in 2009/10 in terms of Section 34(2) of the PFMA. The increase in 2011/12 is due to improved personnel capacity at head office to reduce dependence on consultants, to cover extensive fraud investigations at head office, and to replace redundant computer equipment to address the risk of losing essential data. The increase in the 2012/13 Adjusted Appropriation caters for motor vehicles, computers and telecommunication equipment that were delivered late in 2011/12. The 2013/14 MTEF includes carry-through costs of previous wage agreements and OSDs.

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 PHC level. In addition, expenditure included the various wage agreements, increases in the Comprehensive HIV and AIDS grant, as well as OSDs for medical personnel. The increase in 2011/12 relates primarily to the implementation of primary health care structures. The increase in the 2012/13 Adjusted Appropriation was caused by anticipated over-expenditure due to the restructuring of PHC services, increased costs in ARV medication and micro-nutrients, municipal domestic charges, computer and essential medical equipment, as well as vehicles ordered in 2011/12, but only delivered in 2012/13. As previously mentioned, this programme is under pressure in 2012/13 due to the high costs of micro-nutrients. The 2013/14 MTEF includes funding for the carry-through costs of previous wage agreements, general capacity building, as well as various national priorities (as listed in Table 7.3).

In Programme 3: Emergency Medical Services, the overall growth is due to the continued drive to improve emergency medical services. The increase in 2010/11 includes expenditure for the 2010 Soccer World Cup and carry-through costs of previous wage agreements. The substantial increase in 2011/12 is due to additional ambulances purchased to continue the expansion of services to under-served areas. The downward 2012/13 Adjusted Appropriation and Revised Estimate was mainly due to the slow pace of filling emergency medical personnel posts. This process is dependent on the availability of skilled staff and the ambulance conversion process. Also contributing to the decrease are savings on repairs of vehicles due to the replacement of part of the fleet with new EMS vehicles. The 2013/14 MTEF allocations include carry-through costs for the various wage agreements, OSD payments, as well as funding to expand emergency medical services.

Overall, Programme 4: Provincial Hospital Services grows consistently over the entire period. The increase from 2010/11 onward relates mainly to carry-through costs, including wage agreements, OSDs for medical personnel, inflationary pressures on medical supplies and the management of MDR/XDR TB. The significant increase in 2011/12 was largely due to the 2011 wage agreement. The increase in the 2012/13 Adjusted Appropriation was mainly due to the process of reclassification of the Edendale, Clairwood, St. Francis, Ngwelezane, and Lower Umfolozi War Memorial Hospitals from district to provincial hospitals in terms of Government Gazette No. 35101. In addition, the higher than anticipated 2012 wage agreement also contributed to this increase. The 2013/14 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 growth in Programme 5: Central Hospital Services from 2009/10 to 2015/16 relates mainly to funding for the development and improvement of tertiary services. The impact of the introduction of the various OSDs for medical personnel, higher than average medical inflation and the rand/dollar exchange rate are also reflected in the trends. The low growth in 2010/11 is attributed to reduction in laboratory costs owing to the agreement between the NHLS and the department for a flat monthly fee, lower costs on medicine and medical supplies due to lower contract prices, as well as the non-recurrent procurement of essential health technical equipment for the modernisation of tertiary services undertaken in 2009/10. The increase in 2011/12 is a result of pressures in *Goods and services* due to increased costs of blood products, while stock levels were increased to meet tertiary service demands and an additional payment made by IALCH to align with the PPP agreement. The increase in the 2012/13 Adjusted Appropriation, results from the reclassification of King Edward VIII Hospital from a provincial hospital to a central hospital in terms of Government Gazette No. 35101. The 2013/14 MTEF includes carry-through costs for previous wage agreements, as well as national priorities such as additional registrars, improvement to public hospital norms, etc.

Programme 6: Health Sciences and Training shows consistent growth. The increase in 2010/11 relates to carry-through costs of OSDs for medical personnel, various wage agreements, as well as the extension of the medical internship programme to two years. The increase in 2011/12 is related mainly to bursaries to address the shortfall of suitably trained health personnel. Also in 2011/12, 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. The reduction in the 2012/13 Adjusted Appropriation relates primarily to savings on training and travelling costs, 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 2012/13, bursaries were prioritised, with funding provided to train an additional 148 learners in basic life and support skills for emergency and medical rescue services. Additional funding was also reprioritised for the training of additional doctors under the Cuban Doctor programme, which commenced in 2012/13.

Programme 7: Health Care Support Services is to enable the provincial Medical Supply Centre to carry sufficient medical stock to meet demand. The reduction from 2010/11 relates to the lack of storage facilities to store additional stock. The increase in 2011/12 was as a result of increased demand for ARV medication and for increased stock turnover. The 2013/14 figure reflects a strong increase, in line with the targeted growth in 2013/14 and 2014/15 in patient numbers to be placed on ART. Funding for inflationary increases only has been provided in 2015/16. As mentioned above, from 2013/14, the department has centralised the Laundry and Orthotic and Prosthetic Services as separate sub-programmes within Programme 7, and historical data has been adjusted accordingly.

Programme 8: Health Facilities Management is mainly financed through conditional grant funding, and the performance of this programme is directly linked to the components of the Health Facility Revitalisation grant, namely the Hospital Revitalisation and Health Infrastructure components. The significant high base in 2009/10 is attributed to forensic pathology projects that were already on site, which could not be stopped without further costs to the department. The department had also experienced delays due to a lack of suitable building sites over previous years. The 2009/10 amount also includes under-spending of R224.909 million for the Hospital Revitalisation component of the Health Facility Revitalisation grant, mainly due to challenges with tender processes. An amount of R63.953 million was approved for roll-over to 2011/12 and was fully spent. The reduction in 2010/11 results mainly from under-spending on the Hospital Revitalisation component of this grant. The significant increase in 2011/12 can largely be ascribed to the successful implementation of day-to-day maintenance within institutions, as well as the replacement of essential medical equipment in an effort to bring the facilities in line with the requirements of the NHI. The significant reduction over the 2013/14 MTEF is due to the baseline cuts effected against both the equitable share and conditional grants, as well as funding being reprioritised from the equitable share portion of this programme, to other programmes, to cover the cost of commissioning facilities which have been completed and for which no funding was provided, for example, King Dinuzulu (formerly King George V) Hospital, clinics and CHCs. The shifting of *Machinery and equipment* funding from this programme (for established facilities) to the relevant service delivery programmes has also contributed to this reduction.

Compensation of employees shows a strong upward trend from 2009/10 to 2015/16, mainly due to the carry-through costs of the various OSDs for medical personnel and other staff categories, as well as higher than anticipated wage agreements. In addition, from 2010/11, the department commenced restructuring its service delivery by strengthening services at PHC level. This required the employment of additional personnel at clinics and CHCs. 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 OSDs and improving infrastructure support.

Goods and services increases substantially from 2009/10 to 2015/16. This increase is primarily related to the increase in demand for health services, the high rate of inflation on medical supplies and services, as well as increased catering and fuel costs. Other contributing factors are the increasing demand for ART, treatment of MDR/XDR TB, 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 Soccer 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 increase in 2011/12 related to general capacity building and national priorities, such as maternal and child health. The 2013/14 MTEF includes additional funding for ARV treatment, the carry-through costs of national priority initiatives, acceleration in the day-to-day maintenance of existing facilities, as well as inflationary adjustments.

The low 2009/10 amount against *Transfers and subsidies to: Provinces and municipalities* is mainly due to the non-signing of SLAs by municipalities. The substantial increase in 2010/11 relates to funding provided following the signing of SLAs pertaining to 2008/09 and 2009/10. The reduction from 2011/12 is due to the provincialisation of some municipal clinics. It is anticipated that most municipal clinics will be taken over by the department by the end of 2012/13, and funding has only been provided for the eThekweni Metro and uMhlathuze Municipality for the full period of the 2013/14 MTEF, against this category. Included in 2012/13, is funding for Umlalazi Municipality, as well as municipalities in the uMgungundlovu and Ilembe districts to allow for delays in the provincialisation process. The increase in the 2012/13 Adjusted Appropriation is a direct result of these delays. The increase over the 2013/14 MTEF caters for the commitment to assist the municipal clinics in the treatment of HIV and AIDS.

The high amount in 2009/10 against *Transfers and subsidies to: Departmental agencies and accounts* relates 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. The increasing trend from 2011/12 to 2015/16 provides for the Health and Welfare Sector Education and Training Authority (HWSETA) levy, in line with the growth in *Compensation of employees* and also to provide for the increased demand of ARV medication, as mentioned above.

The decrease in *Transfers and subsidies to: Non-profit institutions* in 2011/12 is due to 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 decrease in the 2012/13 Adjusted Appropriation relates to the decision to reassess all NGOs, which resulted in a reduction in allocations to some NGOs. The negative growth in 2013/14 and 2014/15 is due to the planned provincialisation of the McCords Hospital following this reassessment, and is discussed in more detail in Section 5.9. In addition, the department has made provision for the phased-in contribution to the KZN Children's Hospital infrastructure and renovations up to 2013/14, with no provision made thereafter.

The fluctuating trends reflected in *Transfers and subsidies to: Households* relate to staff exit costs.

The trend from 2009/10 to 2012/13 for *Payments for capital assets* shows a strong increase 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 components of the Health Facility Revitalisation grant, as well as the development of forensic pathology services, affecting mainly *Buildings and other fixed structures*. The high base in 2009/10 was mainly due

to additional expenditure incurred for forensic pathology services and projects on site that could not be delayed or stopped without further cost to the department. The decrease in 2010/11 was mainly due to under-expenditure against the Hospital Revitalisation component of the Health Facility Revitalisation grant in that year. The increase in 2011/12 related 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. The significant increase in the 2012/13 Adjusted Appropriation was attributed to acceleration in a number of infrastructure projects on site that could not be stopped without incurring further costs to the department. There was also pressure in the supply of laundry and essential health technology equipment, the Ngwelezane Hospital upgrade of electrical systems and the construction of Pomeroy and Dannhauser CHCs as a result of faster progress than anticipated. From 2013/14, the trend reduces in line with the availability of funds, and the reprioritisation of some of this funding from new projects to accelerate the day-to-day maintenance of existing infrastructure.

The substantial increase in *Machinery and equipment* in 2011/12 relates mainly to the drive undertaken to clear the backlog in the procurement of essential health technology equipment and to replace all redundant and leased computer and printing equipment. In addition, there were purchases of additional motor vehicles for the ward-based community outreach programme, the replacement of old ambulances, the purchase of additional ambulances to expand emergency medical services to under-served rural areas, which all contributed to the high base in 2011/12. This process continued in 2012/13 and, due to the baseline cuts, the department had to reprioritise funding to other non-negotiable service delivery imperatives, hence the decrease in this category over this period. The A-G ruling in 2011/12, that all equipment expenditure incurred against the PPP agreement for IALCH should be paid from current expenditure, also contributed to this sharp decline.

The expenditure on *Land and subsoil assets* in 2010/11 was for the purchase of land for the continuation of the Hospital Revitalisation component project at the Lower Umfolozi War Memorial Hospital, where extra accommodation was provided for a paediatric ICU and High Care Unit. In 2011/12, the department was obliged to purchase additional land for the Dr Pixley ka Seme Hospital because of its status change from a district to a regional hospital and the municipal assessment of the site requiring a larger area, as well as the purchase of the Richmond Chest Hospital.

Payments for financial assets reflect repayments of previous years' over-expenditure in terms of Section 34(2) of the PFMA in 2009/10, and debts that were written-off in 2010/11 and 2011/12, respectively.

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 PGDP and the NHS 10-point plan, which includes the national health priorities.

Table 7.8: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15	2015/16
eThekweni	8 483 783	9 265 344	9 627 123	10 470 296	11 070 192
Ugu	1 376 169	1 561 107	1 682 574	1 797 562	1 830 854
uMgungundlovu	4 982 915	5 076 726	5 119 184	5 281 816	5 704 302
Uthukela	929 959	1 195 778	1 220 644	1 313 036	1 403 743
Umkhanyathi	964 065	1 169 151	1 218 495	1 318 550	1 332 763
Amajuba	1 058 375	1 238 978	1 324 107	1 445 980	1 455 268
Zululand	1 351 076	1 596 763	1 618 141	1 682 378	1 762 158
Umkhanyakude	1 149 782	1 351 445	1 462 441	1 510 511	1 578 024
uThungulu	2 034 862	2 327 313	2 459 740	2 550 594	2 746 416
Ilembe	990 080	1 184 621	1 226 824	1 283 417	1 397 383
Sisonke	893 629	1 069 684	1 092 676	1 156 245	1 308 116
Total	24 214 693	27 036 910	28 051 949	29 810 384	31 589 220

Currently, eThekweni has the highest anticipated spatial spending, totalling approximately 35 per cent of the budget over the entire period. Due 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.

In order to meet the demand in the other districts, funds have been provided to continue to:

- Strengthen mobile clinic services at district level in the most deprived areas including Uthukela, Amajuba, Sisonke and Umzinyathi.
- Improve staffing levels at PHC facilities in all districts.
- Develop district and regional hospital services in all districts, with particular focus on Edendale and Northdale in the uMgungundlovu district.

5.5 Summary of conditional grant payments and estimates

Tables 7.9 and 7.10 illustrate conditional grant payments and estimates from 2009/10 to 2015/16. Details of the 10 conditional grants are listed below, with further detail given in *Annexure – Vote 7: Health*.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Health Professions Training and Development grant	222 425	235 771	249 917	261 860	261 860	261 860	276 262	292 837	306 308
Health Facility Revitalisation grant	584 626	578 019	906 169	976 452	1 176 452	1 176 452	962 469	1 090 431	1 139 972
of which:									
Health Infrastructure component	359 717	280 449	358 471	393 367	573 367	573 367	373 969	410 845	430 527
Hospital Revitalisation component	224 909	297 570	547 698	566 605	586 605	586 605	560 104	646 132	676 544
Nursing Colleges and Schools component	-	-	-	16 480	16 480	16 480	28 396	33 454	32 901
National Tertiary Services grant	984 488	1 102 517	1 201 831	1 323 114	1 323 114	1 323 114	1 415 731	1 496 427	1 565 263
Comprehensive HIV and AIDS grant	1 121 582	1 500 926	1 907 312	2 225 423	2 225 423	2 225 423	2 652 072	3 098 705	3 512 927
Forensic Pathology Services grant	278 033	152 406	161 550	-	-	-	-	-	-
2010 World Cup Health Preparation Strategy grant	43	3 538	-	-	-	-	-	-	-
Social Sector EPWP Incentive Grant for Provinces	-	2 555	25 775	-	-	-	-	-	-
EPWP Integrated Grant for Provinces	-	-	-	1 000	1 000	1 000	3 000	-	-
National Health Insurance grant	-	-	-	33 000	33 000	33 000	9 700	14 000	14 793
AFCON 2013: Medical Services grant	-	-	-	-	3 000	3 000	-	-	-
Total	3 191 197	3 575 732	4 452 554	4 820 849	5 023 849	5 023 849	5 319 234	5 992 400	6 539 263

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	2 275 886	2 802 040	3 494 422	3 772 056	3 775 056	3 790 203	4 307 150	4 851 350	5 339 408
Compensation of employees	913 527	1 361 820	2 067 124	2 121 207	2 121 207	2 163 544	2 612 789	2 862 352	3 342 428
Goods and services	1 362 359	1 440 220	1 427 298	1 650 849	1 653 849	1 626 659	1 694 361	1 988 998	1 996 980
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	2 448	76 479	14 749	10 515	10 515	11 371	69 381	78 945	87 063
Provinces and municipalities	82	63	55	-	-	-	43 000	51 000	59 000
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	68 746	12 871	10 515	10 515	11 336	24 631	25 370	26 130
Households	2 366	7 670	1 823	-	-	35	1 750	2 575	1 933
Payments for capital assets	912 863	697 213	943 383	1 038 278	1 238 278	1 222 275	942 703	1 062 105	1 112 792
Buildings and other fixed structures	660 338	536 345	733 971	718 846	918 846	918 846	724 935	834 580	884 121
Machinery and equipment	252 525	160 070	198 005	319 432	319 432	303 429	217 768	227 525	228 671
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	798	11 407	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 191 197	3 575 732	4 452 554	4 820 849	5 023 849	5 023 849	5 319 234	5 992 400	6 539 263

Note that the historical figures set out in Table 7.1 for the period 2009/10 to 2012/13 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. Also, as previously mentioned, the infrastructure-based conditional grants have been consolidated into one grant with separate grant components. The newly amalgamated grant is called the Health Facility Revitalisation grant and funds the construction and maintenance of health infrastructure. This grant has been created through the merger of the Health Infrastructure, Hospital Revitalisation and the Nursing Colleges and Schools grants.

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 newly amalgamated **Health Facility Revitalisation grant**, comprises the following:

- The **Health Infrastructure component** is aimed at accelerating the construction, maintenance, upgrading and rehabilitation of new and existing health infrastructure.
- The **Hospital Revitalisation component** 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 **Nursing Colleges and Schools component** 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 **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 **Forensic Pathology Services grant** was used to develop and provide comprehensive forensic pathology services and to ensure impartial professional evidence for the criminal justice system concerning death due to unnatural causes. Funding was phased into the equitable share from 2012/13.

The **2010 World Cup Health Preparation Strategy grant** was once-off in 2009/10 as a contribution toward the final preparation strategies to be implemented by the Health sector for the 2010 Soccer World Cup.

The **Social Sector EPWP Incentive Grant for Provinces** subsidised 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. This grant 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 funding is provided for 2012/13 and 2013/14 only.

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 **AFCON 2013: Medical Services grant** is a new conditional grant with once-off funding allocated in 2012/13 for support to the African Cup of Nations (AFCON) tournament.

In total, conditional grants increase from R3.191 billion in 2009/10 to R6.532 billion in 2015/16. The varying trends in the individual grants relate mainly to funding for specific projects, as well as roll-overs.

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 significant growth in the two infrastructure components of the Health Facility Revitalisation grant, namely the Hospital Revitalisation and the Health Infrastructure components, relates primarily to the intensive drive to improve the physical health facilities in KZN. The significant increase in the 2012/13 Adjusted Appropriation and Revised Estimate, relates to additional funding received to address infrastructure pressures during this period, hence the decline in both components in 2013/14.

The increasing trend in the National Tertiary Services grant relates mainly to additional funding provided for the modernisation of tertiary services from 2009/10 onward.

The substantial growth in the Comprehensive HIV and AIDS grant indicates the critical importance placed on managing this pandemic. The major increases between 2009/10 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 was 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 grant continues to grow strongly over the 2013/14 MTEF to cover the increased ARV take-up rate and the impact of the withdrawal of PEPFAR donor funding used for HIV and AIDS prevention, care and treatment programmes within this grant.

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 NDOH to fund the amended construction time-frame, a request for a roll-over to 2009/10 was not approved, resulting in over-expenditure against the grant in 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 equitable share.

The NHI grant is reduced significantly from 2013/14, due to a new indirect National Health grant, which will be spent by the NDOH on behalf of provinces. The new grant has two components, one to support infrastructure projects and the second to support the national health insurance scheme pilots.

The increase in *Compensation of employees* results mainly 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 high growth in the outer year relates to additional funding for the Comprehensive HIV and AIDS grant allocated to enhance staffing levels to match the growth in levels of treatment.

The significant increase in *Goods and services* from 2012/13 onward is mainly due to the increase in the Comprehensive HIV and AIDS grant. This is linked to the funding provided for ARVs, the anticipated increase in the uptake of additional patients on the ARV programme, the increased cost of the anti-retroviral medicines to be covered by the department's budget due to the ceasing of funding by international donors, the increased costs of micro-nutrients, as well as the provision for the male circumcision programme.

Transfers and subsidies to: Provinces and municipalities over the 2013/14 MTEF relates to support for municipal clinics in the treatment of HIV and AIDS. Similarly, the funding against *Transfers and subsidies to: Non-profit institutions* relates to support to NGOs for treatment related to HIV and AIDS.

The increasing trend in *Buildings and other fixed structures* over the seven-year period relates to the drive to improve infrastructure, with significant increases provided in the Health Facility Revitalisation grant and specifically, the Hospital Revitalisation and Health Infrastructure components, for this purpose. The high figure reflected in 2009/10 relates to over-expenditure of approximately R143 million against the

Forensic Pathology Services grant, as mentioned above, and accounts for the decrease in 2010/11. The increase in the 2012/13 Adjusted Appropriation was mainly to provide for expenditure pressures due to the acceleration of projects in progress, such as Dr. Pixley ka Seme Hospital, as well as for the Ngwelezane Hospital upgrade of electrical systems.

The fluctuating trend in *Machinery and equipment* relates to the variation in the business plans of the grants related to this category, mainly the Health Facility Revitalisation grant (Hospital Revitalisation component) and the National Tertiary Services grant. The increase in 2011/12 relates to a decision to provide funding on a once-off basis to enable institutions to upgrade their essential medical equipment. The reduction in the 2012/13 Revised Estimate is attributed to a reduced rate of replacement of essential equipment and the need to utilise savings to cover the above-mentioned pressures against *Buildings and other fixed structures*. The allocations in the outer years have been made in accordance with the business plans of the relevant grants.

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 from 2009/10 to 2012/13, resulting from a focussed drive by the department to improve its physical facilities and medical equipment to an acceptable level. Thereafter, over the 2013/14 MTEF, the trend is decreasing due to the previously mentioned baseline cuts and reductions in conditional grants, affecting mainly *New and replacement assets* and *Upgrades and additions*. This will be reviewed during 2013/14 to identify possible savings elsewhere in the budget that could be reprioritised to infrastructure projects.

Over the period under review, the department provided for the building of additional CHCs and clinics in line with its service delivery plan, as well as the upgrading or replacement of hospitals and clinics in a state of disrepair.

Table 7.11: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
New and replacement assets	727 950	405 893	856 919	441 220	490 974	490 974	379 082	373 764	353 010
Existing infrastructure assets	646 851	676 317	928 875	1 424 729	1 825 151	1 825 151	1 177 047	1 057 780	1 012 034
Upgrades and additions	249 592	340 102	399 883	708 018	1 002 580	1 002 580	438 363	392 000	414 598
Rehabilitation, renovations and refurbishments	135 798	83 083	105 042	296 238	358 582	358 582	326 287	211 831	125 693
Maintenance and repairs	261 461	253 132	423 950	420 473	463 989	463 989	412 397	453 949	471 743
Infrastructure transfers	-	-	10 000	20 000	20 000	20 000	20 000	-	-
Current									
Capital	-	-	10 000	20 000	20 000	20 000	20 000	-	-
<i>Capital infrastructure</i>	1 113 340	829 078	1 371 844	1 465 476	1 872 136	1 872 136	1 163 732	977 595	893 301
<i>Current infrastructure</i>	261 461	253 132	423 950	420 473	463 989	463 989	412 397	453 949	471 743
Total	1 374 801	1 082 210	1 795 794	1 885 949	2 336 125	2 336 125	1 576 129	1 431 544	1 365 044

The fluctuating trend in *New and replacement assets* and the increasing trend in *Existing infrastructure assets* from 2009/10 to 2012/13 relates to a conscious decision made by management to increase funding provided for the maintenance, upgrading, rehabilitation and refurbishment of existing infrastructure in order to preserve these facilities. The increased spending in 2011/12 relates to an improvement in performance of the IA's Ithala and IDT in respect of the Turton, KwaMashu and Pomeroy CHCs, as well as the nursing accommodation project at St. Apollinaris Hospital. This improvement came as a result of the meeting held with the IAs to demand improved performance from them. The increase in the 2012/13 Revised Estimate is attributed to the faster than expected progress at the Pomeroy and Dannhauser CHCs, as well as office and residential accommodation lease agreements being higher than initially forecast. Major projects over the 2013/14 MTEF include the construction of CHCs in Dannhauser, Jozini and Msinga, as well as new clinics in Umlalazi, Msinga, Mthonjaneni and Jozini. The department has also planned for the construction of a new forensic mortuary in eThekweni.

Upgrades and additions grew strongly from 2009/10 to 2012/13, with the large increase in 2012/13 a result of good progress at the King Dinuzulu Hospital (former King George V Hospital) TB Complex, alterations and additions to the Lower Umfolozi War Memorial Hospital, as well as the upgrade of electrical reticulation at the Ngwelezane District Hospital. The significant increase in the 2012/13 Adjusted Appropriation was for expected pressures in the supply of laundry and essential health technology equipment, as well as for the upgrade of electrical systems at the Ngwelezane District Hospital. As mentioned above, this category shows a marked decline over the 2013/14 MTEF due to the baseline cuts, but this will be reviewed during 2013/14, as mentioned previously.

Rehabilitation, renovations and refurbishments shows an erratic trend from 2009/10 to 2011/12 due to the department focussing on *Upgrades and additions* and *Maintenance and repairs* over that period. The significant increase in the 2012/13 Main Appropriation was due to refurbishment of Addington Hospital and the KZN Provincial Laundry in eThekweni. The increase in the 2012/13 Adjusted Appropriation was related to the renovation of the maternity, female and paediatric wards at the Mosveld Hospital, as well as complete renovation of the Ekuhlengeni Life Care Centre. The declining trend over the 2013/14 MTEF is due to baseline cuts, which will be reviewed in 2013/14.

Maintenance and repairs expenditure shows a fluctuating trend over the period. The decreasing trend from 2009/10 to 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. The increase in 2011/12 relates to a conscious decision taken by the department to accelerate delivery on day-to-day maintenance and small maintenance projects after Provincial Treasury expressed a concern over significant under-expenditure against this category in 2010/11. Over the 2013/14 MTEF, the department intends to continue its drive to maintain existing facilities, with only a minimal reduction in 2013/14, with growth thereafter from 2014/15.

The funds reflected under the category, *Infrastructure transfers: Capital* from 2011/12 to 2013/14 are for the transfer to the KZN Children's Hospital Trust for the development and refurbishment of the KZN Children's Hospital in eThekweni.

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.

Table 7.12: Summary of departmental Public-Private Partnership projects

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
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
Total	593 328	543 190	647 788	625 750	626 129	626 129	657 435	690 307	724 822

Payments made for services rendered are index-linked and are thus subject to movements in CPI. Payments over the 2013/14 MTEF have been calculated based on current estimates. The high base in 2009/10 relates to a quarterly payment of R51 million which was not made in 2008/09. The increase in 2011/12 was due to the cost of medical inflation being higher than anticipated and an additional payment of R70 million on the PPP, made by IALCH to address a backlog in quarterly payments. The increasing trend relates mainly to the deterioration in the Rand/Dollar exchange rate.

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, HIV and AIDS, district hospital, general hospital and TB services.

Table 7.13: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
		2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Austerville Halfway House	2.2: Comm. Hlth Clinics	505	474	500	525	525	525	551	568	585
Azalea House	2.2: Comm. Hlth Clinics	409	438	462	485	485	485	509	524	540
Bekulwandle Bekimpelo	2.2: Comm. Hlth Clinics	6 190	6 687	7 238	7 600	7 600	7 600	7 980	8 219	8 466
Benedictine Clinic	2.2: Comm. Hlth Clinics	313	335	363	381	350	350	368	379	390
Claremont Day Care Centre	2.2: Comm. Hlth Clinics	341	324	353	371	371	371	390	402	414
Day Care Club 91	2.2: Comm. Hlth Clinics	49	52	96	101	101	101	106	109	112
Careways Mental Health	2.2: Comm. Hlth Clinics	-	-	-	-	20	20	-	-	-
Dream Centre	2.2: Comm. Hlth Clinics	1 735	-	-	-	-	-	-	-	-
Durban School for the Deaf	2.2: Comm. Hlth Clinics	166	179	193	203	203	203	-	-	-
Ekukhanyeni Clinic (AIDS step down centre)	2.2: Comm. Hlth Clinics	-	718	884	876	891	891	936	964	993
Elandskop Clinic	2.2: Comm. Hlth Clinics	377	403	436	458	458	458	481	495	510
Enkumane Clinic	2.2: Comm. Hlth Clinics	226	243	263	276	276	276	290	299	308
Happy Hour Various	2.2: Comm. Hlth Clinics	3 125	2 131	2 473	2 598	2 598	2 598	2 727	2 809	2 893
Hlanganani Ngothando	2.2: Comm. Hlth Clinics	375	179	200	210	210	210	221	228	235
Ikwezi Cripple Care	2.2: Comm. Hlth Clinics	1 254	1 344	1 443	1 515	1 515	1 515	1 591	1 639	1 688
Ikwezi District Nursing Services	2.2: Comm. Hlth Clinics	145	155	-	175	175	175	-	-	-
Jewel House	2.2: Comm. Hlth Clinics	284	304	321	337	337	337	354	365	376
John Peattie House	2.2: Comm. Hlth Clinics	1 113	1 192	1 284	1 348	1 348	1 348	1 415	1 457	1 501
Jona Vaughn Centre	2.2: Comm. Hlth Clinics	2 032	2 130	2 247	2 359	2 359	2 359	2 477	2 551	2 628
Lynn House	2.2: Comm. Hlth Clinics	592	633	562	590	590	590	620	639	658
Madeline Manor	2.2: Comm. Hlth Clinics	716	767	809	849	849	849	891	918	946
Masada Workshop	2.2: Comm. Hlth Clinics	62	67	71	75	75	75	79	81	83
Masibambeni Day Care Centre	2.2: Comm. Hlth Clinics	126	134	141	148	148	148	155	160	165
Matikwe Oblate Clinic	2.2: Comm. Hlth Clinics	408	436	472	496	496	496	521	537	553
Mhlumayo Clinic	2.2: Comm. Hlth Clinics	483	518	560	588	588	588	617	636	655
Noyi Bazi Oblate Clinic	2.2: Comm. Hlth Clinics	411	440	477	501	501	501	526	542	558
Place of Restoration	2.2: Comm. Hlth Clinics	-	-	-	-	200	200	-	-	-
Prenaid A L P	2.2: Comm. Hlth Clinics	85	91	96	101	101	101	106	109	112
Rainbow Haven	2.2: Comm. Hlth Clinics	331	355	374	393	393	393	413	425	438
Scadifa Centre	2.2: Comm. Hlth Clinics	852	913	913	959	959	959	1 007	1 037	1 068
Sparkes Estate	2.2: Comm. Hlth Clinics	1 089	1 166	1 016	1 067	1 067	1 067	1 120	1 154	1 189
St Lukes Home	2.2: Comm. Hlth Clinics	450	482	695	730	730	730	767	790	814
Sunfield Home	2.2: Comm. Hlth Clinics	118	127	294	309	309	309	324	334	344
Umlazi Halfway House	2.2: Comm. Hlth Clinics	237	237	250	263	263	263	276	284	293
Ethembeni Care Centre	2.6: HIV and AIDS	3 917	3 836	3 692	4 731	4 820	4 820	5 061	5 213	5 369
Genesis Care Centre	2.6: HIV and AIDS	2 520	2 659	2 763	2 891	2 948	2 948	3 095	3 188	3 284
HIV and AIDS NIP sites (HBC stipends)	2.6: HIV and AIDS	60 239	57 814	3 753	-	-	-	-	-	-
Philanjalo Hospice (step down centre)	2.6: HIV and AIDS	2 213	2 109	1 956	3 232	2 677	2 677	2 811	2 895	2 982
Humana People to People	2.6: HIV and AIDS	-	-	-	-	-	-	4 328	4 458	4 592
Greytown Hospital	2.9: District Hospitals	-	-	191	-	-	-	-	-	-
Pongola Hospital	2.9: District Hospitals	3 282	3 545	3 837	4 029	3 436	3 436	3 608	3 716	3 827
Montebello Chronic Sick Home	4.3: Psyc/Mental Hosp.	4 078	4 372	4 732	4 969	4 969	4 969	-	-	-
KZN Children's Hospital Trust	8.6: Other Facilities	-	-	10 000	20 000	20 000	20 000	20 000	-	-
McCords Hospital	Various	71 720	76 275	90 042	94 564	70 461	70 461	56 368	38 059	39 201
Mountain View Hospital	Various	8 120	8 774	9 496	9 971	9 971	9 971	10 470	10 784	11 108
Siloah Hospital	Various	12 957	15 471	15 702	16 487	19 149	19 149	19 111	19 685	20 276
St Mary's Hosp Marianhill	Various	85 201	90 500	101 837	106 718	113 637	113 637	119 998	123 598	127 306
Earmarked for further negotiations	Various	-	-	-	2 200	2 202	2 202	1 500	1 500	1 500
Total		278 846	289 009	273 487	296 679	281 361	281 361	274 168	241 750	248 960

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.

Affecting transfers in 2009/10 was 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. This is reflected by the overall increase in 2010/11. The decrease in 2011/12 was caused by the closure of the HIV and AIDS NIP sites and the incorporation of these services into the department's operations. The reduction in the 2012/13 Adjusted Appropriation is a result of the previously mentioned reassessment of NGOs, which resulted in a

reduction in allocations to some NGOs. This trend continues over the 2013/14 MTEF, with a reduction from 2013/14, mainly driven by a reduction in transfer to the McCords Hospital, following reassessment of transfers to NGOs. This transfer will be reviewed during 2013/14 to determine appropriate levels of funding, and will be formalised in the 2013/14 Adjustments Estimate.

From 2011/12 to 2013/14, the department will transfer funds to the KZN Children's Hospital Trust for the development and refurbishment of the KZN Children's Hospital in the eThekweni Metro, hence a decline in the overall baseline in 2014/15.

5.10 Transfers to local government

Table 7.14 below indicates transfers to local government, per category of municipality. 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 falls under *Transfers and subsidies to: Provinces and municipalities*, 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Category A	42 612	44 540	47 212	69 573	61 051	61 051	122 500	142 100	152 500
Category B	38 446	79 348	38 828	14 720	36 322	36 322	21 000	24 500	27 000
Category C	-	-	-	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
Total	81 058	123 888	86 040	84 293	97 373	97 373	143 500	166 600	179 500

The increase from 2009/10 to 2015/16 in Category A, which represents the eThekweni Metro, pertains mainly to inflation, and relates to transfers to municipal clinics within the Metro. The significant increase from 2011/12 to 2012/13 relates to the department's decision to provide additional funding to meet the health funding requirements of the clinics in the Metro. The increase in trend in the 2013/14 MTEF is largely due to the commitment to assist clinics with pressures in the treatment of HIV and AIDS, the extension of hours of services, as well as to cater for an increase in neonatal services.

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 2012/13, and funding for the 2013/14 MTEF has only been provided for the uMhlathuze Municipality. In addition, funding was provided in 2012/13 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 2013/14 MTEF for the eThekweni Metro and uMhlathuze Municipality, 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 after the table.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	2 311	1 750	3 392	3 157	2 426	2 426	3 549	3 675	3 676
Provinces and municipalities	38	33	26	57	39	39	48	44	45
Motor vehicle licences	38	33	26	57	39	39	48	44	45
Departmental agencies and accounts	-	-	1	-	-	-	1	1	1
SABC - TV licences	-	-	1	-	-	-	1	1	1
Households	2 273	1 717	3 365	3 100	2 387	2 387	3 500	3 630	3 630
Social benefits	2 242	1 067	3 215	3 100	2 387	2 387	3 500	3 630	3 630
Other transfer to households	31	650	150	-	-	-	-	-	-
2. District Health Services	344 748	398 922	338 236	345 980	338 334	338 186	408 044	423 935	445 179
Provinces and municipalities	82 451	124 886	86 828	86 293	99 373	99 358	145 584	168 788	181 783
Motor vehicle licences	1 393	998	788	2 000	2 000	1 985	2 084	2 188	2 283
Municipal clinics	81 058	123 888	86 040	84 293	97 373	97 373	143 500	166 600	179 500
Departmental agencies and accounts	-	27	130	-	-	29	31	32	33
SABC - TV licences	-	27	130	-	-	29	31	32	33
Non-profit institutions	237 438	247 899	213 387	223 807	208 437	208 437	225 339	213 209	220 705
Non-profit institutions (see Table 7.13)	237 438	247 899	213 387	223 807	208 437	208 437	225 339	213 209	220 705
Households	24 859	26 110	37 891	35 880	30 524	30 362	37 090	41 906	42 658
Social benefits	24 325	25 882	28 643	35 521	30 165	30 003	36 696	41 474	42 208
Other transfers to households	534	228	9 248	359	359	359	394	432	450
3. Emergency Medical Services	2 260	2 966	3 230	3 922	5 892	5 892	6 110	4 560	4 788
Provinces and municipalities	1 232	1 461	1 842	1 832	2 400	2 400	2 415	2 040	2 142
Motor vehicle licences	1 232	1 461	1 842	1 832	2 400	2 400	2 415	2 040	2 142
Households	1 028	1 505	1 388	2 090	3 492	3 492	3 695	2 520	2 646
Social benefits	938	937	915	1 317	2 719	2 719	2 846	1 588	1 696
Other transfers to households	90	568	473	773	773	773	849	932	950
4. Provincial Hospital Services	58 328	70 918	60 042	58 726	63 194	62 873	51 441	54 088	55 376
Provinces and municipalities	137	193	91	600	529	469	525	526	553
Motor vehicle licences	137	193	91	600	529	469	525	526	553
Departmental agencies and accounts	-	54	47	-	42	42	56	60	63
SABC - TV licences	-	54	47	-	42	42	56	60	63
Non-profit institutions	30 051	32 600	35 802	37 742	37 794	37 794	28 829	28 541	28 255
Non-profit institutions (see Table 7.13)	30 051	32 600	35 802	37 742	37 794	37 794	28 829	28 541	28 255
Households	28 140	38 071	24 102	20 384	24 829	24 568	22 031	24 961	26 505
Social benefits	14 363	17 895	21 990	18 957	23 402	23 141	19 945	22 719	24 005
Other transfers to households	13 777	20 176	2 112	1 427	1 427	1 427	2 086	2 242	2 500
5. Central Hospital Services	2 661	7 817	2 257	8 807	1 675	1 675	2 760	2 889	3 033
Provinces and municipalities	8	6	4	7	8	8	10	4	4
Motor vehicle licences	8	6	4	7	8	8	10	4	4
Households	2 653	7 811	2 253	8 800	1 667	1 667	2 750	2 885	3 029
Social benefits	612	5 241	2 183	6 200	1 567	1 567	2 550	2 675	2 809
Other transfers to households	2 041	2 570	70	2 600	100	100	200	210	220
6. Health Sciences and Training	59 843	68 625	83 361	107 018	96 018	96 018	146 737	142 459	141 534
Provinces and municipalities	14	25	26	30	22	22	22	23	24
Motor vehicle licences	14	25	26	30	22	22	22	23	24
Departmental agencies and accounts	6 784	7 637	8 588	9 360	10 105	10 105	11 315	11 881	12 475
HWSETA	6 784	7 637	8 588	9 360	10 105	10 105	11 315	11 881	12 475
Non-profit institutions	11 357	8 510	14 298	15 130	15 130	15 130	-	-	-
Non-profit institutions (see Table 7.13)	11 357	8 510	14 298	15 130	15 130	15 130	-	-	-
Households	41 688	52 453	60 449	82 498	70 761	70 761	135 400	130 555	129 035
Social benefits	-	-	1 397	1 650	1 413	1 413	2 400	2 520	2 646
Other transfers to households	41 688	52 453	59 052	80 848	69 348	69 348	133 000	128 035	126 389
7. Health Support Services	28 141	11 376	14 545	15 170	15 170	15 668	16 527	18 549	19 477
Provinces and municipalities	130	152	62	-	-	75	79	83	87
Motor vehicle licences	130	152	62	-	-	75	79	83	87
Departmental agencies and accounts	28 011	11 224	14 483	15 170	15 170	15 593	16 448	18 466	19 390
Medicine Trading Account	27 528	10 764	13 971	-	-	423	16 004	18 000	18 900
Social security funds	483	460	512	15 170	15 170	15 170	444	466	490
8. Health Facilities Management	-	-	10 783	20 000	20 000	20 000	20 000	-	-
Non-profit institutions	-	-	10 000	20 000	20 000	20 000	20 000	-	-
KZN Childrens' Hospital Trust	-	-	10 000	20 000	20 000	20 000	20 000	-	-
Households	-	-	783	-	-	-	-	-	-
Other transfers to households	-	-	783	-	-	-	-	-	-
Total	498 292	562 374	515 846	562 780	542 709	542 738	655 168	650 155	673 063

- In Programmes 1, 2 and 4, the amounts reflected against *Departmental agencies and accounts* relate to TV licences which arose from an amendment to SCOA in 2012/13, shifting the allocation from *Goods and services* to this category. Historical data has been 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 2009/10 related mainly to the non-signing of SLAs by the municipalities. The increase in 2010/11 was due to expenditure resulting from the signing of the SLAs pertaining to 2008/09 and 2009/10. The reduction in 2011/12 is ascribed to the provincialisation of some of the municipal clinics. The increase in the 2012/13 Adjusted Appropriation relates to the delay in the provincialisation of some municipal clinics, except the eThekweni Metro and uMhlathuze Municipality. The increase over the 2013/14 MTEF is largely due to the commitment to assist municipal clinics with pressures in the treatment of HIV and AIDS.
- In Programme 2, the reduction in *Non-profit institutions* in 2011/12 relates mainly to the decision to close the NIP sites and to manage these services centrally. The further reduction in the 2012/13 Adjusted Appropriation is a result of the decision to reassess the NGO institutions and to enter into new agreements, resulting in a number of the allocations to these institutions being lower than in the past. The reduction in 2014/15 is due to a reduction in transfer to the McCords Hospital, following reassessment of transfers to NGOs. This transfer will be reviewed during 2013/14 to determine appropriate levels of funding, and will be formalised in the 2013/14 Adjustments Estimate. The figures in the 2013/14 MTEF reflect inflationary increases only.
- With regard to Programme 3, the fluctuating trend against *Households* pertains to staff exit costs.
- In Programme 4, *Non-profit institutions* shows an increasing trend from 2009/10, 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 2010/11 results from a medico-legal claim.
- In Programme 6, the amounts against *Departmental agencies and accounts* relate to the compulsory levy paid to the HWSETA on an annual basis.
- Also in Programme 6, the significant increase against *Households* over the entire 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.
- In Programme 7, the high spending against *Departmental agencies and accounts* in 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 Programme 8 in 2011/12 and the subsequent two years, the department will transfer funds to the KZN Children's Hospital Trust for the development and refurbishment of the KZN 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 largely 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.

Tables 7.16 and 7.17 summarise information for the period 2009/10 to 2015/16. 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 2013/14 MTEF. Note that the costs for computer services against *Goods and services* have been centralised from all programmes to this programme from 2013/14, and historical data has been amended for comparative purposes.

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 below. The sharp decline in 2010/11 under the Management sub-programme is a result of this once-off charge.

Table 7.16: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Office of the MEC	12 441	14 452	15 615	20 318	20 318	20 318	18 419	19 269	20 302
Management	1 147 253	449 196	560 810	377 352	397 772	539 176	572 659	609 071	641 298
Total	1 159 694	463 648	576 425	397 670	418 090	559 494	591 078	628 340	661 600
Unauth. exp. (1 st charge) not available for spending	(758 000)	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	401 694	463 648	576 425	397 670	418 090	559 494	591 078	628 340	661 600

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	396 741	454 816	463 100	379 513	390 205	471 434	559 879	596 915	629 664
Compensation of employees	168 705	183 201	208 965	238 456	247 382	247 382	273 032	292 087	309 793
Goods and services	228 036	271 615	254 115	141 057	142 823	224 052	286 847	304 828	319 871
Interest and rent on land	-	-	20	-	-	-	-	-	-
Transfers and subsidies to:	2 311	1 750	3 392	3 157	2 426	2 426	3 549	3 675	3 676
Provinces and municipalities	38	33	26	57	39	39	48	44	45
Departmental agencies and accounts	-	-	1	-	-	-	1	1	1
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 273	1 717	3 365	3 100	2 387	2 387	3 500	3 630	3 630
Payments for capital assets	2 642	6 702	109 386	15 000	25 459	85 634	27 650	27 750	28 260
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 642	6 702	109 386	15 000	25 459	85 634	27 650	27 750	28 260
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	758 000	380	547	-	-	-	-	-	-
Total	1 159 694	463 648	576 425	397 670	418 090	559 494	591 078	628 340	661 600
Unauth. exp. (1 st charge) not available for spending	(758 000)	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	401 694	463 648	576 425	397 670	418 090	559 494	591 078	628 340	661 600

The increasing trend in *Compensation of employees* from 2009/10, as well as the significant increase over the 2013/14 MTEF, relates to the need to improve management capacity at head office to address the challenges of service delivery. The high growth from 2011/12 to 2013/14 is attributed to the provision for financial management capacity to improve audit outcomes.

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 2011/12 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 to support infrastructure capacity building. The increase over the 2013/14 MTEF provides for increases in municipal water and electricity charges, and inflationary adjustments.

The expenditure against *Interest and rent on land* in 2011/12 relates to a medico-legal claim which, following arbitration, resulted in the department being ordered to pay interest.

The fluctuating trend in *Transfers and subsidies to: Households* is due to staff exit costs.

The notable increase in *Machinery and equipment* in 2011/12 and the smaller increase in the 2012/13 Adjusted Appropriation relate primarily to the 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 2012/13 for the purchasing of replacement vehicles at head office, as well as vehicles for the Ministry. The significantly high spending in 2011/12 was due to the central purchase of motor vehicles which was rectified in the following years, and hence a decrease in the 2012/13 Main Appropriation. In the 2013/14 MTEF, amounts are provided to replace essential equipment.

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		
		2012/13	2013/14	2014/15	2015/16
Administration: To conduct the strategic management and overall administration of the Department of Health	Human Resources				
	• Vacancy rate for professional nurses	9.2%	9%	9%	8%
	• Vacancy rate for doctors	44%	42%	41%	40%
	• Vacancy rate for medical specialists	44.3%	44%	43%	42%
	• Vacancy rate for pharmacists	28.7%	28%	28%	27%
	• Medical officers per 100 000	26.41	27	27	28
	• Medical officers per 100 000 people in rural districts	11.44	12	12	13
	• Professional nurses per 100 000 people	128.64	130	135	140
	• Professional nurses per 100 000 people in rural districts	114.27	116	120	125
	• Pharmacists per 100 000 people	5.97	6	6	7
	• Pharmacists per 100 000 people in rural districts	3.70	4	4	5

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.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
District Management	121 855	133 675	165 967	200 149	228 554	208 427	201 548	209 565	221 402
Community Health Clinics	1 812 690	2 054 214	2 314 985	2 546 665	2 614 113	2 596 338	2 832 671	3 079 491	3 198 738
Community Health Centres	550 817	628 582	767 716	870 181	935 318	926 190	1 030 648	1 132 166	1 205 824
Community-based Services	98 850	101 399	25 774	-	-	-	-	-	-
Other Community Services	471 293	524 369	616 453	768 652	721 843	692 879	854 055	921 818	965 501
HIV and AIDS	1 534 546	1 500 250	1 914 057	2 225 423	2 343 916	2 649 390	2 652 072	3 098 705	3 512 927
Nutrition	90 637	36 614	65 237	47 642	47 642	47 642	49 348	51 490	53 809
Coroner Services	101 085	122 338	141 632	156 393	142 717	148 311	159 265	165 804	175 107
District Hospitals	4 314 113	4 627 858	4 680 514	5 138 614	4 952 826	4 887 754	5 284 169	5 552 143	5 855 313
Total	9 095 886	9 729 299	10 692 335	11 953 719	11 986 929	12 156 931	13 063 776	14 211 182	15 188 621

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	8 722 956	9 297 816	10 201 342	11 532 669	11 490 212	11 694 896	12 532 421	13 621 729	14 622 059
Compensation of employees	5 696 023	6 421 744	7 147 852	8 014 328	7 928 880	7 876 310	8 706 221	9 328 916	9 926 490
Goods and services	3 026 933	2 876 772	3 053 490	3 518 341	3 561 332	3 818 586	3 826 200	4 292 813	4 695 569
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	344 748	398 922	338 236	345 980	338 334	338 186	408 044	423 935	445 179
Provinces and municipalities	82 451	124 886	86 828	86 293	99 373	99 358	145 584	168 788	181 783
Departmental agencies and accounts	-	27	130	-	-	29	31	32	33
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	237 438	247 899	213 387	223 807	208 437	208 437	225 339	213 209	220 705
Households	24 859	26 110	37 891	35 880	30 524	30 362	37 090	41 906	42 658
Payments for capital assets	28 182	29 589	152 714	75 070	158 383	123 849	123 311	165 518	121 383
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	28 182	29 589	152 714	75 070	158 383	123 849	123 311	165 518	121 383
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	2 972	43	-	-	-	-	-	-
Total	9 095 886	9 729 299	10 692 335	11 953 719	11 986 929	12 156 931	13 063 776	14 211 182	15 188 621

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.

The increases over the seven-year period relate to the various higher than anticipated wage agreements and carry-through costs of the various OSDs for medical personnel and other categories of staff. Also contributing was additional funding provided for inflationary increases in medical supplies and services, improving infant and child mortality rates, substantial increases in HIV and AIDS funding 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 2013/14 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 commenced from 2012/13, aimed at establishing two pilot districts in line with the implementation of NHI. As mentioned previously, this funding decreases in 2013/14 due to a new indirect National Health grant, which will be spent by the NDOH on behalf of provinces.

The increase in 2011/12 relates to capacity building at district office level in order to improve service delivery within the districts, as well as the 2011 wage agreement. The 2013/14 MTEF provides additional funding for the carry-through costs of the relevant wage agreements and inflationary costs.

The strong growth from 2010/11 to 2013/14 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 was also due to national priority funding for personnel and goods, family health teams and for the general policy adjustment, as well as funding to encourage growth in PHC service delivery. The increase in the 2012/13 Adjusted Appropriation was for increased costs of medicines, vaccines, municipal payments and increased patient demand at PHC level.

The decrease in the sub-programme: Community-based Services in 2011/12 resulted from the absorption of the majority of the community health workers into the HIV and AIDS sub-programme and a 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 was phased out from 2012/13, and it was decided to place all community health workers' expenditure into other sub-programmes within Programme 2, where the costs are incurred, hence no spending or allocations in respect of this sub-programme from 2012/13 onward.

The increase in 2010/11 in the sub-programme: Other Community Services was due to the introduction of community nursing services and an 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.

The steady growth in the HIV and AIDS sub-programme relates mainly to increases in the Comprehensive HIV and AIDS grant to cater for increased 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, with a further increase in the 2012/13 Adjustments Estimate for equipment and the increasing costs of ARV medication. The growth over the 2013/14 MTEF aligns with the growth in the Comprehensive HIV and AIDS grant.

The high base 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 decrease in 2010/11 was 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 until 2011/12. From 2012/13, these services were paid from the department's equitable share. The increase in 2011/12 was mainly 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.

The sub-programme: District Hospitals increased in 2010/11 due to the 2010 wage agreement and additional funding for the OSDs for medical personnel. The increase in 2011/12 was largely as a result of delays in the processing of the OSD for occupational therapists caused by programmatic challenges (PERSAL) at a national level, and also the filling of essential posts in line with national requirements for service delivery related to the NHI. The decrease in the 2012/13 Adjusted Appropriation relates to the reclassification of some district hospitals to general hospitals, restructuring of service delivery programmes in line with national priorities, and the slow filling of posts. Growth over the 2013/14 MTEF includes funding for the various national priorities, the various OSDs, and capacity building.

The increase in *Compensation of employees* from 2009/10 onward is mainly due to the OSDs for medical personnel and other categories of staff, as well as the various wage agreements. The increase in 2011/12 also included the filling of essential posts in line with the national requirements for service delivery related to the NHI, the ongoing process of implementing family health teams, capacity building and the general policy adjustment. The decrease in the 2012/13 Adjusted Appropriation relates to the reclassification of a number of district hospitals to categories of hospitals falling within Programme 4. In 2014/15 and 2015/16, additional funding is included 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, high medical inflation, the increase in NHLS costs, 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 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 a decrease in inflation on medicines, especially ARVs, due to the strengthening of the Rand and improved contract prices, as well as the pegging of NHLS expenditure to the previous year's contract. In addition to carry-through costs from previous allocations, funding for national priorities in 2011/12 provided for family health teams, the general policy adjustment, capacity building and, in 2012/13 and 2013/14, additional funding for the reduction of the ARV threshold to a CD4 count of 350. The carry-through costs of these initiatives are reflected in the 2013/14 MTEF. Additional funding has been provided from 2012/13 from the NHI grant to implement a pilot programme in two districts, to contract private practitioners and other private suppliers 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 for municipal clinics, as well as the non-signing of SLAs. The increase in 2010/11 provided for payment of those SLAs not signed in 2008/09 and 2009/10. The reduction in 2011/12 resulted from the provincialisation of some municipal clinics. The increase in the 2012/13 Adjusted Appropriation resulted from delays in the provincialisation of some clinics, and therefore expenditure was incurred while still in the process of being provincialised. The significant increase in the 2013/14 MTEF relates to the eThekweni Metro and uMhlathuze Municipality for additional funding allocated to assist clinics in the treatment of HIV and AIDS.

The reduction in *Transfers and subsidies to: Non-profit institutions* in 2011/12 relates to the department's decision to take over the management of the HIV and AIDS NIP sites from the NGOs. The further reduction in the 2012/13 Adjusted Appropriation is a result of the decision to reassess the NGO institutions and to enter into new agreements, resulting in a number of the allocations to these institutions being less than in the past. The reduction in 2014/15 is due to the planned provincialisation of the McCords Hospital during 2013/14. The amounts allocated in the 2013/14 MTEF provide for inflationary increases only.

The minimal increase against *Machinery and equipment* in 2010/11 related 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 increase in 2011/12 was for the replacement of deteriorating essential equipment and the purchase of mobile clinics and other service delivery vehicles. This process continued in 2012/13 hence the significant increase in the 2012/13 Adjusted Appropriation. In the 2013/14 MTEF, amounts are provided to replace essential equipment at a reduced rate, due to the baseline cuts.

Service delivery measures – Programme 2: District Health Services

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.

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: Service delivery measures – Programme 2: District Health Services

Table 7.21: Service delivery measures – Programme 2: District Health Services						
Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
1. Clinics and Community Health Centres						
To provide facilities for patients to be treated at PHC level	• Provincial PHC expenditure per uninsured person	R320	R516	R562	R592	
	• PHC utilisation rate (annualised)	2.9	3	3.1	3.1	
	• PHC utilisation rate under 5 years (annualised)	4.8	5	5	5	
	• PHC supervisor visit rate (fixed clinic / CHC / CDC)	66%	68%	70%	73%	
	• Complaints resolution within 25 working days	72.5%	75%	80%	85%	

Table 7.21: Service delivery measures – Programme 2: District Health Services

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
2. District Hospitals						
Rendering of a hospital service at district level	• Average length of stay – total	5.5 days	5.4 days	5.2 days	5 days	
	• Inpatient bed utilisation rate – total	63%	66%	69%	72%	
	• Inpatients Separations – total	352 958	374 671	391 014	406 269	
	• Patient day equivalent - total	2 946 168	3 080 078	3 121 372	3 142 305	
	• OPD headcount – total	2 683 494	2 738 534	2 754 015	2 767 953	
	• Delivery by caesarean section rate	26%	25.5%	25%	24.5%	
	• Expenditure per patient day equivalent (PDE)	R1 650	R1 714	R1 788	R1 873	
	• Complaint resolution within 25 working days rate	69.5%	75%	80%	85%	
	• Mortality and morbidity review rate	100%	100%	100%	100%	
	• Patient satisfaction rate	81%	100%	100%	100%	
	• No. of district hospitals assessed for compliance against the 6 priorities of the core standards	37	37	37	37	
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 clients remaining on ART (TROA) at end of the month	785 431	846 919	1 011 201	1 172 397	
	• Male condom distribution rate (annualised)	14	20	25	30	
	• TB (new pulmonary) cure rate	73.7%	78.9%	85%	85%	
	• TB (new pulmonary) defaulter rate	6.1%	5%	<5%	<5%	
	• TB AFB sputum result turn-around time under 48 hours rate	70%	65%	70%	75%	
	• TB new client treatment success rate	69%	80%	85%	85%	
	• HIV / TB co-infected patient initiated on ART rate	54%	70%	80%	90%	
	• HIV testing coverage	93%	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 (annualised)	93.8%	90%	90%	90%	
	• Vitamin A 12 – 59 months coverage (annualised)	42.6%	45%	51%	55%	
	• Measles 1 st dose under 1 year coverage (annualised)	95%	90%	90%	90%	
	• Pneumococcal vaccine (PCV) 3 rd dose coverage (annualised)	95.7%	90%	90%	90%	
	• Rota Virus (RV) 2 nd dose coverage (annualised)	104.2%	90%	90%	90%	
	• Child under 5 years diarrhoea with dehydration incidence (annualised)	125.6/1000	113/1000	102/1000	92/1000	
	• Child under 5 years pneumonia incidence (annualised)	122/1000	110/1000	99/1000	90/1000	
	• Cervical cancer screening coverage (annualised)	83.1%	75%	75%	75%	
	• Antenatal 1 st visit before 20 weeks rate	45%	56%	60%	65%	
	• Infant 1 st PCR test positive within 2 months rate	2.2%	<1.4%	<1%	<1%	
	• Couple year protection rate (annualised)	29%	40%	45%	50%	
	• Maternal mortality in facility ratio (annualised)	188/100 000	180/100 000	175/100 000	170/100 000	
	• Delivery in facility under 18 years rate	9.1%	8.5%	8%	7.5%	
	• Child under 1 year mortality in facility rate (annualised)	6.5%	7%	7%	6.9%	
	• Inpatient death under 5 years rate	5.4%	5.3%	5.2%	5%	
5. Disease prevention and control						
Rendering preventive and promotive health services	• Malaria case fatality rate	0.48%	<0.5%	<0.5%	0%	
	• Cholera fatality rate	0%	0%	0%	0%	
	• Cataract surgery rate (annualised)	1 255/million	1 430/million	1 835/million	1 950/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. 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Emergency Transport	721 478	790 015	1 032 954	1 007 942	933 012	908 971	907 217	994 518	1 053 444
Planned Patient Transport	41 001	32 603	37 433	37 946	40 419	40 419	65 145	69 420	73 284
Total	762 479	822 618	1 070 387	1 045 888	973 431	949 390	972 362	1 063 938	1 126 728

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	690 875	733 709	856 411	971 966	889 428	872 403	936 252	1 019 378	1 081 940
Compensation of employees	486 534	521 434	595 253	691 586	638 830	638 830	702 642	758 261	804 617
Goods and services	204 341	212 275	261 158	280 380	250 598	233 573	233 610	261 117	277 323
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	2 260	2 966	3 230	3 922	5 892	5 892	6 110	4 560	4 788
Provinces and municipalities	1 232	1 461	1 842	1 832	2 400	2 400	2 415	2 040	2 142
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 028	1 505	1 388	2 090	3 492	3 492	3 695	2 520	2 646
Payments for capital assets	69 344	85 673	210 745	70 000	78 111	71 095	30 000	40 000	40 000
Buildings and other fixed structures	-	19	-	-	-	-	-	-	-
Machinery and equipment	69 344	85 654	210 745	70 000	78 111	71 095	30 000	40 000	40 000
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	270	1	-	-	-	-	-	-
Total	762 479	822 618	1 070 387	1 045 888	973 431	949 390	972 362	1 063 938	1 126 728

The fluctuating trend over the seven-year period 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 Soccer World Cup, as well as the planned expansion of emergency medical services to under-served areas. The 2010/11 increase included an additional R60 million for the 2010 Soccer World Cup, which contributed toward the drive to meet the national norms for the service, and the carry-through costs of the various wage agreements. The significant increase in 2011/12 relates to the appointment of additional emergency personnel and procurement of additional emergency medical vehicles. The reduction in the 2012/13 Adjusted Appropriation is attributed to savings realised from the replacement process of ageing emergency fleet, as the repair and fuel costs of the new ambulances are lower, as well as the slow pace in the filling of vacant posts, which is dependent on the ambulance conversion process. Funding increases in the 2013/14 MTEF period to provide for inflationary adjustments and the gradual filling of vacant posts dependent upon availability of skilled candidates and the number of ambulances in the fleet. The overall increase 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 various wage agreements, the introduction of the OSD for emergency personnel, as well as reprioritisation of funding to bring the salaries of emergency medical workers in line with those in other provinces, in order to retain staff and avoid strike action. The high growth in 2013/14 relates to the planned absorption of trainees and the strengthening of obstetrical ambulance services.

The main cost drivers under *Goods and services* are fuel and repairs to emergency vehicles, the latter being related to the rough terrain in rural areas and these costs will increase as the service expands. The increase in 2011/12 relates mainly to an increase in fuel costs and the costs of maintaining vehicles. The negative growth in the 2012/13 Adjusted Appropriation relates mainly to lower costs on maintenance and repairs of the new fleet of vehicles. In addition, as many ambulances are still in the conversion process, there is a further reduction in the 2012/13 Adjusted Appropriation. The 2013/14 MTEF provides for inflation only.

With regard to *Transfers and subsidies to: Households*, the inflated 2012/13 Adjusted Appropriation relates to a legal claim against the department by the First Aid League, and an increase in staff exit costs.

Regarding *Machinery and equipment*, the significant increase in 2011/12 is attributed to the late delivery of ambulances ordered in 2010/11 and the additional ambulances purchased to address shortages. This was supporting the drive to meet the national norms for this service. The reduced amount over the 2013/14 MTEF relates to reprioritisation of funding which will be reviewed during 2014/15, with funding provided only for the replacement of ambulances.

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		
		2012/13	2013/14	2014/15	2015/16
Emergency Medical Services					
Rendering emergency medical services including ambulance services, special operations, communications and air ambulance services	• EMS P1 urban response under 15 minutes rate	19%	37%	50%	65%
	• EMS P1 rural response under 40 minutes rate	40%	50%	65%	80%
	• EMS P1 call response under 60 minutes rate	45%	65%	70%	75%
	• EMS operational ambulance coverage (annualised)	0.27	0.28	0.34	0.43

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
General (Regional) Hospitals	3 605 690	4 103 981	5 472 515	5 989 701	6 362 044	6 296 009	6 766 177	7 153 795	7 570 647
Tuberculosis Hospitals	783 099	832 030	891 705	787 875	592 578	592 578	624 381	678 302	747 904
Psychiatric/Mental Hospitals	503 667	533 949	570 999	655 155	650 141	642 392	700 652	755 946	800 722
Sub-acute, Step-down and Chronic Medical Hospitals	99 578	102 531	109 131	119 006	207 406	207 406	219 021	240 323	258 694
Dental Training Hospitals	10 685	12 266	14 481	16 652	15 064	15 064	16 170	16 909	17 911
Total	5 002 719	5 584 757	7 058 831	7 568 389	7 827 233	7 753 449	8 326 401	8 845 275	9 395 878

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	4 926 492	5 494 350	6 939 951	7 490 163	7 706 040	7 644 679	8 220 260	8 719 487	9 243 792
Compensation of employees	3 486 099	4 074 121	5 203 373	5 531 354	5 901 669	5 863 667	6 288 416	6 684 105	7 074 666
Goods and services	1 440 393	1 420 229	1 736 578	1 958 809	1 804 371	1 781 012	1 931 844	2 035 382	2 169 126
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	58 328	70 918	60 042	58 726	63 194	62 873	51 441	54 088	55 376
Provinces and municipalities	137	193	91	600	529	469	525	526	553
Departmental agencies and accounts	-	54	47	-	42	42	56	60	63
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	30 051	32 600	35 802	37 742	37 794	37 794	28 829	28 541	28 255
Households	28 140	38 071	24 102	20 384	24 829	24 568	22 031	24 961	26 505
Payments for capital assets	17 884	17 572	58 823	19 500	57 999	45 897	54 700	71 700	96 710
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	17 884	17 572	58 823	19 500	57 999	45 897	54 700	71 700	96 710
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	-	-	-	-	-	-
Total	5 002 719	5 584 757	7 058 831	7 568 389	7 827 233	7 753 449	8 326 401	8 845 275	9 395 878

The sustained growth in Programme 4 over the seven-year period relates to the various wage agreements, the OSD for medical personnel, high inflation rates on medical supplies and services, as well as NHLS costs. 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 to this programme, as well as savings from the equitable share 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. Also contributing was the OSD for therapists and doctors and increased patient demand for services.

In 2011/12, once-off funding was provided for essential equipment and motor vehicles. A number of district hospitals were also reclassified as general hospitals, contributing to the increase in 2011/12. Other allocations included funding for various national priorities, as well as costs of the various OSDs, registrars moved to this programme, the replacement of redundant essential hospital equipment and the filling of various professional posts. In 2012/13, expenditure included the continued process of reclassification of certain district hospitals to provincial hospitals. The 2013/14 MTEF includes the carry-through costs for the wage agreements, OSDs and national health priorities, with an increase in equipment following the decentralisation of this funding from Programme 8 to all programmes.

The Tuberculosis Hospitals sub-programme shows steady growth from 2009/10 to 2011/12 related to the various wage agreements and OSDs, as well as 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 against *Goods and services* for the purchasing of patient clothing and bed linen. The reduction in 2012/13 relates mainly to the decision to move funding to other categories of hospitals which are also dealing with TB, primarily district and regional hospitals, as well as a reduction in NHLS costs in TB Hospitals, due to the successful flat fee arbitration.

The increasing trend in the sub-programme: Psychiatric/Mental Hospitals relates to the various wage agreements and OSDs, and the MTEF includes carry-through costs and inflationary increases only.

The increase in the sub-programme: Sub-acute, Step-down and Chronic Medical Hospitals in 2010/11 relates to staff exit costs and medico-legal claims in that year. Included in the trend are carry-through costs of the various wage agreements and OSDs. The increase in 2011/12 was related to the purchase of additional patient clothing and bed linen. The significant increase in the 2012/13 Adjusted Appropriation is due to the reclassification of Clairwood Hospital to this sub-programme. The 2013/14 MTEF includes the carry-through costs of the various wage agreements, OSDs and inflationary increases only.

The increase against *Compensation of employees* from 2010/11 is partly related to the improvement of the general health capacity provided as a national priority in the 2009/10 MTEF, as well as carry-through

costs of the various OSDs and wage agreements. The increase in 2011/12 included the various national priorities (as per table 7.5). In addition, a number of district hospitals were reclassified as general hospitals, which accounts for the increase in this category in 2011/12. The increase in the 2012/13 Adjusted Appropriation provides for the further reclassification of district hospitals to categories of hospitals within this programme. Additional funding was also provided for the higher than budgeted 2012 wage agreement. The 2013/14 MTEF reflects carry-through costs for the various projects mentioned, as well as funding for OSDs and various wage agreements.

The notable decrease in *Goods and services* from 2009/10 to 2010/11 is ascribed to the lower cost of medicines and medical supplies, mainly due to the utilisation of transversal contracts, the curbing of fraud and cost-cutting. The increase in 2011/12 was due to increased payment to the NHLS related to an agreement to increase the monthly payment from R34 million to R43 million, backdated to January 2011, increased stock levels for medical supplies, as well as the clearing payment backlogs which arose due to some facilities not paying within 30 days. The significant reduction in the 2012/13 Adjusted Appropriation is a result of reduced NHLS costs as mentioned above, as well as efficiency savings against medicine and medical supplies. Included from 2013/14 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.

The amounts against *Transfers and subsidies to: Departmental agencies and accounts* relate to TV licences which arose from an amendment to SCOA in 2012/13, shifting the allocation from *Goods and services* to this category.

The increase in *Transfers and subsidies to: Non-profit institutions* in 2010/11 relates to the impact of the 2010 and 2011 wage agreements. The substantial reduction in 2013/14 was the result of the reassessment of all the department's non-profit institutions. The further reduction in 2014/15 is due to the planned provincialisation of McCords Hospital during 2013/14. The amounts allocated in the outer years of the 2013/14 MTEF provide for inflationary increases only.

The high spending against *Transfers and subsidies to: Households* in 2010/11 relates to a number of medico-legal claims. The increase in the 2012/13 Adjusted Appropriation provides for increased staff exit costs and medico-legal claims.

The slight decrease in 2010/11 against *Machinery and equipment* was due to cost-cutting. The significant increase in 2011/12 relates mainly to a once-off drive to replace all leased computer equipment and redundant essential medical equipment in all facilities. The 2012/13 Adjusted Appropriation increase relates to the replacement of essential equipment, especially at regional provincial hospitals. This equipment was ordered in 2011/12 but only delivered in 2012/13. The increase over the 2013/14 MTEF is due to the shifting of *Machinery and equipment* funding from Programme 8 to all programmes.

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

Table 7.27: Service delivery measures – Programme 4: Provincial Hospital Services					
Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16
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 – total	5.4 days	5 days	5 days	5 days
	• Inpatient Bed utilisation rate – total	77%	75%	75%	75%
	• Inpatient separations – total	368 862	376 239	383 764	391 439
	• Patient-day equivalent (PDE) – total	3 240 454	3 305 263	3 371 368	3 438 796
	• OPD headcount – total	3 107 680	3 231 987	3 361 267	3 495 717
	• Delivery by caesarean section rate	39%	37.5%	37%	37%
	• Expenditure per patient day equivalent(PDE)	R2 100	R2 047	R2 122	R2 202

Table 7.27: Service delivery measures – Programme 4: Provincial Hospital Services

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
	<ul style="list-style-type: none"> Complaint resolution within 25 working days rate Mortality and morbidity review rate No. of regional hospitals assessed for compliance against the 6 priorities of the core standards 	70%	75%	80%	85%	
		100%	100%	100%	100%	
		13	13	13	13	

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Central Hospital Services	506 857	689 717	758 623	873 229	873 229	873 129	834 199	888 645	932 870
Provincial Tertiary Hospital Services	1 552 267	1 413 665	1 754 031	1 786 130	1 868 845	1 867 968	2 087 926	2 209 747	2 355 465
Total	2 059 124	2 103 382	2 512 654	2 659 359	2 742 074	2 741 097	2 922 125	3 098 392	3 288 335

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	1 747 554	1 882 818	2 494 543	2 410 552	2 713 399	2 712 521	2 898 365	3 074 503	3 262 302
Compensation of employees	802 490	942 537	1 154 360	1 228 839	1 390 054	1 390 054	1 515 000	1 619 167	1 737 689
Goods and services	945 064	940 281	1 340 183	1 181 713	1 323 345	1 322 467	1 383 365	1 455 336	1 524 613
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	2 661	7 817	2 257	8 807	1 675	1 675	2 760	2 889	3 033
Provinces and municipalities	8	6	4	7	8	8	10	4	4
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 653	7 811	2 253	8 800	1 667	1 667	2 750	2 885	3 029
Payments for capital assets	308 909	212 692	15 854	240 000	27 000	26 901	21 000	21 000	23 000
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	308 909	212 692	15 854	240 000	27 000	26 901	21 000	21 000	23 000
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	55	-	-	-	-	-	-	-
Total	2 059 124	2 103 382	2 512 654	2 659 359	2 742 074	2 741 097	2 922 125	3 098 392	3 288 335

The positive trend over the entire period is due to the increasing demand for tertiary and central hospital services, as well as the various OSDs and annual wage agreements, and related carry-through costs. The significant increase in 2011/12 relates mainly to the high inflation rate on medicines, medical supplies and service costs, the Rand/Dollar exchange rate, as well as increased costs of blood products and increased stock levels of medical supplies to meet the increasing demand of services. The 2011/12 expenditure also included the capacity building national priority (originally allocated in the 2009/10 MTEF to commence in 2011/12), and additional funding provided in the 2011/12 MTEF for the previously mentioned national priorities. The 2013/14 MTEF includes the carry-through costs of wage agreements, OSDs, and national priorities.

The increasing trend in *Compensation of employees* includes the various wage agreements and OSDs, with carry-through costs. The increase in 2011/12 was also due to funding for the improvement of general health capacity, as well as the previously mentioned national priorities. The increase in the 2012/13 Adjusted Appropriation provided for the higher than expected 2012 wage agreement and the

reclassification of Grey's Hospital as a tertiary hospital, as indicated in Government Gazette No. 35101. The 2013/14 MTEF comprises carry-through costs for previous wage agreements and national priorities and increases in the National Tertiary Services grant.

The reduction in *Goods and services* in 2010/11 related mainly to the availability of cheaper medicines and medical supplies due to the use of transversal contracts. The notable increase in 2011/12 was mainly due to the high inflation rate on medical supplies, medicines and medical services, the Rand/Dollar exchange rate, increased costs of blood products, as well as increased stock levels of medical supplies to meet the increasing demand for services. The 2011/12 expenditure also included funding for the previously mentioned national priorities. The increase in the 2012/13 Adjusted Appropriation relates to a ruling by A-G that all equipment expenditure incurred against the PPP agreement for IALCH should be paid from current expenditure. Funding was therefore shifted from *Machinery and equipment* to this category. The allocations over the 2013/14 MTEF include the carry-through costs for national priorities.

The high expenditure against *Transfers and subsidies to: Households* in 2010/11 relates to medico-legal claims against the department.

The notable peak against *Machinery and equipment* in 2009/10 was due to additional funding provided for the modernisation of tertiary services, with a subsequent decrease in 2010/11 due to cost-cutting. The significant decrease in 2011/12 relates mainly to delays in tender processes in respect of the supply of essential cardiology equipment for Grey's Hospital. The reduction in the 2012/13 Adjusted Appropriation relates to the A-G's ruling regarding the PPP, as mentioned above.

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		
		2012/13	2013/14	2014/15	2015/16
1. Central Hospital Services					
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 – total	8.6 days	8.4 days	8.2 days	8 days
	• Inpatient Bed utilisation rate – total	71.1%	75%	75%	75%
	• Inpatient separations – total	25 370	27 014	28 310	29 411
	• Patient day equivalent – total	280 182	282 383	284 086	285 235
	• OPD headcount – total	181 638	183 192	184 903	187 911
	• Delivery by caesarean section rate	76%	74%	74%	74%
	• Expenditure per patient day equivalent (PDE)	R6 200	R6 337	R6 662	R7 044
	• Complaints resolution within 25 working days rate	83%	90%	90%	90%
	• Mortality and morbidity review	100%	100%	100%	100%
	• Hospital Patient Satisfaction rate	80%	100%	100%	100%
• No. of national central hospitals assessed for compliance against the 6 priorities of core standards	1	1	1	1	
2. Provincial Tertiary Hospital Services					
To provide tertiary health services and create a platform for the training of health workers	• Average length of stay – total	10.1 days	10 days	9 days	9 days
	• Inpatient Bed utilisation rate – total	82%	75%	75%	75%
	• Inpatient separations – total	27 798	32 603	34 233	35 944
	• Patient day equivalent – total	397 064	407 625	428 006	449 406
	• OPD headcount – total	302 552	328 382	344 801	362 041
	• Delivery by caesarean section rate	71.5%	69%	69%	68%
	• Expenditure per patient day equivalent (PDE)	R3 050	R3 064	R3 151	R3 258
	• Complaints resolution within 25 working days rate	85%	90%	90%	90%
	• Mortality and morbidity review	100%	100%	100%	100%
	• Hospital Patient Satisfaction rate	90%	90%	90%	90%

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 2009/10 to 2015/16.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Nurse Training Colleges	343 531	367 268	355 905	415 128	379 409	353 580	348 035	367 056	385 441
EMS Training Colleges	19 338	14 118	11 417	19 842	14 889	14 889	12 453	13 179	14 112
Bursaries	42 454	54 272	64 433	107 738	90 138	90 138	138 000	133 285	131 902
Primary Health Care Training	76 238	73 061	58 922	67 925	53 038	53 038	57 912	60 216	63 226
Training Other	292 437	323 560	369 780	387 418	423 249	423 249	435 846	448 764	480 922
Total	773 998	832 279	860 457	998 051	960 723	934 894	992 246	1 022 500	1 075 603

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	708 757	763 205	776 485	885 365	853 248	834 416	839 509	877 041	930 919
Compensation of employees	662 000	717 464	720 257	783 252	761 399	761 399	763 333	809 135	860 037
Goods and services	46 757	45 741	56 228	102 113	91 849	73 017	76 176	67 906	70 882
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	59 843	68 625	83 361	107 018	96 018	96 018	146 737	142 459	141 534
Provinces and municipalities	14	25	26	30	22	22	22	23	24
Departmental agencies and accounts	6 784	7 637	8 588	9 360	10 105	10 105	11 315	11 881	12 475
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	11 357	8 510	14 298	15 130	15 130	15 130	-	-	-
Households	41 688	52 453	60 449	82 498	70 761	70 761	135 400	130 555	129 035
Payments for capital assets	5 398	427	610	5 668	11 457	4 460	6 000	3 000	3 150
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 398	427	610	5 668	11 457	4 460	6 000	3 000	3 150
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	22	1	-	-	-	-	-	-
Total	773 998	832 279	860 457	998 051	960 723	934 894	992 246	1 022 500	1 075 603

The increasing trend in this programme and *Compensation of employees* can largely be attributed to the various OSDs and wage agreements, the introduction of a compulsory two-year internship for medical doctors and the drive to increase the capacity of nursing personnel. Also contributing was a training drive, increased bursary allocation and provision for the intake of medical, dental, pharmaceutical, and other interns. There was also once-off spending against *Goods and services* for computer services in 2009/10 due to improvements to the colleges' network access. The small increase in the programme in 2011/12, and the negative growth in the EMS Training College sub-programme, was attributed to the college not being able to find a suitable venue and it was therefore not functional in that year. The significant increase in 2012/13 relates to the training of 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 reduction in the 2012/13 Adjusted Appropriation is due to the movement of student nurses from the more expensive salary system to a system of stipends. Also contributing to the reduction was cost-cutting aimed at reducing training and travelling costs. The trends over the 2013/14 MTEF are for inflationary purposes only.

The increases in the sub-programme: Bursaries in 2010/11 and 2011/12 resulted from a decision that was taken to provide additional funding to this sub-programme to increase training of personnel in health related fields.

In the sub-programme: Training Other, the increase over the seven-year period is due to the extension of the medical internship period to two years and the OSD for doctors. The increase in 2010/11 relates to the various OSDs and wage agreements. The increase in 2011/12 is attributed to the training of additional health personnel to address the current shortage in the department. Additional funding for this purpose is also provided in the 2013/14 MTEF, together with the carry-through costs of the various wage agreements.

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 2012/13 Adjusted Appropriation relates to the stipend payments for student nurses mentioned previously.

The category *Transfers and subsidies to: Departmental agencies and accounts* shows strong growth from 2010/11 through to 2013/14, as well as in 2015/16, which is ascribed to the HWSETA levy, which is in line with the growth in *Compensation of employees*.

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 and the subsequent increase in 2011/12 included these costs, as well as a departmental commitment to provide funding to allow the NGOs to increase their medical salaries in line with the province. The ceasing of funding from 2013/14 is attributed to the planned provincialisation of the McCords Hospital during 2013/14.

The significant increase in *Transfers and subsidies to: Households* over the entire 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 decrease in *Machinery and equipment* in 2010/11 and 2011/12 results from cost-cutting to remain within budget. The increase in 2012/13 relates to provision of additional equipment at the various training campuses. The reduced amount over the 2013/14 MTEF relates to funding moved to the service delivery programmes, to address pressures in these programmes. This will be reviewed during 2013/14 in an effort to identify savings in the various programmes, with a view to reverse this movement and address critical equipment needs.

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 2013.

Table 7.33: Service delivery measures – Programme 6: Health Sciences and Training

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16
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	1 200	1 500	Awaiting accreditation	Awaiting accreditation
	• No. of basic nurse students graduating	1 639	1 000	1 500	1 500
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	737	770	800	830

6.7 Programme 7: Health Care Support Services

The aim of this programme is to house a number of centralised services including:

- 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.
- The provision of laundry services to hospitals, care and rehabilitation centres and certain local authorities.
- The provision of specialised orthotic and prosthetic services to hospitals and clinics.

Tables 7.34 and 7.35 below summarise the payments and estimates relating to this programme for the period 2009/10 to 2015/16.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Medicine Trading Account	27 528	10 764	13 971	15 170	15 170	15 170	16 004	18 000	18 900
Laundry Services	69 412	77 550	85 054	-	-	95 329	102 246	108 908	116 007
Orthotic and Prosthetic Services	20 187	23 442	26 005	-	-	23 370	25 036	26 451	27 916
Total	117 127	111 756	125 030	15 170	15 170	133 869	143 286	153 359	162 823

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	88 986	100 327	110 448	-	-	117 628	126 157	134 178	142 683
Compensation of employees	62 550	69 843	75 511	-	-	85 682	92 285	98 617	105 344
Goods and services	26 436	30 484	34 937	-	-	31 946	33 872	35 561	37 339
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	28 141	11 376	14 545	15 170	15 170	15 668	16 527	18 549	19 477
Provinces and municipalities	130	152	62	-	-	75	79	83	87
Departmental agencies and accounts	28 011	11 224	14 483	15 170	15 170	15 593	16 448	18 466	19 390
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	40	35	-	-	573	602	632	663
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	40	35	-	-	573	602	632	663
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	13	2	-	-	-	-	-	-
Total	117 127	111 756	125 030	15 170	15 170	133 869	143 286	153 359	162 823

The high amount against the Medicine Trading Account sub-programme in 2009/10 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, as well as for the provision of vaccines required for the reduction of child morbidity and mortality. This also accounts for the trend against *Transfers and subsidies to: Departmental agencies and accounts*.

Note that from 2013/14, the department has centralised the Laundry, as well as the Orthotic and Prosthetic Services as separate sub-programmes within Programme 7, which is in line with the budget and programme structure for the Health sector. These functions were previously spread over Programmes 2, 4 and 5. Historical data has been adjusted accordingly.

Compensation of employees grows steadily over the seven-year period, driven mainly by the various higher than expected wage agreements.

Goods and services also grows steadily over the entire period, and provision has been made for inflationary increases only over the 2013/14 MTEF.

Transfers and subsidies to: Provinces and municipalities relates to the cost of motor vehicle licences.

Expenditure against *Machinery and equipment* relates to office equipment and motor vehicles for the programme, and growth over the 2013/14 MTEF is for inflationary purposes only.

The trend for the programme as a whole over the 2013/14 MTEF reflects inflationary increases only.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Community Health Facilities	552 924	347 565	426 102	483 582	554 693	554 693	162 723	223 427	150 328
District Hospital Services	482 159	424 314	720 786	600 408	624 482	624 482	519 777	487 365	402 498
Emergency Medical Rescue Services	1 201	428	3 285	6 460	8 091	8 091	9 679	1 737	19 846
Provincial Hospital Services	187 320	204 691	531 961	568 303	869 566	869 566	514 276	482 621	587 977
Central Hospital Services	35 161	11 982	4 720	51 763	32 410	32 410	25 281	25 652	34 518
Other Facilities	119 484	98 267	208 145	206 588	278 038	278 038	404 867	201 936	163 461
Total	1 378 249	1 087 247	1 894 999	1 917 104	2 367 280	2 367 280	1 636 603	1 422 738	1 358 628

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	264 909	258 169	522 372	451 628	495 144	495 144	472 871	445 143	465 327
Compensation of employees	3 448	5 037	12 736	28 270	28 270	28 270	14 628	11 628	11 628
Goods and services	261 461	253 132	509 636	423 358	466 874	466 874	458 243	433 515	453 699
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	10 783	20 000	20 000	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	20 000	20 000	-	-
Households	-	-	783	-	-	-	-	-	-
Payments for capital assets	1 113 340	829 078	1 361 844	1 445 476	1 852 136	1 852 136	1 143 732	977 595	893 301
Buildings and other fixed structures	1 005 258	778 730	1 048 172	1 085 471	1 492 131	1 492 131	864 152	903 641	813 796
Machinery and equipment	108 082	49 550	287 217	360 005	360 005	360 005	279 580	73 954	79 505
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	798	26 455	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 378 249	1 087 247	1 894 999	1 917 104	2 367 280	2 367 280	1 636 603	1 422 738	1 358 628

The increasing trend from 2009/10 to 2012/13 is largely the result of a drive to improve and maintain the infrastructure of the department and is also related to increasing conditional grant funding, especially the Hospital Revitalisation and Health Infrastructure components of the Health Facility Revitalisation grant, as well as the department's equitable share.

The day-to-day maintenance drive accounts for the substantial increase in 2011/12 and is an effort to bring facilities up to standard for the roll-out of the NHI. Included in 2011/12 were once-off payments for essential medical equipment, also to meet the requirements of the NHI. The drive continued in the

2012/13 Adjusted Appropriation, accounting for the increase in *Goods and services*. The level of funding for maintenance remains at a high level over the 2013/14 MTEF.

The baseline decrease in 2010/11 relates primarily to under-expenditure on the Health Infrastructure and the Hospital Revitalisation components of the Health Facility Revitalisation grant of R74.886 million and R203.227 million, respectively, mainly as a result of challenges with tender processes. Contributing to the increase in 2011/12 was the improvement in performance of Ithala and IDT in the delivery of CHCs and nursing accommodation projects. Expenditure in 2011/12 also included an additional R63.953 million rolled over from 2009/10 in respect of the Hospital Revitalisation component.

In the 2012/13 Adjusted Appropriation, the Health Infrastructure and Hospital Revitalisation components of the Health Facility Revitalisation grant received additional funding of R180 million and R20 million, respectively. In addition, R185.963 million was allocated from provincial cash resources due to acceleration in infrastructure projects, including pressures in the supply of laundry and essential health technology equipment and R6.250 million for the upgrade of the PABX and communication system.

Some additional funding is provided in the 2013/14 MTEF for the refurbishment of nurses training colleges provided in the Nurses Colleges and Schools component of the Health Facility Revitalisation grant, as well as additional funding allocated under *Current payments* to enable the department to address capacity issues in order to provide better support to infrastructure management. The Hospital Revitalisation and Health Infrastructure components of the Health Facility Revitalisation grant also receive additional funding in 2015/16, although this increase is not significant.

With regard to *Transfers and subsidies to: Non-profit institutions*, the department transferred R10 million in 2011/12 and R20 million in 2012/13, and will transfer a further R20 million in 2013/14 to the KZN Children's Hospital Trust for the development and refurbishment of the KZN Children's Hospital in the eThekwin Metro.

7. Other programme information

7.1 Personnel numbers and costs

Tables 7.38 and 7.39 reflect personnel information for the Department of Health. 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. Note that, with no receipts expected in the 2013/14 MTEF from donors, discussions are underway at a national level regarding the funding of employees paid from donor funds, and this process will only be completed in 2013/14.
- 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 sharp increase in staff numbers in 2010/11 and 2011/12 is largely due to the department placing student nurses and CCGs on the payroll. Although the numbers have increased significantly, the cost to the department for CCGs has not increased, as the affected staff were paid *via* transfers to NGOs previously. In the case of student nurses, the costs are lower as they now receive a stipend, instead of a full salary. Also affecting the upward trend from 2011/12 was the restructuring of the department, with the focus 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.

Table 7.38: Personnel numbers and costs per programme

	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	As at 31 March 2016
Personnel numbers							
1. Administration	674	691	738	775	780	780	780
2. District Health Services	34 786	38 544	44 338	45 595	46 571	46 571	46 571
3. Emergency Medical Services	2 909	2 924	3 219	3 446	3 546	3 546	3 546
4. Provincial Hospital Services	17 759	17 774	20 492	20 832	21 039	21 039	21 039
5. Central Hospital Services	3 629	3 743	4 184	4 418	4 460	4 460	4 460
6. Health Sciences and Training	4 532	4 692	4 720	4 990	4 995	4 995	4 995
7. Health Care Support Services	548	512	513	522	540	540	540
8. Health Facilities Management	12	9	9	12	14	14	14
Total	64 849	68 889	78 213	80 590	81 945	81 945	81 945
Total personnel cost (R thousand)	11 367 849	12 935 381	15 118 307	16 891 594	18 355 557	19 601 916	20 830 264
Unit cost (R thousand)	175	188	193	210	224	239	254

Table 7.39: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Total for department									
Personnel numbers (head count)	64 849	68 889	78 213	80 037	80 037	80 590	81 945	81 945	81 945
Personnel cost (R thousand)	11 367 849	12 935 381	15 118 307	16 516 085	16 896 484	16 891 594	18 355 557	19 601 916	20 830 264
Human resources component									
Personnel numbers (head count)	1 259	1 126	1 074	1 061	1 061	1 138	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	1.94	1.63	1.37	1.33	1.33	1.41	1.43	1.43	1.43
Personnel cost as % of total for department	1.58	1.58	1.36	1.21	1.18	1.31	1.27	1.25	1.23
Finance component									
Personnel numbers (head count)	2 962	3 042	3 547	2 985	2 985	2 702	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	4.57	4.42	4.54	3.73	3.73	3.35	4.33	4.33	4.33
Personnel cost as % of total for department	3.21	3.41	2.79	2.68	2.62	2.62	2.45	2.43	2.44
Full time workers									
Personnel numbers (head count)	60 426	64 361	73 682	74 900	74 918	65 865	77 226	77 226	77 226
Personnel cost (R thousand)	10 867 132	12 312 747	14 540 412	15 841 545	16 221 944	16 324 077	17 730 486	18 948 917	20 131 555
Head count as % of total for department	93.18	93.43	94.21	93.58	93.60	81.73	94.24	94.24	94.24
Personnel cost as % of total for department	95.60	95.19	96.18	95.92	96.01	96.64	96.59	96.67	96.65
Part-time workers									
Personnel numbers (head count)	792	774	798	786	768	902	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	1.22	1.12	1.02	0.98	0.96	1.12	1.01	1.01	1.01
Personnel cost as % of total for department	194.93	141.57	180.60	169.63	169.63	168.46	194.78	194.78	208.42
Contract workers									
Personnel numbers (head count)	3 631	3 754	3 733	4 351	4 351	13 823	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	5.60	5.45	4.77	5.44	5.44	17.15	4.75	4.75	4.75
Personnel cost as % of total for department	3.29	4.06	2.89	3.26	3.19	2.56	2.54	2.52	2.53

7.2 Training

Tables 7.40 and 7.41 reflect departmental expenditure on training, which is centralised under Programme 6: Health Sciences and 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. As the percentage spent on training exceeds three per cent of the department's baseline, this requirement is fully achieved.

The costs reflected 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Nursing Training Colleges	343 531	367 268	355 905	415 128	379 409	353 580	348 035	367 056	385 441
EMS Training Colleges	19 338	14 118	11 417	19 842	14 889	14 889	12 453	13 179	14 112
Bursaries	42 454	54 272	64 433	107 738	90 138	90 138	138 000	133 285	131 902
Primary Health Care Training	76 238	73 061	58 922	67 925	53 038	53 038	57 912	60 216	63 226
Training Other	292 437	323 560	369 780	387 418	423 249	423 249	435 846	448 764	480 922
Total	773 998	832 279	860 457	998 051	960 723	934 894	992 246	1 022 500	1 075 603

Table 7.41: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Number of staff	64 849	68 889	78 213	80 037	80 037	80 590	81 945	81 945	81 945
Number of personnel trained	7 429	11 242	13 703	24 860	24 860	24 950	24 974	24 825	22 925
of which									
Male	2 027	2 670	3 850	6 814	6 814	6 904	6 928	6 764	6 419
Female	5 402	8 572	9 853	18 046	18 046	18 046	18 046	18 061	16 506
Number of training opportunities	7 606	12 107	12 150	12 410	12 410	12 410	13 155	13 943	13 943
of which									
Tertiary	198	1 618	1 600	1 700	1 700	1 700	1 802	1 910	1 910
Workshops	237	523	500	550	550	550	583	618	618
Seminars	78	22	50	60	60	60	64	67	67
Other	7 093	9 944	10 000	10 100	10 100	10 100	10 706	11 348	11 348
Number of bursaries offered	877	877	1 103	1 160	820	897	1 487	1 900	2 000
External	877	877	813	770	770	736	1 136	1 400	1 500
Internal	-	-	290	390	390	161	351	500	500
Number of interns appointed	782	314	380	500	500	500	500	500	500
Number of learnerships appointed	40	40	250	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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	198 762	164 198	196 395	200 013	200 013	207 758	217 666	220 512	231 538
Sale of goods and services produced by dept. (excl. capital assets)	198 534	163 929	195 657	200 012	200 012	207 520	216 856	219 702	230 728
Sales by market establishments	10 850	17 791	16 492	21 399	21 399	23 858	13 924	22 005	23 185
Administrative fees	4 105	3 337	3 028	3	3	169	783	783	783
Other sales	183 579	142 801	176 137	178 610	178 610	183 493	202 149	196 914	206 760
of which									
Health patient fees	133 750	84 885	110 774	109 134	109 134	114 720	127 255	120 319	126 335
Other	49 829	57 916	65 363	69 476	69 476	68 773	74 894	76 595	80 425
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	228	269	738	1	1	238	810	810	810
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	17	1	1	12	21	21	21
Interest, dividends and rent on land	74	816	366	1	1	140	217	217	217
Interest	74	816	366	1	1	140	217	217	217
Dividends									
Rent on land									
Sale of capital assets	14 678	7 231	-	-	-	17 929	12 000	10 000	10 000
Land and subsoil assets									
Other capital assets	14 678	7 231	-	-	-	17 929	12 000	10 000	10 000
Transactions in financial assets and liabilities	19 352	16 527	11 220	13 977	13 977	12 650	13 577	15 411	16 182
Total	232 877	191 221	207 998	213 992	213 992	238 489	243 481	246 161	257 958

Table 7.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	17 547 270	18 985 210	22 364 652	24 121 856	24 537 676	24 843 121	26 585 714	28 488 374	30 378 686
Compensation of employees	11 367 849	12 935 381	15 118 307	16 516 085	16 896 484	16 891 594	18 355 557	19 601 916	20 830 264
Salaries and wages	9 720 487	11 232 137	13 137 130	14 368 560	14 699 457	14 695 204	15 987 344	17 084 263	18 154 714
Social contributions	1 647 362	1 703 244	1 981 177	2 147 525	2 197 027	2 196 390	2 368 213	2 517 653	2 675 550
Goods and services	6 179 421	6 049 829	7 246 325	7 605 771	7 641 192	7 951 527	8 230 157	8 886 458	9 548 422
of which									
Administrative fees	54	67	28	40	31	31	38	39	40
Advertising	14 397	8 877	11 982	8 597	8 444	8 444	9 476	10 300	10 954
Assets <R5000	25 591	36 373	69 825	47 495	62 066	62 066	74 852	72 149	73 067
Audit cost: External	23 872	30 915	9 257	26 482	34 483	34 483	42 755	44 587	45 270
Bursaries (employees)	331	1 033	1 877	4 614	544	544	2 000	2 100	2 205
Catering: Departmental activities	5 461	2 056	4 929	5 066	1 928	1 928	3 682	3 990	4 420
Communication	94 599	82 047	83 607	88 553	85 144	90 702	95 423	102 380	108 186
Computer services	117 344	80 192	164 578	156 492	133 447	135 669	153 089	161 723	174 045
Cons/prof: Business & advisory services	25 640	15 247	43 016	17 981	19 035	19 035	14 347	14 868	12 881
Cons/prof: Infrastructure & planning	8 778	8 668	4 912	4 514	100	100	4 753	4 754	4 754
Cons/prof: Laboratory services	665 181	408 246	566 011	715 177	556 099	556 099	612 000	657 539	750 610
Cons/prof: Legal cost	4 110	4 267	5 037	1 455	5 666	5 666	3 629	4 085	4 518
Contractors	201 553	220 537	240 942	246 203	160 994	160 994	124 308	132 179	142 829
Agency & support/outourced services	708 344	674 543	933 067	832 756	888 074	888 008	966 697	1 019 335	1 070 671
Entertainment	3	3	62	7	15	15	24	25	25
Fleet services (incl. GMT)	-	-	-	-	48 944	48 944	20 877	22 147	23 127
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	199 964	123 636	126 371	117 088	108 406	108 406	119 814	131 347	142 372
Inventory: Fuel, oil and gas	231 378	250 048	298 100	329 419	342 657	342 647	397 398	438 845	474 422
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	56 531	48 403	6 269	6 245	23 189	23 189	8 149	8 224	8 287
Inventory: Medical supplies	968 392	917 153	1 199 821	1 209 621	1 163 988	1 163 921	1 254 770	1 340 274	1 422 434
Inventory: Medicine	1 742 047	1 855 181	1 868 079	2 145 820	2 296 008	2 601 482	2 520 395	2 817 535	3 066 279
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	174 038	230 709	208 012	231 447	227 381	227 020	227 283	240 327	250 886
Inventory: Stationery and printing	48 433	43 989	51 454	53 103	52 676	52 647	59 237	65 489	68 908
Operating leases	70 686	96 543	43 400	43 438	41 822	39 540	46 337	49 485	51 826
Property payments	597 078	668 325	1 054 893	1 035 193	1 163 500	1 163 500	1 240 053	1 304 300	1 390 427
Transport provided: Departmental activity	30 572	30 360	35 299	29 366	17 859	17 859	27 411	38 850	38 708
Travel and subsistence	37 430	38 063	54 307	74 579	77 575	77 575	68 669	72 563	74 899
Training and development	31 824	29 646	29 605	26 999	37 353	37 353	57 834	48 606	49 427
Operating expenditure	28 946	87 463	60 067	70 390	82 832	82 727	73 770	77 295	80 782
Venues and facilities	7 796	1 443	5 544	7 621	932	932	1 087	1 118	1 163
Rental and hiring	59 048	55 796	65 974	70 010	-	-	-	-	-
Interest and rent on land	-	-	20	-	-	-	-	-	-
Interest	-	-	20	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	498 292	562 374	515 846	562 780	542 709	542 738	655 168	650 155	673 063
Provinces and municipalities	84 010	126 756	88 879	88 819	102 371	102 371	148 683	171 508	184 638
Provinces	2 952	2 868	2 839	4 526	4 998	4 998	5 183	4 908	5 138
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	2 952	2 868	2 839	4 526	4 998	4 998	5 183	4 908	5 138
Municipalities	81 058	123 888	86 040	84 293	97 373	97 373	143 500	166 600	179 500
Municipalities	81 058	123 888	86 040	84 293	97 373	97 373	143 500	166 600	179 500
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	34 795	18 942	23 249	24 530	25 317	25 769	27 851	30 440	31 962
Social security funds	483	460	512	-	-	423	444	466	490
Entities receiving funds	34 312	18 482	22 737	24 530	25 317	25 346	27 407	29 974	31 472
Universities and technicians	-	-	-	-	-	-	-	-	-
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	278 846	289 009	273 487	296 679	281 361	281 361	274 168	241 750	248 960
Households	100 641	127 667	130 231	152 752	133 660	133 237	204 466	206 457	207 503
Social benefits	42 480	51 022	59 126	66 745	61 653	61 230	67 937	74 606	76 994
Other transfers to households	58 161	76 645	71 105	86 007	72 007	72 007	136 529	131 851	130 509
Payments for capital assets	1 545 699	1 181 773	1 910 011	1 870 714	2 210 545	2 210 545	1 406 995	1 307 195	1 206 467
Buildings and other fixed structures	1 005 258	778 749	1 048 172	1 085 471	1 492 131	1 492 131	864 152	903 641	813 796
Buildings	1 005 258	778 749	1 048 172	1 085 471	1 492 131	1 492 131	864 152	903 641	813 796
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	540 441	402 226	835 384	785 243	718 414	718 414	542 843	403 554	392 671
Transport equipment	69 271	61 691	227 852	112 050	112 050	164 763	108 600	103 600	79 290
Other machinery and equipment	471 170	340 535	607 532	673 193	606 364	553 651	434 243	299 954	313 381
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	798	26 455	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	758 015	5 629	609	-	-	-	-	-	-
Total	20 349 276	20 734 986	24 791 118	26 555 350	27 290 930	27 596 404	28 647 877	30 445 724	32 258 216
Unauth. exp. (1 st charge) not available for spending	(758 000)	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	19 591 276	20 734 986	24 791 118	26 555 350	27 290 930	27 596 404	28 647 877	30 445 724	32 258 216

Table 7.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		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Current payments	396 741	454 816	463 100	379 513	390 205	471 434	559 879	596 915	629 664
Compensation of employees	168 705	183 201	208 965	238 456	247 382	247 382	273 032	292 087	309 793
Salaries and wages	146 547	158 063	181 356	207 585	215 351	215 351	237 538	254 115	269 520
Social contributions	22 158	25 138	27 609	30 871	32 031	32 031	35 494	37 972	40 273
Goods and services	228 036	271 615	254 115	141 057	142 823	224 052	286 847	304 828	319 871
of which									
Administrative fees	18	27	1	8	-	-	5	5	5
Advertising	940	680	1 084	804	1 200	1 200	966	994	1 044
Assets <R5000	521	791	204	202	1 743	2 476	1 245	1 257	1 270
Audit cost: External	12 935	18 609	1	16 833	22 900	22 900	31 453	32 842	33 088
Bursaries (employees)									
Catering: Departmental activities	141	156	222	181	600	600	220	231	253
Communication	6 109	5 130	3 210	4 687	5 200	5 200	6 888	7 207	7 541
Computer services	111 269	76 119	144 531	27 371	20 000	102 718	147 719	156 353	168 675
Cons/prof: Business & advisory services	9 876	13 663	34 500	17 675	7 400	7 400	12 903	13 348	11 286
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	687	77	274	230	122	122	215	226	237
Contractors	25	49	341	305	240	240	195	205	215
Agency & support/outsourced services	12 461	2 447	4 069	4 067	3 700	3 700	4 357	4 550	4 777
Entertainment	3	3	11	7	12	12	1	1	1
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	38	57	101	113	88	88	66	84	107
Inventory: Fuel, oil and gas	1 690	1 676	2 903	2 959	4 362	4 362	4 856	5 783	6 240
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	51	27	59	21	-	-	22	23	24
Inventory: Medical supplies	1	494	237	318	-	-	11	12	13
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	321	275	327	357	140	140	500	525	550
Inventory: Stationery and printing	3 694	3 052	4 364	4 945	4 286	4 286	4 776	5 170	5 584
Operating leases	34 735	63 064	6 392	5 807	6 600	4 378	6 731	7 538	7 942
Property payments	20 230	21 838	25 049	29 545	37 000	37 000	34 502	37 500	39 623
Transport provided: Departmental activity									
Travel and subsistence	9 521	13 038	16 312	16 115	19 500	19 500	19 823	20 922	20 842
Training and development	772	266	755	709	1 000	1 000	1 171	1 230	1 292
Operating expenditure	1 886	49 713	8 972	7 450	6 700	6 700	8 090	8 683	9 116
Venues and facilities	112	364	196	348	30	30	132	139	146
Rental and hiring									
Interest and rent on land	-	-	20	-	-	-	-	-	-
Interest	-	-	20	-	-	-	-	-	-
Rent on land									
Transfers and subsidies to	2 311	1 750	3 392	3 157	2 426	2 426	3 549	3 675	3 676
Provinces and municipalities	38	33	26	57	39	39	48	44	45
Provinces	38	33	26	57	39	39	48	44	45
Provincial Revenue Funds									
Provincial agencies and funds	38	33	26	57	39	39	48	44	45
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	1	-	-	-	1	1	1
Social security funds									
Entities receiving funds	-	-	1	-	-	-	1	1	1
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	2 273	1 717	3 365	3 100	2 387	2 387	3 500	3 630	3 630
Social benefits	2 242	1 067	3 215	3 100	2 387	2 387	3 500	3 630	3 630
Other transfers to households	31	650	150	-	-	-	-	-	-
Payments for capital assets	2 642	6 702	109 386	15 000	25 459	85 634	27 650	27 750	28 260
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	2 642	6 702	109 386	15 000	25 459	85 634	27 650	27 750	28 260
Transport equipment	478	-	12 643	4 850	4 850	4 850	1 600	1 200	1 200
Other machinery and equipment	2 164	6 702	96 743	10 150	20 609	80 784	26 050	26 550	27 060
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	758 000	380	547	-	-	-	-	-	-
Total	1 159 694	463 648	576 425	397 670	418 090	559 494	591 078	628 340	661 600
Unauth. exp. (1 st charge) not available for spending	(758 000)	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	401 694	463 648	576 425	397 670	418 090	559 494	591 078	628 340	661 600

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	8 722 956	9 297 816	10 201 342	11 532 669	11 490 212	11 694 896	12 532 421	13 621 729	14 622 059
Compensation of employees	5 696 023	6 421 744	7 147 852	8 014 328	7 928 880	7 876 310	8 706 221	9 328 916	9 926 490
Salaries and wages	4 768 913	5 548 952	6 196 528	6 972 202	6 897 811	6 854 694	7 574 412	8 125 416	8 645 775
Social contributions	927 110	872 792	951 324	1 042 126	1 031 069	1 021 616	1 131 809	1 203 500	1 280 715
Goods and services	3 026 933	2 876 072	3 053 490	3 518 341	3 561 332	3 818 586	3 826 200	4 292 813	4 695 569
of which									
Administrative fees	25	34	20	24	30	30	26	27	27
Advertising	12 679	5 988	9 145	6 558	4 980	4 927	5 704	6 038	6 497
Assets <R5000	11 691	13 207	23 846	20 207	32 313	31 913	28 875	29 771	30 918
Audit cost: External	5 188	5 782	4 438	4 631	5 865	5 865	4 812	5 045	5 282
Bursaries (employees)	-	-	-	1	-	-	-	-	-
Catering: Departmental activities	4 418	1 366	4 269	4 673	989	989	2 400	2 645	3 000
Communication	51 738	43 569	45 289	46 215	45 974	51 120	48 636	53 284	57 253
Computer services	2 141	218	108	46 379	37 313	7 357	-	-	-
Cons/prof: Business & advisory services	423	846	186	302	45	41	36	40	40
Cons/prof: Infrastructure & planning	24	312	-	17	-	-	8	9	9
Cons/prof: Laboratory services	351 748	327 513	406 987	527 490	415 269	415 269	443 166	468 107	517 652
Cons/prof: Legal cost	1 160	655	1 024	141	359	359	670	741	758
Contractors	38 471	36 955	29 300	35 273	28 034	28 032	20 000	24 663	27 307
Agency & support/outsourced services	195 843	130 836	94 467	91 434	97 835	97 769	110 667	120 101	127 097
Entertainment	-	-	51	-	3	3	3	3	3
Fleet services (incl. GMT)	-	-	-	-	200	200	-	-	-
Housing									
Inventory: Food and food supplies	173 850	99 341	94 120	83 795	72 885	72 885	81 162	90 748	99 322
Inventory: Fuel, oil and gas	105 776	105 954	128 772	141 627	152 134	149 124	162 839	184 681	202 516
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	5 181	4 013	548	552	-	-	585	623	653
Inventory: Medical supplies	349 134	297 712	384 372	395 870	321 887	314 545	342 500	383 590	418 066
Inventory: Medicine	1 238 324	1 312 341	1 290 399	1 507 593	1 717 649	2 023 121	1 907 000	2 176 773	2 390 204
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	87 605	109 099	87 523	109 519	101 854	95 692	100 724	107 348	111 697
Inventory: Stationery and printing	27 694	22 624	25 292	24 479	24 019	23 888	30 892	35 588	37 367
Operating leases	21 143	17 527	17 876	17 057	19 790	19 676	21 717	23 153	24 075
Property payments	314 411	316 873	368 076	415 236	425 990	420 042	462 068	525 007	579 423
Transport provided: Departmental activity	960	723	850	818	813	813	918	1 007	1 039
Travel and subsistence	12 811	13 021	17 903	18 640	19 291	19 241	19 582	21 119	22 134
Training and development	3 647	2 713	3 300	4 144	20 252	20 252	12 911	13 560	13 191
Operating expenditure	3 696	6 218	10 436	8 870	15 228	15 102	17 769	18 607	19 487
Venues and facilities	7 152	632	4 893	6 796	331	331	530	535	552
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	344 748	398 922	338 236	345 980	338 334	338 186	408 044	423 935	445 179
Provinces and municipalities	82 451	124 886	86 828	86 293	99 373	99 358	145 584	168 788	181 783
Provinces	1 393	998	788	2 000	2 000	1 985	2 084	2 188	2 283
Provincial Revenue Funds									
Provincial agencies and funds	1 393	998	788	2 000	2 000	1 985	2 084	2 188	2 283
Municipalities	81 058	123 888	86 040	84 293	97 373	97 373	143 500	166 600	179 500
Municipalities	81 058	123 888	86 040	84 293	97 373	97 373	143 500	166 600	179 500
Municipal agencies and funds									
Departmental agencies and accounts	-	27	130	-	-	29	31	32	33
Social security funds									
Entities receiving funds	-	27	130	-	-	29	31	32	33
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	237 438	247 899	213 387	223 807	208 437	208 437	225 339	213 209	220 705
Households	24 859	26 110	37 891	35 880	30 524	30 362	37 090	41 906	42 658
Social benefits	24 325	25 882	28 643	35 521	30 165	30 003	36 696	41 474	42 208
Other transfers to households	534	228	9 248	359	359	359	394	432	450
Payments for capital assets	28 182	29 589	152 714	75 070	158 383	123 849	123 311	165 518	121 383
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	28 182	29 589	152 714	75 070	158 383	123 849	123 311	165 518	121 383
Transport equipment	4 634	6 105	43 220	44 000	44 000	96 140	72 398	62 768	31 377
Other machinery and equipment	23 548	23 484	109 494	31 070	114 383	27 709	50 913	102 750	90 006
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	2 972	43	-	-	-	-	-	-
Total	9 095 886	9 729 299	10 692 335	11 953 719	11 986 929	12 156 931	13 063 776	14 211 182	15 188 621

Table 7.E: Details of payments and estimates by economic classification - Programme 3: Emergency Medical Services

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	690 875	733 709	856 411	971 966	889 428	872 403	936 252	1 019 378	1 081 940
Compensation of employees	486 534	521 434	595 253	691 586	638 830	638 830	702 642	758 261	804 617
Salaries and wages	416 576	443 006	503 369	601 679	555 781	555 781	608 688	659 687	700 017
Social contributions	69 958	78 428	91 884	89 907	83 049	83 049	93 954	98 574	104 600
Goods and services	204 341	212 275	261 158	280 380	250 598	233 573	233 610	261 117	277 323
of which									
Administrative fees									
Advertising	15	803	87	29	321	321	340	357	375
Assets <R5000	375	585	434	270	1 176	1 151	2 000	2 250	2 500
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	10	127	-	-	54	54	-	-	-
Communication	12 940	9 786	9 574	9 911	9 710	9 710	11 654	12 167	12 507
Computer services	-	-	-	25 394	17 000	-	-	-	-
Cons/prof: Business & advisory services	2	-	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	32	304	1 155	296	38	38	85	89	93
Contractors	66 420	68 421	84 568	79 934	6 602	6 602	6 860	7 300	7 600
Agency & support/outsourced services	1 333	433	497	518	548	548	347	364	382
Entertainment									
Fleet services (incl. GMT)	-	-	-	-	48 716	48 716	20 745	22 008	22 979
Housing									
Inventory: Food and food supplies	8	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	54 250	65 480	75 955	87 829	86 793	86 793	107 982	118 939	130 450
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	3	102	89	160	1	1	-	-	-
Inventory: Medical supplies	9 362	8 343	10 843	7 975	5 053	5 053	6 718	6 904	7 099
Inventory: Medicine	617	238	608	406	489	489	427	448	470
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	8 709	8 156	18 375	2 258	15 501	15 501	11 954	12 552	13 180
Inventory: Stationery and printing	1 395	1 398	1 063	1 207	1 121	1 121	1 197	1 252	1 315
Operating leases	4 231	4 722	4 469	4 672	2 277	2 277	3 138	3 306	3 471
Property payments	10 516	11 162	13 497	15 420	14 661	14 661	16 185	16 978	18 015
Transport provided: Departmental activity	29 068	28 003	34 302	28 063	16 795	16 795	26 467	37 816	37 641
Travel and subsistence	4 999	3 266	4 936	5 158	6 840	6 840	6 211	6 522	6 848
Training and development	-	47	73	68	-	-	-	-	-
Operating expenditure	56	899	633	10 812	16 858	16 858	11 300	11 865	12 398
Venues and facilities	-	-	-	-	44	44	-	-	-
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	2 260	2 966	3 230	3 922	5 892	5 892	6 110	4 560	4 788
Provinces and municipalities	1 232	1 461	1 842	1 832	2 400	2 400	2 415	2 040	2 142
Provinces	1 232	1 461	1 842	1 832	2 400	2 400	2 415	2 040	2 142
Provincial Revenue Funds									
Provincial agencies and funds	1 232	1 461	1 842	1 832	2 400	2 400	2 415	2 040	2 142
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	1 028	1 505	1 388	2 090	3 492	3 492	3 695	2 520	2 646
Social benefits	938	937	915	1 317	2 719	2 719	2 846	1 588	1 696
Other transfers to households	90	568	473	773	773	773	849	932	950
Payments for capital assets	69 344	85 673	210 745	70 000	78 111	71 095	30 000	40 000	40 000
Buildings and other fixed structures	-	19	-	-	-	-	-	-	-
Buildings	-	19	-	-	-	-	-	-	-
Other fixed structures									
Machinery and equipment	69 344	85 654	210 745	70 000	78 111	71 095	30 000	40 000	40 000
Transport equipment	62 831	55 586	167 972	60 000	60 000	60 000	30 000	35 000	40 000
Other machinery and equipment	6 513	30 068	42 773	10 000	18 111	11 095	-	5 000	-
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	270	1	-	-	-	-	-	-
Total	762 479	822 618	1 070 387	1 045 888	973 431	949 390	972 362	1 063 938	1 126 728

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		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
				2012/13					
Current payments	4 926 492	5 494 350	6 939 951	7 490 163	7 706 040	7 644 679	8 220 260	8 719 487	9 243 792
Compensation of employees	3 486 099	4 074 121	5 203 373	5 531 354	5 901 669	5 863 667	6 288 416	6 684 105	7 074 666
Salaries and wages	3 036 840	3 543 806	4 520 704	4 812 277	5 134 452	5 103 700	5 473 417	5 817 841	6 157 816
Social contributions	449 259	530 315	682 669	719 077	767 217	759 967	814 999	866 264	916 850
Goods and services	1 440 393	1 420 229	1 736 578	1 958 809	1 804 371	1 781 012	1 931 844	2 035 382	2 169 126
of which									
Administrative fees	8	6	7	8	1	1	7	7	8
Advertising	526	621	1 083	796	1 816	1 816	2 166	2 311	2 411
Assets <R5000	9 372	9 532	15 422	15 579	17 304	17 094	17 349	18 773	19 479
Audit cost: External	5 621	6 524	4 818	5 018	5 518	5 518	6 490	6 700	6 900
Bursaries (employees)									
Catering: Departmental activities	1	219	50	58	47	47	62	64	66
Communication	18 171	18 284	20 376	22 355	19 625	19 482	22 009	23 200	24 063
Computer services	811	1 425	108	26 032	22 224	8 294	-	-	-
Cons/prof: Business & advisory services	-	17	3	4	8	8	4	6	6
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services	263 354	62 236	159 024	187 687	140 830	140 830	155 834	175 432	217 958
Cons/prof: Legal cost	1 306	2 996	2 319	576	3 936	3 936	1 266	1 335	1 391
Contractors	51 174	64 331	90 407	95 619	55 532	55 182	30 535	32 614	34 595
Agency & support/outsourced services	106 981	125 980	117 989	127 157	123 147	123 147	139 879	146 873	154 217
Entertainment									
Fleet services (incl. GMT)	-	-	-	-	23	23	-	-	-
Housing									
Inventory: Food and food supplies	24 058	22 381	28 255	29 388	32 443	32 443	34 186	35 895	38 092
Inventory: Fuel, oil and gas	42 657	52 753	60 378	69 746	74 746	71 766	82 054	86 647	90 529
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	1 381	2 828	106	104	104	94	352	372	387
Inventory: Medical supplies	328 573	351 433	468 099	493 870	486 370	486 370	519 889	545 883	573 178
Inventory: Medicine	340 897	364 592	388 477	420 817	407 923	407 923	464 139	482 176	511 711
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	54 578	91 231	77 325	97 540	81 300	79 395	78 915	82 959	86 676
Inventory: Stationery and printing	12 094	13 444	16 129	18 203	18 503	18 415	17 158	18 016	18 916
Operating leases	8 281	9 267	11 023	10 839	10 839	10 839	11 734	12 320	13 013
Property payments	135 934	186 484	243 573	304 024	270 235	266 531	307 895	322 179	332 100
Transport provided: Departmental activity	161	1 464	26	37	37	37	26	27	28
Travel and subsistence	3 715	3 827	5 492	6 166	6 166	6 127	5 724	6 010	6 311
Training and development	9 332	6 164	963	1 699	169	169	805	849	885
Operating expenditure	21 405	22 190	25 116	25 470	25 508	25 508	33 361	34 729	36 201
Venues and facilities	2	-	10	17	17	17	5	5	5
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	58 328	70 918	60 042	58 726	63 194	62 873	51 441	54 088	55 376
Provinces and municipalities	137	193	91	600	529	469	525	526	553
Provinces	137	193	91	600	529	469	525	526	553
Provincial Revenue Funds									
Provincial agencies and funds	137	193	91	600	529	469	525	526	553
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	54	47	-	42	42	56	60	63
Social security funds									
Entities receiving funds	-	54	47	-	42	42	56	60	63
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	30 051	32 600	35 802	37 742	37 794	37 794	28 829	28 541	28 255
Households	28 140	38 071	24 102	20 384	24 829	24 568	22 031	24 961	26 505
Social benefits	14 363	17 895	21 990	18 957	23 402	23 141	19 945	22 719	24 005
Other transfers to households	13 777	20 176	2 112	1 427	1 427	1 427	2 086	2 242	2 500
Payments for capital assets	17 884	17 572	58 823	19 500	57 999	45 897	54 700	71 700	96 710
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	17 884	17 572	58 823	19 500	57 999	45 897	54 700	71 700	96 710
Transport equipment	1 165	-	3 843	2 000	2 000	2 000	2 000	3 000	3 000
Other machinery and equipment	16 719	17 572	54 980	17 500	55 999	43 897	52 700	68 700	93 710
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	-	-	-	-	-	-
Total	5 002 719	5 584 757	7 058 831	7 568 389	7 827 233	7 753 449	8 326 401	8 845 275	9 395 878

Table 7.G: Details of payments and estimates by economic classification - Programme 5: Central Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	1 747 554	1 882 818	2 494 543	2 410 552	2 713 399	2 712 521	2 898 365	3 074 503	3 262 302
Compensation of employees	802 490	942 537	1 154 360	1 228 839	1 390 054	1 390 054	1 515 000	1 619 167	1 737 689
Salaries and wages	694 413	821 422	999 106	1 069 090	1 209 347	1 209 347	1 318 000	1 408 675	1 511 789
Social contributions	108 077	121 115	155 254	159 749	180 707	180 707	197 000	210 492	225 900
Goods and services	945 064	940 281	1 340 183	1 181 713	1 323 345	1 322 467	1 383 365	1 455 336	1 524 613
of which									
Administrative fees	2	-	-	-	-	-	-	-	-
Advertising	14	551	387	342	66	66	82	373	391
Assets <R5000	350	269	582	675	3 578	3 478	2 988	2 565	2 033
Audit cost: External	-	-	-	-	200	200	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	798	-	-	-	-	-	-	-	-
Communication	3 398	3 106	3 405	3 672	3 411	3 411	3 300	3 465	3 638
Computer services	251	251	422	778	12 231	11 453	-	-	-
Cons/prof: Business & advisory services	-	-	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	50 079	18 497	-	-	-	-	13 000	14 000	15 000
Cons/prof: Legal cost	918	216	188	76	1 160	1 160	1 343	1 641	1 981
Contractors	9 406	12 367	12 345	9 601	8 200	8 200	13 125	13 781	14 470
Agency & support/outourced services	374 811	400 850	699 205	521 311	662 839	662 839	700 000	735 000	770 750
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	1 637	1 835	3 894	3 792	2 990	2 990	4 400	4 620	4 851
Inventory: Fuel, oil and gas	18 729	17 499	22 020	25 128	23 464	23 464	31 000	33 700	35 143
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	1 787	-	131	-	-	-	-	-	-
Inventory: Medical supplies	272 404	245 854	324 571	311 348	350 101	350 101	377 000	394 800	414 540
Inventory: Medicine	162 274	178 007	188 595	217 004	169 947	169 947	148 827	158 136	163 892
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	14 221	13 851	16 903	19 741	26 751	26 751	24 588	25 817	27 108
Inventory: Stationery and printing	2 164	2 126	3 196	2 309	2 277	2 277	3 000	3 150	3 308
Operating leases	512	430	1 813	2 789	480	480	1 300	1 365	1 433
Property payments	29 703	42 866	60 178	59 563	51 599	51 599	54 200	57 360	60 153
Transport provided: Departmental activity	48	49	1	265	31	31	-	-	-
Travel and subsistence	589	701	1 338	1 610	1 418	1 418	1 592	1 672	1 756
Training and development	-	16	131	1 063	1 400	1 400	2 200	2 400	2 600
Operating expenditure	969	940	878	646	1 202	1 202	1 420	1 491	1 566
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	2 661	7 817	2 257	8 807	1 675	1 675	2 760	2 889	3 033
Provinces and municipalities	8	6	4	7	8	8	10	4	4
Provinces	8	6	4	7	8	8	10	4	4
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	8	6	4	7	8	8	10	4	4
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	2 653	7 811	2 253	8 800	1 667	1 667	2 750	2 885	3 029
Social benefits	612	5 241	2 183	6 200	1 567	1 567	2 550	2 675	2 809
Other transfers to households	2 041	2 570	70	2 600	100	100	200	210	220
Payments for capital assets	308 909	212 692	15 854	240 000	27 000	26 901	21 000	21 000	23 000
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	308 909	212 692	15 854	240 000	27 000	26 901	21 000	21 000	23 000
Transport equipment	-	-	-	-	-	-	-	-	2 000
Other machinery and equipment	308 909	212 692	15 854	240 000	27 000	26 901	21 000	21 000	21 000
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	55	-	-	-	-	-	-	-
Total	2 059 124	2 103 382	2 512 654	2 659 359	2 742 074	2 741 097	2 922 125	3 098 392	3 288 335

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	708 757	763 205	776 485	885 365	853 248	834 416	839 509	877 041	930 919
Compensation of employees	662 000	717 464	720 257	783 252	761 399	761 399	763 333	809 135	860 037
Salaries and wages	602 928	654 839	663 094	681 377	662 365	662 365	687 120	728 222	774 033
Social contributions	59 072	62 625	57 163	101 875	99 034	99 034	76 213	80 913	86 004
Goods and services	46 757	45 741	56 228	102 113	91 849	73 017	76 176	67 906	70 882
of which									
Administrative fees	1	-	-	-	-	-	-	-	-
Advertising	94	117	93	47	27	27	140	147	153
Assets <R5000	215	65	390	145	565	565	2 862	3 006	3 156
Audit cost: External									
Bursaries (employees)	331	1 033	1 877	4 613	544	544	2 000	2 100	2 205
Catering: Departmental activities	70	167	388	154	238	238	1 000	1 050	1 101
Communication	1 559	1 424	1 181	1 302	1 203	1 203	1 842	1 934	2 030
Computer services	-	-	-	25 829	21 970	3 138	-	-	-
Cons/prof: Business & advisory services	-	-	-	-	1 107	1 107	1 400	1 470	1 544
Cons/prof: Infrastructure & planning	-	-	3	3	-	-	-	-	-
Cons/prof: Laboratory services									
Cons/prof: Legal cost	7	19	77	136	51	51	50	53	58
Contractors	390	42	224	207	122	122	94	99	106
Agency & support/outsourced services	15 555	8 059	2	-	5	5	6	6	7
Entertainment	-	-	-	-	-	-	20	21	21
Fleet services (incl. GMT)	-	-	-	-	5	5	132	139	148
Housing									
Inventory: Food and food supplies	1	22	1	-	-	-	-	-	-
Inventory: Fuel, oil and gas	1 068	1 164	1 943	2 044	993	993	2 282	2 396	2 515
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	38	124	6	15	15	15	-	-	-
Inventory: Medical supplies	21	123	100	177	577	577	1 007	1 057	1 110
Inventory: Medicine	-	3	-	-	-	-	-	-	-
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	2 332	1 374	1 335	1 899	1 702	1 702	2 371	2 490	2 614
Inventory: Stationery and printing	1 244	1 186	1 046	1 751	2 261	2 261	1 794	1 884	1 978
Operating leases	1 757	1 508	1 249	1 622	1 836	1 836	1 640	1 723	1 809
Property payments	3 933	5 674	4 437	5 030	4 414	4 414	5 802	6 092	6 397
Transport provided: Departmental activity	335	121	120	183	183	183	-	-	-
Travel and subsistence	4 880	3 799	8 297	26 180	23 950	23 950	14 951	15 528	16 213
Training and development	11 879	13 544	23 806	13 471	12 532	12 532	34 575	24 395	25 287
Operating expenditure	829	5 926	9 368	16 845	17 039	17 039	1 788	1 877	1 970
Venues and facilities	218	247	279	460	510	510	420	439	460
Rental and hiring	-	-	6	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	59 843	68 625	83 361	107 018	96 018	96 018	146 737	142 459	141 534
Provinces and municipalities	14	25	26	30	22	22	22	23	24
Provinces	14	25	26	30	22	22	22	23	24
Provincial Revenue Funds									
Provincial agencies and funds	14	25	26	30	22	22	22	23	24
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	6 784	7 637	8 588	9 360	10 105	10 105	11 315	11 881	12 475
Social security funds									
Entities receiving funds	6 784	7 637	8 588	9 360	10 105	10 105	11 315	11 881	12 475
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	11 357	8 510	14 298	15 130	15 130	15 130	-	-	-
Households	41 688	52 453	60 449	82 498	70 761	70 761	135 400	130 555	129 035
Social benefits	-	-	1 397	1 650	1 413	1 413	2 400	2 520	2 646
Other transfers to households	41 688	52 453	59 052	80 848	69 348	69 348	133 000	128 035	126 389
Payments for capital assets	5 398	427	610	5 668	11 457	4 460	6 000	3 000	3 150
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	5 398	427	610	5 668	11 457	4 460	6 000	3 000	3 150
Transport equipment	-	-	174	1 200	1 200	1 200	2 000	1 000	1 050
Other machinery and equipment	5 398	427	436	4 468	10 257	3 260	4 000	2 000	2 100
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	22	1	-	-	-	-	-	-
Total	773 998	832 279	860 457	998 051	960 723	934 894	992 246	1 022 500	1 075 603

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 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	88 986	100 327	110 448	-	-	117 628	126 157	134 178	142 683
Compensation of employees	62 550	69 843	75 511	-	-	85 682	92 285	98 617	105 344
Salaries and wages	51 177	57 388	61 630	-	-	69 616	74 970	80 108	85 565
Social contributions	11 373	12 455	13 881	-	-	16 066	17 315	18 509	19 779
Goods and services	26 436	30 484	34 937	-	-	31 946	33 872	35 561	37 339
of which									
Administrative fees				-	-	53	56	58	61
Advertising	12	17	54	-	-	2	2	2	2
Assets <R5000	26	35	14	-	-				
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities									
Communication	456	415	563	-	-	555	583	612	643
Computer services	-	1	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	-	-	-	-	-	4	4	4	5
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	446	1 089	544	-	-	352	370	388	407
Agency & support/outsourced services	-	-	27	-	-	-	-	-	-
Entertainment									
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	370	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	3 416	4 990	5 969	-	-	5 980	6 290	6 604	6 934
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	-	91	39	-	-	10	326	342	359
Inventory: Medical supplies	8 824	10 662	11 586	-	-	7 281	7 645	8 028	8 428
Inventory: Medicine	-	-	-	-	-	2	2	2	2
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	6 075	5 057	6 072	-	-	7 706	8 091	8 496	8 921
Inventory: Stationery and printing	83	133	350	-	-	190	200	209	220
Operating leases	27	25	45	-	-	54	57	60	63
Property payments	6 678	7 943	9 644	-	-	9 652	10 136	10 641	11 173
Transport provided: Departmental activity									
Travel and subsistence	22	26	29	-	-	84	88	92	97
Training and development	-	-	1	-	-	-	-	-	-
Operating expenditure	1	-	-	-	-	21	22	23	24
Venues and facilities									
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	28 141	11 376	14 545	15 170	15 170	15 668	16 527	18 549	19 477
Provinces and municipalities	130	152	62	-	-	75	79	83	87
Provinces	130	152	62	-	-	75	79	83	87
Provincial Revenue Funds									
Provincial agencies and funds	130	152	62	-	-	75	79	83	87
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	28 011	11 224	14 483	15 170	15 170	15 593	16 448	18 466	19 390
Social security funds	483	460	512	-	-	423	444	466	490
Entities receiving funds	27 528	10 764	13 971	15 170	15 170	15 170	16 004	18 000	18 900
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	-	40	35	-	-	573	602	632	663
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	-	40	35	-	-	573	602	632	663
Transport equipment	-	-	-	-	-	573	602	632	663
Other machinery and equipment	-	40	35	-	-	-	-	-	-
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	13	2	-	-	-	-	-	-
Total	117 127	111 756	125 030	15 170	15 170	133 869	143 286	153 359	162 823

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	264 909	258 169	522 372	451 628	495 144	495 144	472 871	445 143	465 327
Compensation of employees	3 448	5 037	12 736	28 270	28 270	28 270	14 628	11 628	11 628
Salaries and wages	3 093	4 661	11 343	24 350	24 350	24 350	13 199	10 199	10 199
Social contributions	355	376	1 393	3 920	3 920	3 920	1 429	1 429	1 429
Goods and services	261 461	253 132	509 636	423 358	466 874	466 874	458 243	433 515	453 699
of which									
Administrative fees									
Advertising	117	100	49	21	34	34	22	22	22
Assets <R5000	3 041	11 889	28 933	10 417	5 387	5 387	19 531	14 525	13 709
Audit cost: External	128	-	-	-	-	-	-	-	-
Bursaries (employees)									
Catering: Departmental activities	23	21	-	-	-	-	-	-	-
Communication	228	333	9	411	21	21	511	511	511
Computer services	2 872	2 178	19 409	4 709	2 709	2 709	5 370	5 370	5 370
Cons/prof: Business & advisory services	15 339	721	8 327	-	10 475	10 475	-	-	-
Cons/prof: Infrastructure & planning	8 754	8 356	4 909	4 494	100	100	4 745	4 745	4 745
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	35 221	37 283	23 213	25 264	62 264	62 264	53 129	53 129	58 129
Agency & support/outsourced services	1 360	5 938	16 811	88 269	-	-	11 441	12 441	13 441
Entertainment									
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	2	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	3 792	532	160	86	165	165	95	95	95
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	48 090	41 218	5 291	5 393	23 069	23 069	6 864	6 864	6 864
Inventory: Medical supplies	73	2 532	13	63	-	-	-	-	-
Inventory: Medicine	(65)	-	-	-	-	-	-	-	-
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	197	1 666	152	133	133	133	140	140	140
Inventory: Stationery and printing	65	26	14	209	209	209	220	220	220
Operating leases	-	-	533	652	-	-	20	20	20
Property payments	75 673	75 485	330 439	206 375	359 601	359 601	349 265	328 543	343 543
Transport provided: Departmental activity									
Travel and subsistence	893	385	-	710	410	410	698	698	698
Training and development	6 194	6 896	576	5 845	2 000	2 000	6 172	6 172	6 172
Operating expenditure	104	1 577	4 664	297	297	297	20	20	20
Venues and facilities	312	200	166	-	-	-	-	-	-
Rental and hiring	59 048	55 796	65 968	70 010	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	-	-	10 783	20 000	20 000	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	20 000	20 000	-	-
Households	-	-	783	-	-	-	-	-	-
Social benefits	-	-	783	-	-	-	-	-	-
Other transfers to households									
Payments for capital assets	1 113 340	829 078	1 361 844	1 445 476	1 852 136	1 852 136	1 143 732	977 595	893 301
Buildings and other fixed structures	1 005 258	778 730	1 048 172	1 085 471	1 492 131	1 492 131	864 152	903 641	813 796
Buildings	1 005 258	778 730	1 048 172	1 085 471	1 492 131	1 492 131	864 152	903 641	813 796
Other fixed structures									
Machinery and equipment	108 082	49 550	287 217	360 005	360 005	360 005	279 580	73 954	79 505
Transport equipment	163	-	-	-	-	-	-	-	-
Other machinery and equipment	107 919	49 550	287 217	360 005	360 005	360 005	279 580	73 954	79 505
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets	-	798	26 455	-	-	-	-	-	-
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 378 249	1 087 247	1 894 999	1 917 104	2 367 280	2 367 280	1 636 603	1 422 738	1 358 628

Table 7.K: Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	2 275 886	2 802 040	3 494 958	3 772 056	3 775 056	3 790 203	4 307 150	4 851 350	5 339 408
Compensation of employees	913 527	1 361 820	2 067 124	2 121 207	2 124 207	2 166 544	2 612 789	2 862 352	3 342 428
Salaries and wages	812 773	1 195 687	1 828 515	1 845 551	1 848 551	1 885 384	2 273 599	2 490 330	2 904 499
Social contributions	100 754	166 133	238 609	275 656	275 656	281 160	339 190	372 022	437 929
Goods and services	1 362 359	1 440 220	1 427 834	1 650 849	1 650 849	1 623 659	1 694 361	1 988 998	1 996 980
of which									
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	51	1 207	3 242	2 493	2 493	1 695	5 022	5 272	5 535
Assets <R5000	1 552	11 226	6 492	3 675	3 675	4 809	27 016	24 733	24 465
Audit cost: External	128	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	430	577	793	198	198	212	300	315	331
Communication	4 476	5 077	5 441	4 724	4 724	2 980	4 811	5 021	5 244
Computer services	2 975	2 317	19 287	2 736	2 736	2 658	5 370	5 370	5 370
Cons/prof: Business & advisory services	15 199	721	8 369	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	6 002	748	-	-	-	-	4 580	4 580	4 580
Cons/prof: Laboratory services	221 188	244 323	354 568	314 078	314 078	280 004	239 500	369 680	358 791
Cons/prof: Legal cost	852	-	85	108	108	108	-	-	-
Contractors	11 060	18 816	16 463	27 896	27 896	27 190	11 040	27 980	29 313
Agency & support/outourced services	126 955	108 542	118 892	173 328	173 328	174 895	14 081	15 213	16 352
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	751	31 666	5 973	4 246	4 246	4 246	2 000	2 080	2 174
Inventory: Fuel, oil and gas	17 327	19 302	23 084	28 097	28 097	27 649	4 700	4 895	5 119
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	1 814	14	9	4	4	3	-	-	-
Inventory: Medical supplies	895 323	238 200	250 655	252 576	252 576	287 723	330 236	326 079	335 138
Inventory: Medicine	-	682 425	535 970	759 741	759 741	744 440	1 009 638	1 152 293	1 157 540
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	9 310	12 397	9 228	4 696	4 696	4 457	4 720	7 006	7 329
Inventory: Stationery and printing	2 125	3 748	2 450	3 201	3 201	2 564	4 565	4 772	4 995
Lease payments	1 609	2 039	2 909	2 614	2 614	2 402	570	593	618
Rental and hiring	-	-	-	-	-	-	714	714	714
Property payments	24 279	34 865	49 263	36 137	36 137	37 935	836	4 426	4 263
Transport provided: Departmental activity	387	424	313	-	-	17	898	908	919
Travel and subsistence	1 839	2 189	3 425	4 690	4 690	2 746	6 233	8 688	8 903
Training and development	15 496	15 087	7 522	17 382	17 382	11 344	16 431	17 233	18 085
Operating expenditure	857	4 067	2 836	8 147	8 147	3 547	700	728	761
Venues and facilities	374	243	565	82	82	35	400	420	441
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	2 448	76 479	14 749	10 515	10 515	11 371	69 381	78 945	87 063
Provinces and municipalities	82	63	55	-	-	-	43 000	51 000	59 000
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	82	63	55	-	-	-	43 000	51 000	59 000
Municipalities	76	59	54	-	-	-	-	-	-
Municipal agencies and funds	6	4	1	-	-	-	43 000	51 000	59 000
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	12 871	10 515	10 515	11 336	24 631	25 370	26 130
Households	2 366	7 670	1 823	-	-	35	1 750	2 575	1 933
Social benefits	466	5 121	1 013	-	-	35	1 750	2 575	1 933
Other transfers to households	1 900	2 549	810	-	-	-	-	-	-
Payments for capital assets	912 863	697 213	943 383	1 038 278	1 238 278	1 222 275	942 703	1 062 105	1 112 792
Buildings and other fixed structures	660 338	536 345	733 971	718 846	918 846	918 846	724 935	834 580	884 121
Buildings	660 338	536 345	733 971	718 846	918 846	918 846	724 935	834 580	884 121
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	252 525	160 070	198 005	319 432	319 432	303 429	217 768	227 525	228 671
Transport equipment	4 607	5 975	878	-	-	-	-	-	-
Other machinery and equipment	247 918	154 095	197 127	319 432	319 432	303 429	217 768	227 525	228 671
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	798	11 407	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 191 197	3 575 732	4 453 090	4 820 849	5 023 849	5 023 849	5 319 234	5 992 400	6 539 263

Table 7.L: Payments and estimates by economic classification: Health Facility Revitalisation grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
				2012/13					
Current payments	38 416	35 789	68 413	78 949	78 949	78 914	59 326	59 326	59 326
Compensation of employees	3 448	5 037	12 736	11 049	11 049	11 049	11 628	11 628	11 628
Salaries and wages	3 093	4 661	11 343	9 714	9 714	9 714	10 199	10 199	10 199
Social contributions	355	376	1 393	1 335	1 335	1 335	1 429	1 429	1 429
Goods and services	34 968	30 752	55 677	67 900	67 900	67 865	47 698	47 698	47 698
of which									
Advertising	28	88	13	276	276	16	22	22	22
Assets <R5000	984	10 394	5 271	851	851	2 283	19 095	14 525	13 709
Audit cost: External	128	-	-	-	-	-	-	-	-
Catering: Departmental activities	23	21	-	26	26	26	-	-	-
Communication	208	21	6	1 372	1 372	200	511	511	511
Computer services	2 872	2 178	19 287	2 218	2 218	2 218	5 370	5 370	5 370
Cons/prof: Business & advisory services	15 199	721	8 328	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	6 002	748	-	-	-	-	4 580	4 580	4 580
Cons/prof: Legal cost	7	-	-	-	-	-	-	-	-
Contractors	31	4	1	278	278	278	192	192	192
Agency & support/outsourced services	688	2 877	16 810	55 564	55 564	55 564	11 441	12 441	13 441
Inventory: Food and food supplies	2	-	-	32	32	32	-	-	-
Inventory: Materials and supplies	10	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	2 531	-	-	-	-	-	-	-
Inventory: Other consumables	1	1 631	70	93	93	93	61	61	61
Inventory: Stationery and printing	58	26	13	7	7	7	220	220	220
Lease payments	473	44	71	65	65	65	20	20	20
Rental and hiring	-	-	-	-	-	-	714	714	714
Property payments	798	409	409	463	463	463	436	4 006	3 822
Transport provided: Departmental activity	-	-	-	-	-	-	698	698	698
Travel and subsistence	893	385	576	594	594	594	4 318	4 318	4 318
Training and development	6 194	6 896	4 663	6 055	6 055	6 020	20	20	20
Operating expenditure	57	1 578	159	6	6	6	-	-	-
Venues and facilities	312	200	-	-	-	-	-	-	-
Transfers and subsidies to	-	-	783	-	-	35	-	-	-
Households	-	-	783	-	-	35	-	-	-
Social benefits	-	-	-	-	-	35	-	-	-
Other transfers to households	-	-	783	-	-	-	-	-	-
Payments for capital assets	546 210	542 230	836 973	897 503	1 097 503	1 097 503	903 143	1 031 105	1 080 646
Buildings and other fixed structures	479 403	498 228	705 854	718 846	918 846	918 846	724 935	834 580	884 121
Buildings	479 403	498 228	705 854	718 846	918 846	918 846	724 935	834 580	884 121
Machinery and equipment	66 807	43 204	119 712	178 657	178 657	178 657	178 208	196 525	196 525
Other machinery and equipment	66 807	43 204	119 712	178 657	178 657	178 657	178 208	196 525	196 525
Land and sub-soil assets	-	798	11 407	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	584 626	578 019	906 169	976 452	1 176 452	1 176 452	962 469	1 090 431	1 139 972

Table 7.M: Payments and estimates by economic classification: Health Professions Training and Development grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	222 425	231 269	249 917	261 860	261 860	261 860	276 262	292 837	306 308
Compensation of employees	129 922	164 864	249 917	261 860	261 860	261 860	276 262	292 837	306 308
Salaries and wages	127 424	155 763	230 976	227 818	227 818	227 818	240 348	254 769	266 489
Social contributions	2 498	9 101	18 941	34 042	34 042	34 042	35 914	38 068	39 819
Goods and services	92 503	66 405	-	-	-	-	-	-	-
of which									
Assets <R5000	-	64	-	-	-	-	-	-	-
Communication	226	332	-	-	-	-	-	-	-
Agency & support/outourced services	468	1 543	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	1 331	-	-	-	-	-	-	-	-
Inventory: Medical supplies	80 191	44 975	-	-	-	-	-	-	-
Inventory: Medicine	-	9 553	-	-	-	-	-	-	-
Inventory: Other consumables	400	1 494	-	-	-	-	-	-	-
Inventory: Stationery and printing	9	1 683	-	-	-	-	-	-	-
Lease payments	21	12	-	-	-	-	-	-	-
Transport provided: Departmental activity	8	-	-	-	-	-	-	-	-
Travel and subsistence	251	339	-	-	-	-	-	-	-
Training and development	9 279	6 306	-	-	-	-	-	-	-
Operating expenditure	319	104	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	4 502	-	-	-	-	-	-	-
Machinery and equipment	-	4 502	-	-	-	-	-	-	-
Other machinery and equipment	-	4 502	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	222 425	235 771	249 917	261 860	261 860	261 860	276 262	292 837	306 308

Table 7.N: Payments and estimates by economic classification: National Tertiary Services grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	802 230	993 725	1 124 796	1 212 339	1 212 339	1 212 339	1 394 431	1 480 062	1 548 080
Compensation of employees	410 868	555 536	693 129	716 922	716 922	716 922	1 058 535	1 132 632	1 185 015
Salaries and wages	361 766	490 967	607 631	623 723	623 723	623 723	920 925	985 390	1 027 466
Social contributions	49 102	64 569	85 498	93 199	93 199	93 199	137 610	147 242	157 549
Goods and services	391 362	438 189	431 667	495 417	495 417	495 417	335 896	347 430	363 065
of which									
Advertising	14	375	320	108	108	108	-	-	-
Assets <R5000	350	251	583	270	270	270	1 717	1 786	1 866
Catering: Departmental activities	335	-	-	-	-	-	-	-	-
Communication	1 923	1 917	2 291	2 251	2 251	2 251	500	520	543
Computer services	101	114	-	-	-	-	-	-	-
Cons/prof: Legal cost	845	-	85	108	108	108	-	-	-
Contractors	9 174	12 304	12 345	20 912	20 912	20 912	10 848	11 282	11 790
Agency & support/outourced services	124 524	103 199	98 962	116 421	116 421	116 421	-	-	-
Inventory: Food and food supplies	746	882	2 350	2 117	2 117	2 117	2 000	2 080	2 174
Inventory: Fuel, oil and gas	11 694	14 330	17 290	27 302	27 302	27 302	4 000	4 160	4 347
Inventory: Materials and supplies	1 787	-	-	-	-	-	-	-	-
Inventory: Medical supplies	211 895	143 190	146 122	158 598	158 598	158 598	193 573	201 316	210 375
Inventory: Medicine	-	125 822	98 758	124 377	124 377	124 377	113 934	116 589	121 836
Inventory: Other consumables	7 572	7 271	7 469	3 460	3 460	3 460	4 659	4 845	5 063
Inventory: Stationery and printing	1 560	1 397	1 519	1 197	1 197	1 197	1 000	1 040	1 087
Lease payments	417	430	1 765	1 995	1 995	1 995	500	520	543
Property payments	17 496	26 027	39 897	34 385	34 385	34 385	-	-	-
Transport provided: Departmental activity	33	47	-	-	-	-	-	-	-
Travel and subsistence	434	359	1 223	1 035	1 035	1 035	615	640	669
Training and development	-	-	131	700	700	700	1 850	1 924	2 011
Operating expenditure	462	274	557	181	181	181	700	728	761
Transfers and subsidies to	2 251	6 690	5	-	-	-	1 300	1 365	1 433
Provinces and municipalities	6	1	-	-	-	-	-	-	-
Municipalities	6	1	-	-	-	-	-	-	-
Municipal agencies and funds	6	1	-	-	-	-	-	-	-
Households	2 245	6 689	5	-	-	-	1 300	1 365	1 433
Social benefits	345	4 189	5	-	-	-	1 300	1 365	1 433
Other transfers to households	1 900	2 500	-	-	-	-	-	-	-
Payments for capital assets	180 007	102 102	77 030	110 775	110 775	110 775	20 000	15 000	15 750
Machinery and equipment	180 007	102 102	77 030	110 775	110 775	110 775	20 000	15 000	15 750
Other machinery and equipment	180 007	102 102	77 030	110 775	110 775	110 775	20 000	15 000	15 750
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	984 488	1 102 517	1 201 831	1 323 114	1 323 114	1 323 114	1 415 731	1 496 427	1 565 263

Table 7.O: Payments and estimates by economic classification: Comprehensive HIV and AIDS grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	1 121 476	1 431 225	1 893 440	2 184 908	2 184 908	2 200 090	2 569 281	3 012 125	3 418 297
Compensation of employees	299 827	552 108	977 868	1 106 436	1 106 436	1 148 773	1 263 364	1 425 255	1 839 477
Salaries and wages	262 306	473 425	865 910	962 599	962 599	999 432	1 099 127	1 239 972	1 600 345
Social contributions	37 521	78 683	111 958	143 837	143 837	149 341	164 237	185 283	239 132
Goods and services	821 649	879 117	915 572	1 078 472	1 078 472	1 051 317	1 305 917	1 586 870	1 578 820
of which									
Advertising	-	740	2 904	2 109	2 109	1 571	5 000	5 250	5 513
Assets <R5000	-	320	542	2 554	2 554	2 256	1 354	1 422	1 493
Catering: Departmental activities	72	553	793	172	172	186	300	315	331
Communication	-	463	712	1 101	1 101	529	3 800	3 990	4 190
Computer services	-	-	-	518	518	440	-	-	-
Cons/prof: Laboratory services	221 188	244 323	354 568	314 078	314 078	280 004	239 500	369 680	358 791
Contractors	-	481	199	706	706	-	-	16 506	17 331
Agency & support/outourced services	-	165	2 424	1 343	1 343	2 910	2 640	2 772	2 911
Inventory: Food and food supplies	-	30 780	3 623	2 097	2 097	2 097	-	-	-
Inventory: Fuel, oil and gas	-	341	566	795	795	347	700	735	772
Inventory: Materials and supplies	-	2	3	4	4	3	-	-	-
Inventory: Medical supplies	599 874	44 975	103 086	93 978	93 978	129 125	136 663	124 763	124 763
Inventory: Medicine	-	547 049	437 212	635 364	635 364	620 063	895 704	1 035 704	1 035 704
Inventory: Other consumables	137	1 246	954	1 143	1 143	904	-	2 100	2 205
Inventory: Stationery and printing	276	363	800	1 967	1 967	1 330	3 345	3 512	3 688
Lease payments	-	452	304	524	524	312	50	53	55
Property payments	36	2 109	179	289	289	2 087	400	420	441
Transport provided: Departmental activity	-	-	-	-	-	17	200	210	221
Travel and subsistence	4	821	1 428	3 061	3 061	1 117	1 300	3 730	3 916
Training and development	-	1 879	2 717	8 627	8 627	2 624	14 561	15 289	16 054
Operating expenditure	-	2 015	1 993	7 960	7 960	3 360	-	-	-
Venues and facilities	62	40	565	82	82	35	400	420	441
Transfers and subsidies to	106	69 668	13 851	10 515	10 515	11 336	68 081	77 580	85 630
Provinces and municipalities	-	3	1	-	-	-	43 000	51 000	59 000
Municipalities	-	3	1	-	-	-	43 000	51 000	59 000
Municipal agencies and funds	-	3	1	-	-	-	43 000	51 000	59 000
Non-profit institutions	-	68 746	12 871	10 515	10 515	11 336	24 631	25 370	26 130
Households	106	919	979	-	-	-	450	1 210	500
Social benefits	106	919	979	-	-	-	450	1 210	500
Payments for capital assets	-	33	21	30 000	30 000	13 997	14 710	9 000	9 000
Machinery and equipment	-	33	21	30 000	30 000	13 997	14 710	9 000	9 000
Other machinery and equipment	-	33	21	30 000	30 000	13 997	14 710	9 000	9 000
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 121 582	1 500 926	1 907 312	2 225 423	2 225 423	2 225 423	2 652 072	3 098 705	3 512 927

Table 7.P: Payments and estimates by economic classification: 2010 World Cup Health Preparation Strategy grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
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.Q Payments and estimates by economic classification: Forensic Pathology Services grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
Current payments	91 296	107 477	132 081	-	-	-	-	-	-
Compensation of employees	69 462	81 720	107 699	-	-	-	-	-	-
Salaries and wages	58 184	68 316	90 231	-	-	-	-	-	-
Social contributions	11 278	13 404	17 468	-	-	-	-	-	-
Goods and services	21 834	25 757	24 382	-	-	-	-	-	-
of which									
Advertising	9	4	5	-	-	-	-	-	-
Assets <R5000	196	197	96	-	-	-	-	-	-
Catering: Departmental activities	-	3	-	-	-	-	-	-	-
Communication	2 119	2 344	2 432	-	-	-	-	-	-
Computer services	2	25	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	-	-	41	-	-	-	-	-	-
Contractors	1 855	6 027	3 918	-	-	-	-	-	-
Agency & support/outourced services	1 275	758	696	-	-	-	-	-	-
Inventory: Food and food supplies	3	4	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	4 281	4 631	5 228	-	-	-	-	-	-
Inventory: Materials and supplies	17	12	6	-	-	-	-	-	-
Inventory: Medical supplies	3 363	2 529	1 447	-	-	-	-	-	-
Inventory: Medicine	-	1	-	-	-	-	-	-	-
Inventory: Other consumables	1 200	755	735	-	-	-	-	-	-
Inventory: Stationery and printing	222	279	118	-	-	-	-	-	-
Lease payments	698	1 101	769	-	-	-	-	-	-
Property payments	5 949	6 320	8 242	-	-	-	-	-	-
Transport provided: Departmental activity	346	377	313	-	-	-	-	-	-
Travel and subsistence	257	285	198	-	-	-	-	-	-
Training and development	23	6	11	-	-	-	-	-	-
Operating expenditure	19	96	127	-	-	-	-	-	-
Venues and facilities	-	3	-	-	-	-	-	-	-
Transfers and subsidies to	91	121	110	-	-	-	-	-	-
Provinces and municipalities	76	59	54	-	-	-	-	-	-
Municipalities	76	59	54	-	-	-	-	-	-
Municipalities	76	59	54	-	-	-	-	-	-
Households	15	62	56	-	-	-	-	-	-
Social benefits	15	13	29	-	-	-	-	-	-
Other transfers to households	-	49	27	-	-	-	-	-	-
Payments for capital assets	186 646	44 808	29 359	-	-	-	-	-	-
Buildings and other fixed structures	180 935	38 117	28 117	-	-	-	-	-	-
Buildings	180 935	38 117	28 117	-	-	-	-	-	-
Machinery and equipment	5 711	6 691	1 242	-	-	-	-	-	-
Transport equipment	4 607	5 975	878	-	-	-	-	-	-
Other machinery and equipment	1 104	716	364	-	-	-	-	-	-
Payments for financial assets									
Total	278 033	152 406	161 550	-	-	-	-	-	-

Table 7.R: Payments and estimates by economic classification: Social Sector EPWP Incentive Grant to Provinces

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
Current payments	-	2 555	25 775	-	-	-	-	-	-
Compensation of employees	-	2 555	25 775	-	-	-	-	-	-
Salaries and wages	-	2 555	22 424	-	-	-	-	-	-
Social contributions	-	-	3 351	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	2 555	25 775	-	-	-	-	-	-

Table 7.S: Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
Current payments	-	-	536	1 000	1 000	1 000	-	-	-
Compensation of employees	-	-	-	-	-	-	3 000	-	-
Salaries and wages	-	-	-	-	-	-	3 000	-	-
Goods and services	-	-	536	1 000	1 000	1 000	-	-	-
of which									
Property payments	-	-	536	1 000	1 000	1 000	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	536	1 000	1 000	1 000	3 000	-	-

Table 7.T: Payments and estimates by economic classification: National Health Insurance grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	-	-	-	33 000	33 000	33 000	4 850	7 000	7 397
Compensation of employees	-	-	-	24 940	24 940	24 940	-	-	-
Salaries and wages	-	-	-	21 697	21 697	21 697	-	-	-
Social contributions	-	-	-	3 243	3 243	3 243	-	-	-
Goods and services	-	-	-	8 060	8 060	8 060	4 850	7 000	7 397
of which									
Assets <R5000	-	-	-	-	-	-	4 850	7 000	7 397
Contractors	-	-	-	6 000	6 000	6 000	-	-	-
Inventory: Stationery and printing	-	-	-	30	30	30	-	-	-
Lease payments	-	-	-	30	30	30	-	-	-
Training and development	-	-	-	2 000	2 000	2 000	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	4 850	7 000	7 396
Machinery and equipment	-	-	-	-	-	-	4 850	7 000	7 396
Other machinery and equipment	-	-	-	-	-	-	4 850	7 000	7 396
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	33 000	33 000	33 000	9 700	14 000	14 793

Table 7.U: Payments and estimates by economic classification: AFCON 2013: Medical Services grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	-	-	-	-	3 000	3 000	-	-	-
Compensation of employees	-	-	-	-	3 000	3 000	-	-	-
Salaries and wages	-	-	-	-	3 000	3 000	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	3 000	3 000	-	-	-

Table 7.V: 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; CHC; pharmaceutical depots; mortuary; etc.	Units (i.e. No. of beds or facilities)	Date: Start	Date: Finish						2013/14	2014/15	2015/16
R thousand														
New and replacement assets														
1.	Construction of a new CHC	Dannhauser	Community Health Centre		March 2012	June 2014	Health Infrastructure			157 384	75 919	78 000	3 465	-
2.	Construction of a new clinic with residences	Jozini	Clinic		March 2012	June 2014	Equitable Share			34 202	15 115	18 287	800	-
3.	Construction of a new CHC	Jozini	Community Health Centre		August 2012	May 2015	Equitable Share			170 000	28 433	66 000	71 567	4 000
4.	Construction of a medium clinic with residence	Msinga	Clinic		March 2013	April 2015	Equitable Share			15 000	934	9 000	4 696	370
5.	Construction of a new medium clinic	Umlalazi	Clinic		April 2013	May 2014	Equitable Share			19 408	8 427	10 431	550	-
6.	Construction of a new medium clinic with double accommodation	Msinga	Clinic		August 2012	April 2014	Equitable Share			16 878	4 625	11 853	400	-
7.	Replacement clinic: K2, R2 X 3, R3x1, guard house, car port, etc	Mthonjaneni	Clinic		April 2012	April 2014	Health Infrastructure			16 325	3 902	11 923	500	-
8.	New M6 forensic mortuary	eThekwini	Mortuary		December 2011	June 2014	Equitable Share			87 313	37 177	47 936	2 200	-
9.	Construction of a new CHC with residences	Msinga	Community Health Centre		March 2012	June 2014	Health Infrastructure			161 018	80 164	76 854	4 000	-
10.	Replacement medium clinic	Nongoma	Clinic		March 2013	April 2015	Equitable Share			18 780	600	12 000	5 780	400
Other various		Various	Various	Various			Various					36 798	279 806	348 240
Total New and replacement assets									-	696 308	255 296	379 082	373 764	353 010
Upgrades and additions														
1.	Upgrade existing accident and emergency unit and OPD	Msunduzi	Hospital - Regional	1	October 2012	June 2015	Hospital Revitalisation	Programme 8		78 493	7 823	30 000	38 372	2 298
2.	New OPD, casualty/trauma unit, X-ray and related facilities	Okhahlamba	Hospital - District	865	March 2012	December 2015	Equitable Share	Programme 8		132 236	32 470	51 000	36 266	10 300
3.	Health technology equipment	eThekwini	Hospital - District	1	April 2011	September 2014	Hospital Revitalisation	Programme 8		130 000	89 194	35 000	5 000	-
4.	New TB complex	eThekwini	Hospital - Regional	297	September 2011	June 2014	Hospital Revitalisation	Programme 8		81 104	48 061	31 071	2 030	-
5.	Alteration and additions to existing hospital	uMhlathuze	Hospital - District	296	September 2010	July 2015	Hospital Revitalisation	Programme 8		347 874	241 658	78 000	20 216	8 000
6.	New general and T.B. wards	Hibiscus Coast	Hospital - District	900	March 2012	April 2015	Health Infrastructure	Programme 8		67 500	19 868	30 000	15 932	1 700
7.	Upgr. MV and LV elec.retification incl. generators,lighting protection, etc.	uMhlathuze	Hospital - Regional	506	May 2011	June 2014	Hospital Revitalisation	Programme 8		104 681	73 243	35 829	4 551	-
8.	Accommodation for 39 staff and provision for parkhome	Umzimkulu	Community Health Centre	268	September 2012	April 2014	Equitable Share	Programme 8		34 431	4 368	29 563	500	-
9.	Phase 3B: Admin, kitchen, audio, ARV, staff accommodation	Umzimkulu	Hospital - District	336	October 2011	June 2015	Hospital Revitalisation	Programme 8		110 000	33 464	50 000	25 069	2 300
10.	Phase 3A: New pharmacy, stores, maintenance, laboratory, laundry (completion contract)	Umzimkulu	Hospital - District	208	April 2012	April 2014	Hospital Revitalisation	Programme 8		51 330	21 598	28 874	850	-
Other Various		Various	Various	Several			Various	Programme 8		-		39 026	243 214	390 000
Total Upgrades and additions									-	1 137 649	571 747	438 363	392 000	414 598
Rehabilitation, renovations and refurbishments														
1.	Refurbishment and rehabilitation of the hospital (Core Block)	eThekwini	Hospital - District	238	March 2012	June 2015	Health Infrastructure	Programme 8		168 137	59 504	70 000	28 633	4 000
2.	Renovations and additions to existing building.	eThekwini	Training College	1	July 2012	April 2014	Nursing Colleges & Schools	Programme 8		29 983	8 531	20 727	725	-
3.	Extensive renovations and additions to existing building, restoration of Heritage Buildings	Msunduzi	Training College	1	November 2011	June 2014	Nursing Colleges & Schools	Programme 8		55 000	36 493	17 112	1 395	-
4.	Construction of new roof for all hospital buildings	Umlalazi	Hospital - District	125	March 2013	April 2014	Equitable Share	Programme 8		11 880	989	10 441	450	-
5.	Phase 2-4 casualty, trauma, admissions (completion contract)	Umdoni	Hospital - District	300	May 2011	June 2015	Equitable Share	Programme 8		137 758	37 567	76 500	19 591	4 100
6.	Repairs and renovations to doctors quarters and remaining floors of nurses home	uMshwathi	Clinic	613	March 2013	April 2015	Equitable Share	Programme 8		30 000	619	13 000	15 631	750
7.	Repair and install Plant: Durban regional laundry (co-funded from HIG)	eThekwini	Sanitation	571	December 2011	June 2015	Equitable Share	Programme 8		170 400	81 151	30 000	30 000	3 249
8.	Demolish existing houses at Jabulani Village, rebuild with 6 single units, etc	Umlalazi	Hospital - District	800	May 2012	April 2015	Health Infrastructure	Programme 8		18 352	3 133	9 502	5 267	450
9.	Replacement or renovations to roof - admin block, wards, OT and pharmacy	Msunduzi	Hospital - Specialised	1	October 2011	May 2014	Equitable Share	Programme 8		61 878	27 185	33 193	1 500	-
10.	Upgrade and additions to admin block for EMRS	eThekwini	Hospital - District	361	October 2012	April 2014	Equitable Share	Programme 8		15 000	3 694	11 056	250	-
Other Various		Various	Various	Several			Various	Programme 8				34 756	108 389	113 144
Total Rehabilitation, renovations and refurbishments									-	698 388	258 866	326 287	211 831	125 693
Maintenance and repairs														
1.	Institutional maintenance: Umkhanyakude District	Umkhanyakude	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8		126 117		23 023	23 023	23 023
2.	Institutional maintenance: Amajuba District	Amajuba	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8		50 745		17 503	18 003	18 003
3.	Institutional maintenance: eThekwini District	eThekwini	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8		184 647		139 192	117 352	122 597
4.	Institutional maintenance: Ilembe District	Ilembe	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8		103 765		26 153	41 278	41 278
5.	Institutional maintenance: Sisonke District	Sisonke	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8		82 581		11 867	11 867	11 867
6.	Institutional maintenance: Ugu District	Ugu	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8		100 350		23 726	23 726	23 726
7.	Institutional maintenance: uMgungundlovu District	uMgungundlovu	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8		186 264		63 191	61 999	61 999
8.	Institutional maintenance: Umzinyathi District	Umzinyathi	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8		78 582		40 405	52 501	52 501
9.	Institutional maintenance: uThungulu District	uThungulu	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8		101 448		12 443	25 578	25 578
10.	Institutional maintenance: Zululand District	Zululand	Maintenance	1	April 2013	March 2016	Equitable share	Programme 8		59 824		23 532	43 444	35 993
Other Various		Various	Maintenance	Several	April 2013	March 2016	Equitable share	Programme 8		119 745		31 362	35 178	55 178
Total Maintenance and repairs									-	1 194 068	-	412 397	453 949	471 743
Infrastructure transfers - current									-	-	-	-	-	-
Infrastructure transfers - capital									-	-	-	-	-	-
1.	KZN Children's Hospital	eThekwini	Hospital - Childrens	1	January 2012	March 2014	Equitable share	Programme 8		50 000	30 000	20 000	-	-
Total Infrastructure transfers - capital									-	50 000	30 000	20 000	-	-
Total Infrastructure									-	3 776 413	1 115 909	1 576 129	1 431 544	1 365 046

Table 7.W: Summary of transfers to local government (Municipal Clinics)

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
A KZN2000 eThekweni	42 612	44 540	47 212	69 573	61 051	61 051	122 500	142 100	152 500
Total: Ugu Municipalities	4 207	12 153	5 616	-	7 366	7 366	-	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	1 248	3 493	1 663	-	1 585	1 585	-	-	-
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	771	1 408	417	-	957	957	-	-	-
B KZN215 Ezinqoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	2 188	7 252	3 536	-	4 824	4 824	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	34 475	11 039	3 271	7 239	7 239	-	-	-
B KZN221 uMshwathi	-	1 480	210	124	372	372	-	-	-
B KZN222 uMngeni	-	3 291	673	353	1 059	1 059	-	-	-
B KZN223 Mpofana	-	817	489	257	734	734	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	28 887	9 667	2 537	5 074	5 074	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	10 876	14 401	6 928	-	2 872	2 872	-	-	-
B KZN232 Emnambithi/Ladysmith	5 999	10 756	3 614	-	-	-	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	2 848	2 161	1 921	-	1 413	1 413	-	-	-
B KZN235 Okhahlamba	2 029	1 484	1 393	-	1 459	1 459	-	-	-
B KZN236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	7 136	3 650	834	-	417	417	-	-	-
B KZN241 Endumeni	3 382	2 077	-	-	-	-	-	-	-
B KZN242 Nqutu	-	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	-	-	-	-	-	-	-
B KZN245 Umvoti	3 754	1 573	834	-	417	417	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	1 385	1 493	1 109	-	-	-	-	-	-
B KZN252 Newcastle	1 385	1 493	1 109	-	-	-	-	-	-
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 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	9 137	7 320	10 467	9 948	11 204	11 204	21 000	24 500	27 000
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	4 348	4 086	4 886	9 311	9 311	9 311	21 000	24 500	27 000
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	4 016	2 461	5 325	637	659	659	-	-	-
B KZN285 Mthonjaneni	773	773	256	-	1 234	1 234	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	5 705	5 856	2 835	1 501	7 224	7 224	-	-	-
B KZN291 Mandeni	471	1 527	541	296	1 715	1 715	-	-	-
B KZN292 KwaDukuza	5 234	4 329	2 294	1 205	5 509	5 509	-	-	-
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	81 058	123 888	86 040	84 293	97 373	97 373	143 500	166 600	179 500

VOTE 8

Human Settlements

Operational budget	R 3 550 676 000
MEC remuneration	Nil
Total amount to be appropriated	R 3 550 676 000
Responsible MEC	Mr. R. Pillay, MEC for Public Works and Human Settlements ¹
Administering department	Human Settlements
Accounting officer	Head: Human Settlements

1. Overview

Both the vision and mission statement have changed in line with the request by the Committee of Heads of Departments (COHOD) and the Provincial Planning Commission to align the APP to the PGDP. The vision and mission of the department now reflect this alignment.

Vision

The vision of the department is: *Creating sustainable settlements.*

Mission statement

The mission statement of the department is: *To create an enabling environment based on a co-ordinated, integrated and inter-sectoral approach to support human settlement infrastructure development.*

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 KZN.
- 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.

¹ The salary of the MEC of Human Settlements is budgeted for under Vote 14: Public Works.

- Provision of incremental housing.
- Implementation of the Financial Services Market programme.

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 2012/13 financial year

This section provides a review of 2012/13, outlining the main achievements and progress made during the year, as well as providing a brief discussion on challenges and new developments.

Accreditation of aspiring metros

During 2012/13, the focus was on building institutional capacity of the municipalities in terms of the accreditation programme as it is envisaged in the new comprehensive plan, i.e. “Breaking New Ground” for housing delivery. Msunduzi, Emnambithi, Newcastle, uMhlathuze, KwaDukuza and Hibiscus Coast municipalities were identified as priority municipalities on the basis of their status as aspiring metros. The municipalities have undergone capacitation on the administration of both national and provincial human settlements programmes. In October 2011, these municipalities were assessed by an independent panel to undertake human settlements functions and, in August 2012, they were officially awarded compliance certificates. The outcome of the assessment was as follows: Newcastle level 2, Emnambithi level 2, uMhlathuze level 2, KwaDukuza level 2, Msunduzi level 1, and Hibiscus Coast level 1. The department is now at a stage of entering into agreements (Implementation Protocol) with these municipalities.

It is envisaged that the accreditation process of these municipalities will lead to accelerated housing delivery in KZN, as the decision making authority will be located at a local implementation level.

Disaster management

One of the strategies to address the backlogs in the rehabilitation of storm damaged houses was to develop a database of service providers to build houses and supply materials for those households requiring repairs to their houses. The appointed service providers commenced with the rehabilitation of houses and the supply of building materials to affected families in various districts. To address the backlogs, the rehabilitation process started with old disaster cases and it is anticipated that, by the end of 2012/13, the backlog will be reduced significantly. However, with the current heavy rains in the province, requests continue to be received for the rehabilitation of houses that are destroyed due to storms. The Housing Disaster Relief grant funds that were rolled over from 2011/12 also contributed to eradicating some of the backlogs. Attention is now given to all districts and, as such, the department is in the process of advertising for more contractors to add to the existing database of service providers.

Informal settlements upgrade

The department has been prioritising the Upgrade of Informal Settlements Programme (UISP) in the approval process of projects. Priority projects, such as Cornubia and *Inyoni* Slum Clearance, are currently under construction, with Cornubia expected to deliver 15 000 units for the low income category. This will add value to the upgrading of many informal settlements within the eThekweni Metro. Other projects where the department is acquiring well located land are Driefontein in KwaDukuza within Ilembe District Municipality, which is set to deliver 17 000 units and Blauwbosch in Newcastle within Amajuba District

Municipality, which is set to deliver 25 000 units. All these projects follow the planning pattern of the Integrated Residential Development Programme, which focuses on integration in human settlements development.

Rural housing development programme

The housing delivery in rural areas within all districts is progressing well, with a number of projects under construction. The department is confident that the target of 13 250 units, which was projected for 2012/13, will be achieved at year-end. The *Vulindlela* rural housing project in the Msunduzi Municipality is progressing well, with more than 1 300 units completed and many units at various stages of construction. The department has appointed a team of Quality Assurance Inspectors working with the National Home Builders Registration Council (NHBC) to ensure a quality product in all projects.

Hostel upgrade and Community Residential Units (CRUs)

Many people have migrated between provinces in the past decade, as the 2011 Census has revealed. KZN is one of the provinces that has “pull effects” with the opportunities it offers. Such migration has put pressure on KZN’s infrastructure. Consequently, the department is under pressure to provide housing using the available housing instruments, such as rental housing. In order to provide rental housing in a streamlined manner, the department commissioned the Social Housing Regulatory Authority (SHRA) to develop a rental strategy for the department, focusing on the six accredited municipalities, as previously mentioned. Due to limited capacity in both the department and the accredited municipalities, the department appointed a team of experts to assist both the department and these municipalities in order to package and roll-out rental housing. It is anticipated that the KZN Rental Strategy will be the road map for delivering rental housing. As at the end of December 2012, there were about 1 044 completed units. However, there were challenges in terms of identifying quality and suitable land for these projects, forcing the department to also look for private land that meets the requirements of rental housing, with this coming at a higher price.

Inclusionary housing

Cornubia, a public-private partnership between the eThekweni Metro, provincial government and Tongaat Hulett Developments, is set to be the largest sustainable integrated human settlement initiative in the province. As a 1 300ha multi-billion rand project, Cornubia will be a mixed-use mixed-income development, incorporating industrial, commercial, residential and open-space uses. This housing project is being developed along the principles of “Breaking New Ground” and to promote the achievement of a non-racial, integrated society through the development of sustainable integrated human settlements and quality housing. The entire Cornubia housing project area has a potential yield of 25 000 residential units, and will be developed in phases. About 15 000 subsidised units will be provided and the balance will be a mixed-use, middle-income development. Hence, the development will cater for different income groups and housing typologies, meeting the objectives of inclusionary housing.

Some delays relating to planning and procurement processes were experienced during the year. Despite these challenges, the following progress has been made: Phase 1A consisting of 486 units and Phase 1B consisting of 2 263 sites to be allocated to low income households have started. Phase 1A is in the construction phase, with 282 houses at roof level and 315 foundations have been cast. With regard to Phase 1B, the planning and design stages have been completed. The tender for Phase 1B (1), consisting of the first 623 sites, has been advertised (for services and top structure advertised). The eThekweni Metro is ready to go out on tender for Phases 1B (2) and 1B (3) before year-end.

3. Outlook for the 2013/14 financial year

This section looks at the key focus areas of 2013/14, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

Social rental housing

Social Rental Housing is a rental housing institution developed and managed mainly by non-profit social housing institutions for households with monthly incomes between R1 500 and R7 500. The social housing institution needs to be accredited by the SHRA in order to qualify for the Capital Restructuring

Grant (CRG). The financing for this programme comes from the institutional subsidy (from the department), CRG and loans that the housing institution must obtain to cover the development cost. KZN Human Settlements has been delivering social rental housing on an *ad hoc* basis without a strategic plan that is based on scientific research. Historically, social housing was only delivered in the eThekweni Metro and Msunduzi Municipality. The delivery agents of social housing were limited to the Msunduzi Housing Association, First Metro Housing Company and Sohco Housing Company. The current delivery agents are over-stretched and could not meet the annual targets. There has been a strong call from the Cabinet *Lekgotla* and KZN's Human Settlements Portfolio Committee to extend the delivery of rental housing to rural municipalities. Rural municipalities are experiencing problems in terms of attracting professionals, given the fact that there is no decent quality rental accommodation in these areas.

As a way forward, the department commissioned SHRA to develop a five-year Rental Strategic Plan 2012-2017. The purpose was to identify the demand and supply in rental housing and projects that are "ready to go projects", as well as potential projects in six accredited municipalities, namely uMhlathuze, Newcastle, KwaDukuza, Hibiscus Coast, Ladysmith and Msunduzi. These municipalities initiated and identified Restructuring Zones (which are ring-fenced parcels of land in a well located area for social housing development). In order to upscale delivery, a booster team is in the process of being established. This booster team will assist in packaging projects, assisting municipalities and monitoring projects. Two projects within the eThekweni Metro are under construction, namely Lakehaven phase 2 that will yield 272 units at a total value of R79.852 million and Avoca Heights with 520 units at a total value of R151.688 million. Both projects are managed by First Metro Housing Company. Sohco was not able to deliver any new units in 2012/13, given the fact that they had to deal with rent payment boycotts at Port View, Valley View and Hillary. Consequently, Sohco has been focusing on eviction of tenants that have defaulted. The rental strategy has created a road map for the department in terms of delivering rental accommodation. The KZN Social Rental Strategy will be launched by the MEC during 2013/14.

The projected target for 2012/13 was 1 033 units and this was done in accordance with the available budget. However, as a consequence of the rental strategy, additional potential projects have been identified with an estimated yield of 5 589 units, thus creating a viable and sustainable pipeline of social housing projects that can be implemented in 2013/14 and throughout the MTEF. The department is in the process of preparing for the Social Rental Housing Summit (aimed at marketing and promoting the concept of social housing as a brand) that will be held early in 2013/14.

Community Residential Unit (CRU)

CRU is a programme that complements social housing. It can either be a development of new or an improvement of existing rental stock owned by the government. It is created for households in the income band of R800 and R3 500 per month. The project is either developed or managed by the department or the municipality. The programme also aims at improving the living conditions at hostels by converting hostels into family units, given the fact that hostel residents are living in squalor conditions. The CRU forms part of the KZN Social Rental Strategy that is being developed by SHRA.

The department anticipates to deliver 2 761 CRUs during 2013/14. In order to meet the targets, SHRA has identified 2 739 "ready to go projects". These projects are in Newcastle, eThekweni Metro and KwaDukuza. The Ndumo Regeneration programme is one of the Premier's initiatives where various provincial departments are participating in terms of developing Ndumo in Jozini. The department is waiting for the housing needs of each department in order to do the scope of works and determine the funding required for the construction of CRUs. The projected number of units to be built is 100.

Rectification of pre-1994 housing stock

This programme, which is aimed at rectifying the housing stock constructed pre-1994, is currently underway in the eThekweni Metro (Lamontville – 1 840 units) with approximately 536 units being envisaged to be rectified in 2012/13. Approval for funding and MOAs have been concluded with the eThekweni Metro and Umdoni Municipality for projects.

The following projects, which are either in the planning stage or awaiting approval of funding and projected for 2013/14 and beyond, are Shallcross – 510 units, Austerville – 1 148 units, Estcourt:

Umtshezi Municipality – 8 units, Emawozeni: Newcastle Municipality – 148 units, Dundee – 800 units, Bhekuzulu: Vryheid – 73 units and Ex-R293 and ex-own affairs: eThekweni Metro – 24 487 units.

Rental Housing Tribunal

The Rental Housing Tribunal component regulates good relationships between tenants and landlords by implementing pre-emptive and pro-active measures. The responsibilities undertaken include:

- Administer all disputes between landlords and tenants in residential properties in KZN.
- Market and promote the Rental Housing Tribunal and its activities to the public and stakeholders.
- Provide efficient, effective and economic administrative support functions to the KZN Rental Housing Tribunal established in terms of Section 4 of the Rental Housing Act.
- Facilitate the full participation of municipalities in the implementation of the Rental Housing Act.
- Identify and develop specific programmes aimed at enhancing service delivery capacity of social housing institutions.
- Educate tenants and landlords with regard to their rights and obligations with particular emphasis on the social housing environment.

There is still an increase in the number of complaints lodged by tenants against social housing institutions and, as such, a joint intervention between the Rental Housing Tribunal and the social housing component has been established to educate both tenants and social housing institutions about their rights and obligations in terms of the Rental Housing Act.

Informal settlements upgrade

The key deliverables on this output will be the identification of well-located affordable land for the implementation of the informal settlements upgrade. The key focus area will be the reduction of informal settlements in 22 wards, mainly located in the eThekweni Metro and the six accredited municipalities. The department and the Housing Development Agency are to develop a strategy on more effective land utilisation.

Another key focus area will be that of amending the KZN Slums Act, which now needs to be amended to ensure that it is aligned with the Constitution to allow for implementation.

Rural housing development

Due to KZN's largely rural nature, the department will be focusing on these rural areas as part of the informal settlements upgrade, mainly due to the type of dwellings that are found in rural areas. The communities are particularly vulnerable when heavy rains, storms or similar disasters occur. By virtue of houses being built using poor materials, rural households are in the same predicament that people living in informal settlements find themselves in.

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 2009/10 to 2015/16.

The budget for 2013/14 is made up of the equitable share of R312.248 million, the Human Settlements Development grant (HSDG) of R3.238 billion and EPWP Integrated Grant for Provinces amounting to R3 million. The aim of the HSDG is to promote the provision of low income housing and essential services. There is no allocation for the Housing Disaster Relief grant from 2012/13 onward, and the EPWP Integrated Grant for Provinces received an allocation for 2013/14 only.

Table 8.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Provincial allocation	243 265	267 030	283 444	300 409	300 409	300 409	312 248	326 641	339 940
Conditional grants	2 330 448	2 768 502	2 801 547	2 915 297	2 915 297	2 915 297	3 238 428	1 685 764	1 675 237
Human Settlements Development grant	2 180 448	2 634 109	2 769 871	2 915 297	2 915 297	2 915 297	3 235 428	1 685 764	1 675 237
Housing Disaster Relief grant	150 000	133 800	31 140	-	-	-	-	-	-
EPWP Integrated Grant for Provinces	-	593	536	-	-	-	3 000	-	-
Total receipts	2 573 713	3 035 532	3 084 991	3 215 706	3 215 706	3 215 706	3 550 676	2 012 405	2 015 177
Total payments	2 492 647	3 089 237	3 042 495	3 300 935	3 377 820	3 377 820	3 550 676	2 012 405	2 015 177
Surplus/(Deficit) before financing	81 066	(53 705)	42 496	(85 229)	(162 114)	(162 114)	-	-	-
Financing									
of which									
Provincial roll-overs	-	77 024	-	-	27 637	27 637	-	-	-
Provincial cash resources	-	-	-	85 229	134 477	134 477	-	-	-
Surplus/(deficit) after financing	81 066	23 319	42 496	-	-	-	-	-	-

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 HSDG due to the following:

- Delays in the implementation of the CRU programme within the eThekweni Metro, 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.

This 2009/10 under-expenditure of R77.024 million was rolled over to 2010/11, to address spending pressures in respect of Cornubia. The project experienced 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, mainly because the department had projected to relocate its head office from Durban to Pietermaritzburg. However, the Department of Public Works was unable to procure suitable office space and the relocation therefore did not go ahead.

Also, in 2010/11, due to slow spending on the HSDG, 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 HSDG was deducted by National Treasury, and allocated as an Urban Settlements Development grant (USDG) to the eThekweni Metro. National Treasury reduced the department's HSDG 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 were added to the Municipal Infrastructure Grant (MIG) Cities to form a new USDG, with the eThekweni Metro receiving this funding directly.

During 2011/12, the department was allocated additional funding of R31.140 million in the Adjustments Estimate in respect of the Housing Disaster Relief grant for repairs to infrastructure damaged by floods during January and February 2011. This budget was not fully spent during the year due to, among others, the delay in finalising the database of service providers that were to be utilised for the implementation of the programme, as well as the delays in the verification of affected beneficiaries. The department applied for a roll-over of R27.637 million to 2012/13, and this was approved by National Treasury.

The department under-spent its 2011/12 budget by R42.496 million, emanating mainly from the Housing Disaster Relief grant, as explained above, as well as the equitable share due to the non-filling of vacant posts resulting from the lack of suitable candidates and the ongoing review of the organisational structure.

Provincial cash resources in 2012/13 reflect an amount of R85.229 million relating to the re-allocation of funds from Thubelisha Homes for Ingwavuma Ministerial projects, and R49.248 million allocated in the Adjusted Appropriation relating to the re-allocation of funds received in terms of the Wiggins and Bonela

Housing project, which was allocated for the implementation of social housing projects. An amount of R27.637 million in the 2012/13 Adjusted Appropriation and Revised Estimate against provincial roll-overs relates to the roll-over approved with respect to the Housing Disaster Relief grant, as previously explained.

The department's budget grows steadily from 2012/13 to 2013/14, attributed mainly to the HSDG, largely as a result of additional funding allocated for the informal settlements upgrade in rapidly urbanising mining towns to support the implementation of the Strategic Infrastructure Projects (SIPs) identified by the Presidential Infrastructure Co-ordinating Committee (PICC). The growth was also offset to some extent by the baseline cuts in the budget for the grant due to the data update resulting from the 2011 Census. The allocation decreases significantly in the two outer years of the MTEF as a result of the review of the current allocation formula of the HSDG. The 2011 Census data has shown significant shifts in the need for housing toward larger urban areas. The current formula for the grant does not sufficiently respond to these shifts, which therefore necessitates a review of the formula. Pending this review, the full amount of this grant has been allocated to the department in 2013/14, and only half the allocations will be allocated to provinces in 2014/15 and 2015/16. The balance of the allocations for the two outer years remains unallocated in the interim until the formula review is finalised.

The department was also allocated an amount of R3 million in 2013/14 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 this grant in 2014/15 and 2015/16, at this stage.

4.2 Departmental receipts collection

Table 8.2 provides a summary of the receipts collected by the department. Details of these departmental receipts are given in *Annexure – Vote 8: Human Settlements*.

Table 8.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	324	387	474	412	412	417	434	477	534
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	90	46	(20)	103	103	69	30	30	30
Sale of capital assets	412	302	160	-	-	530	300	300	300
Transactions in financial assets and liabilities	5 729	7 382	268 554	735	735	13 449	775	853	938
Total	6 555	8 117	269 168	1 250	1 250	14 465	1 539	1 660	1 802

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 of subsidies from banks and conveyancers on close-out of projects. This category is difficult to project due to its uncertain nature, hence the fluctuating trend over the seven-year period. The substantial increase in 2011/12 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. The 2012/13 Revised Estimate of R13.449 million includes the following:

- An amount of R461 000 relates to the department disbursing funds to lenders and conveyancers to undertake the transfer of housing units through the individual subsidy route. Unused monies were returned to the department.
- An amount of R1.586 million was due to monies recovered by the Special Investigation Unit from finalised fraud cases. Furthermore, the department received R72 000 from Endumeni Municipality relating to the renovation of 43 houses in 2005/06. The houses were renovated at a lower cost than

anticipated, and the unspent balance of R13 214, together with interest accrued over the years, was paid over to the department.

- The department received a refund of R4.378 million from a departmental agent (Tongaat Hulett Developments) for housing project subsidies in Phase 2 Mount Moriah. The department pre-paid the agent to develop 884 sites. The agent faced some technical problems, such as wetlands and hard rocks. Secondly, some departmental employees were precluded by their salary scales from receiving a subsidy, yet they benefited from the project. As the audit continued, the site beneficiaries reduced from 884 to 264, resulting in uncommitted funds being transferred back to the department.
- R1.948 million was returned to the department due to the cancellation of the payment to Bigen WBHO Housing (Pty) Ltd which was not disbursed to the supplier in the previous financial year, because of incorrect banking details of the entity.

Sale of goods and services other than capital assets reflect monies from commission on PERSAL deductions such as insurances and garnishees, rental on state owned property, parking fees and sale of tender documents. The growing trend over the MTEF is due to inflationary increments.

Interest dividends and rent on land includes interest from staff debts and interest on positive cash balances. In 2011/12, interest was negative largely due to a reversal of interest on bursary debts dating back to 2005, which was incorrectly charged. This is part of an ongoing process to review old debts. The department has been advised by Provincial Treasury to write-off these debts. The 2012/13 Revised Estimate reflects an under-collection based on the above reason.

Sale of capital assets reflects cash received from the sale of redundant assets. In the 2012/13 Revised Estimate, the amount of R530 000 was collected from the sale of motor vehicles which was not budgeted for. Provision of R300 000 has been made under this category in the 2013/14 MTEF in anticipation of vehicles to be auctioned.

4.3 Donor funding

Table 8.3 illustrates donor funds spent by the department over the period 2009/10 to 2015/16.

Table 8.3: Details of payments and estimates of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Donor funding	2 074	618	-	-	-	-	-	-	-
Flanders: Groutville Project	2 074	-	-	-	-	-	-	-	-
Phase II Roll-out Project	-	618	-	-	-	-	-	-	-
Total	2 074	618	-	-	-	-	-	-	-

The department spent R2.074 million in 2009/10 for the provision of care homes for orphans and vulnerable children in the KwaDukuza Municipality. This was funded by the Flemish government (Flanders).

The department spent R618 000 on 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, would not be extended, and no roll-over of funds would be granted. No donor funding is expected over the 2013/14 MTEF.

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 2009/10 onward).
- The National Department of Human Settlements has established various agencies, e.g. NHFC and SHRA, that will assist the sector in the implementation of the various housing programmes as provided for in the Housing Code.
- Inflation related items have been based on CPI projections.
- Provision has been made through reprioritisation for an inflationary wage adjustment of 6.3 per cent in 2013/14, 6.1 per cent in 2014/15 and 5.9 per cent in 2015/16, as well as the annual 1.5 per cent pay progression.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2013/14, will continue to be adhered to over the 2013/14 MTEF.
- Funding for bulk infrastructure will be provided by the municipalities.

5.2 Additional allocations for the 2011/12 to 2013/14 MTEF

Table 8.4 shows additional funding received by the department over the three MTEF periods: 2011/12, 2012/13 and 2013/14. 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 2011/12 and 2012/13 MTEF periods (i.e. for the financial year 2015/16) are based on the incremental percentage used in the 2013/14 MTEF.

Table 8.4: Summary of additional provincial allocations for the 2011/12 to 2013/14 MTEF

R thousand	2011/12	2012/13	2013/14	2014/15	2015/16
2011/12 MTEF period	3 797	3 716	3 555	3 768	3 942
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement	3 946	3 908	3 796	4 024	4 209
National Cabinet decision to cut provinces by 0.3 per cent	(149)	(192)	(241)	(255)	(267)
2012/13 MTEF period		87 948	2 855	2 998	3 136
Re-allocation of funds returned by Thubelisha Homes		85 229	-	-	-
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement		2 719	2 855	2 998	3 136
2013/14 MTEF period			(4 305)	(8 877)	(11 012)
Census data update and 1%, 2% and 3% baseline cuts			(4 305)	(8 877)	(11 012)
Total	3 797	91 664	2 105	(2 111)	(3 934)

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.

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.

In the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the period.

The department mainly implemented the baseline cuts against *Compensation of employees* and therefore had to consider the option to continue funding some posts on a contractual basis using the conditional grants, until such time that adequate funds become available from the equitable share for permanent appointments. The DORA allows for 5 per cent of the HSDG to be used for administrative costs.

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 8.5 below.

Tables 8.5 and 8.6 below provide a summary of the vote's payments and budgeted estimates over the MTEF period, by programme and economic classification, respectively.

Table 8.5: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	99 805	108 343	117 684	123 717	128 121	137 021	136 453	146 599	154 201
2. Housing Needs, Research and Planning	18 061	18 822	20 898	42 993	34 516	34 516	32 820	34 592	35 678
3. Housing Development	2 089 465	2 646 521	2 710 206	2 840 405	2 988 007	2 988 007	3 150 218	1 617 239	1 579 067
4. Housing Asset Management, Property Management	285 316	315 551	193 707	293 820	227 176	218 276	231 185	213 975	246 231
Total	2 492 647	3 089 237	3 042 495	3 300 935	3 377 820	3 377 820	3 550 676	2 012 405	2 015 177
Unauth. exp. (1 st charge) not available for spending	-	(9 303)	(9 303)	-	-	-	-	-	-
Baseline available for spending after 1st charge	2 492 647	3 079 934	3 033 192	3 300 935	3 377 820	3 377 820	3 550 676	2 012 405	2 015 177

Table 8.6: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	298 569	265 272	288 736	463 181	355 781	331 153	368 706	384 249	414 327
Compensation of employees	157 750	174 805	188 020	256 592	234 652	217 986	250 555	265 325	280 178
Goods and services	140 819	90 275	100 716	206 589	121 129	113 167	118 151	118 924	134 149
Interest and rent on land	-	192	-	-	-	-	-	-	-
Transfers and subsidies to:	2 147 153	2 784 369	2 729 402	2 819 229	2 965 937	2 998 635	3 099 239	1 567 194	1 526 207
Provinces and municipalities	210 060	353 589	85 678	393 711	178 341	202 533	168 376	240 682	161 843
Departmental agencies and accounts	-	-	-	-	144 477	144 477	220 408	100 000	100 000
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 937 093	2 430 780	2 643 724	2 425 518	2 643 119	2 651 625	2 710 455	1 226 512	1 264 364
Payments for capital assets	46 860	30 293	15 054	18 525	55 868	47 762	82 731	60 962	74 643
Buildings and other fixed structures	43 816	27 477	11 099	10 000	47 578	27 578	75 464	54 214	68 494
Machinery and equipment	3 009	2 537	3 955	8 525	8 290	20 184	7 267	6 748	6 149
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	35	279	-	-	-	-	-	-	-
Payments for financial assets	65	9 303	9 303	-	234	270	-	-	-
Total	2 492 647	3 089 237	3 042 495	3 300 935	3 377 820	3 377 820	3 550 676	2 012 405	2 015 177
Unauth. exp. (1 st charge) not available for spending	-	(9 303)	(9 303)	-	-	-	-	-	-
Baseline available for spending after 1st charge	2 492 647	3 079 934	3 033 192	3 300 935	3 377 820	3 377 820	3 550 676	2 012 405	2 015 177

In terms of Section 34(2) of the PFMA, and in line with SCOPA Resolution 19 of 2010, the department was 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 these charges.

The overall increase in the vote as a whole from 2009/10 to 2010/11 was mainly attributed to the increase in the HSDG. 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 to 2012/13 also contributed to the increase against Programme 3 and the economic classification *Transfers and subsidies to: Households*. The decrease from 2010/11 to 2011/12 is explained by a decrease against Programme 3, due to the HSDG being reduced, and allocated directly to the eThekweni Metro for the USDG, as mentioned above. The decrease from 2012/13 to the two outer years is due to the reduced allocation with respect to the HSDG, as previously explained.

The increase from 2011/12 to the 2012/13 Main Appropriation was mainly attributed to funding received in respect of Thubelisha Homes for the completion of Ingwavuma Ministerial projects.

Programme 1: Administration reflects a steady increase between 2009/10 and 2011/12. The increase from the 2012/13 Main to the Adjusted Appropriation was to cater for the payment of the previous financial year's commitments with regard to the purchase of motor vehicles, as well as operational costs related to motor vehicles. The higher 2012/13 Revised Estimate against the Adjusted Appropriation was due to the replacement of motor vehicles, as well as purchasing of new motor vehicles for districts as the department has decentralised its offices. The increase over the 2013/14 MTEF is to cater for wage agreements and inflationary adjustments, as well as the filling of critical vacant posts within the programme, bearing in mind the moratorium on the filling of non-critical posts.

Programme 2: Housing Needs, Research and Planning also reflects a steady increase between 2009/10 and 2011/12. The significant increase from 2011/12 to the 2012/13 Main Appropriation was due to the department budgeting for project facilitators' posts in this programme, whereas they were initially budgeted under Programme 3: Housing Development. The decrease from the 2012/13 Main to the Adjusted Appropriation was due to the decision taken that the posts should return to Programme 3 where they were previously budgeted for, as most activities of these posts relate to the programme. The decrease from the 2012/13 Revised Estimate to 2013/14 is due to provision made for arrear payments in respect of SITA services, which were not received on time during 2011/12 and provision was made to settle outstanding payments during 2012/13.

Programme 3 reflects significant growth from 2009/10 to 2012/13, as the focus remains the fast-tracking of service delivery in KZN. The growth in 2013/14 relates to the increase in the HSDG, which has been allocated for the various housing programmes to be implemented within this programme. Additional funding was also allocated to the grant over the 2013/14 MTEF for the informal settlements upgrade in rapidly urbanising mining towns. In 2013/14, the additional funding was significantly offset by the baseline cuts in the HSDG due to the data update resulting from the 2011 Census, as previously explained. After being allocated additional funding with regard to the HSDG, the grant's baseline was reduced by half in the two outer years as per instruction from National Treasury due to the review of the current grant's allocation formula to provinces, as previously explained. This explains the decrease against this programme from 2014/15 onward.

The increase against Programme 4: Housing Asset Management, Property Management from 2009/10 to 2010/11 was due to higher than anticipated maintenance costs in respect of R293 towns and hostels. The decrease from 2010/11 to 2011/12 was due to the once-off maintenance allocation transferred to the eThekweni Metro during 2010/11. The decrease from the 2012/13 Main to the Adjusted Appropriation relates to the delay in the implementation of the rectification programme for the pre-1994 housing stock. The department experienced some delays in getting the scoping reports from the NHBRC. The decrease from the 2012/13 Adjusted Appropriation to Revised Estimate was due to delays in the filling of vacant posts. The fluctuations over the MTEF relate to the rectification of pre-1994 housing stock owned by the department while, in the meantime, transferring some of the properties to individuals (beneficiaries) or municipalities.

The decrease in *Compensation of employees* from the 2012/13 Main to the Adjusted Appropriation and to the Revised Estimate was as a result of delays in the filling of vacant posts, partly due to a lack of suitably qualified candidates, as well as the restructuring taking place in the department. These savings were moved to various categories within the department, which are explained below. The increase over the 2013/14 MTEF is to cater for the filling of critical vacant posts in line with the newly imposed moratorium.

The decrease against *Goods and services* from 2009/10 to 2010/11 relates mainly to poor spending on the Extended Enhanced Discount Benefit Scheme (EEDBS) programme due to delays in the rehabilitation of housing stock as a result of the delay by NHBRC in providing the assessment reports to inform the nature of rectification to be done. The decrease from the 2012/13 Main to Adjusted Appropriation and to the Revised Estimate was due to provision made for the implementation of the Project Management Unit (PMU), which was expected to provide the technical capacity and skills required in the construction of houses. This programme was later put on hold, as the Infrastructure Crack Team administered by Provincial Treasury was appointed. The decrease from the 2012/13 Adjusted Appropriation to 2013/14 is due to the fact that some SITA payments were delayed during 2011/12 and only paid in 2012/13.

The fluctuating trend against *Transfers and subsidies to: Provinces and municipalities* from 2009/10 to 2011/12 relates to the CRU programme, which experienced challenges largely in the latter financial year due to delays in the approval process of projects within municipalities. The high amount in 2010/11 was ascribed to the once-off allocations transferred to the eThekweni Metro in respect of the maintenance of R293 towns and hostels, as well as a once-off payment to the Msunduzi Municipality for arrear rates and taxes due to the late receipt of invoices. The decrease from the 2012/13 Main to Adjusted Appropriation was due to the re-classification of allocations for funds relating to the rectification of pre-1994 housing stock to *Transfers and subsidies to: Households* for rectification of properties owned by individuals and to *Buildings and other fixed structures* for properties owned by the department. The decrease is also as a result of the reduction in the CRU programme due to the need to revise the CRU policy and ensure that the programme is sustainable. Savings identified from this category in the 2012/13 Adjustments Estimate were moved to *Transfers and subsidies to: Households* to cater for the fast-tracking of rural housing projects, such as *Vulindlela*. The decrease from 2012/13 to 2013/14 is due to the final payment for the maintenance of R293 as per the three-year agreement between the department and the Metro. The budget for this category declines in the outer year of the MTEF, mainly as a result of the decrease in transfers to the Metro for the CRU programme, also as per the agreement between the department and the Metro.

The allocation against *Transfers and subsidies to: Departmental agencies and accounts* in the 2012/13 Adjusted Appropriation is due to the re-classification of the budget which was allocated to be transferred to SHRA for the implementation of the social housing programme and NHFC for the implementation of the Finance Linked Individual Subsidy Programme (FLISP). This was originally budgeted for under *Transfers and subsidies to: Households*. The decrease from 2014/15 onward is mainly due to the non-allocation to SHRA as a result of the baseline cuts with respect to the HSDG, as previously explained.

Transfers and subsidies to: Households shows an increasing trend from 2009/10 to 2013/14, due to the increase in the HSDG, as the bulk of the housing programmes are budgeted for within this economic classification. The full allocation of the Housing Disaster Relief grant is also catered for within this classification. The reduction from 2011/12 to the 2012/13 Main Appropriation was due to the spending pressures experienced in 2011/12 as a result of the fast-tracking of certain housing projects, such as the Lakehaven social housing project and *eTafuleni* integrated housing project, both of which are in eThekweni, and the Rocky Park integrated housing project in Ilembe. The decrease in the two outer years relates to the reduced allocation with respect to the HSDG, as previously explained.

Buildings and other fixed structures is mainly associated with the Social and Economic Facilities programme. The budget allocated over the 2013/14 MTEF is for the finalisation of these projects. The allocation from the 2012/13 Adjusted Appropriation onward also includes the rectification of pre-1994 housing properties owned by the department, as explained previously. The decrease in the 2012/13 Revised Estimate is due to savings that were identified under the rectification of pre-1994 housing stock owned by the department as a result of delays in getting the scoping from NHBRC to inform the rectifications to be done. The fluctuations over the MTEF relate to the rectification of pre-1994 housing stock owned by the department, while in the meantime, transferring some of the properties to individuals (beneficiaries) or municipalities, as previously mentioned.

The fluctuating trend in *Machinery and equipment* from 2009/10 to 2011/12 relates to purchases being made on a cyclical basis, e.g. computer equipment, furniture, etc. The high 2012/13 Revised Estimate is due to the replacement of motor vehicles, as well as purchasing of new motor vehicles for districts as the department has decentralised its offices. The decrease from 2013/14 to the last two years of the MTEF

relates to the reduction in the purchasing of capital assets due to ongoing implementation of cost-cutting. Also, the purchasing of vehicles is cyclical in nature.

The spending against *Software and other intangible assets* relates to the purchase of various software packages in 2009/10 to 2010/11.

The amount under *Payments for financial assets* relates to the write-off of staff debts in terms of the departmental write-off policy in 2009/10 and 2012/13. Significant amounts in 2010/11 and 2011/12 relate to the first charge instalments, as previously explained.

5.4 Summary of payments and estimates by district municipal area

Table 8.7 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 8.7: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15	2015/16
eThekweni	989 920	833 844	953 826	768 800	536 076
Ugu	213 742	312 253	242 648	93 003	100 514
uMgungundlovu	374 385	567 197	418 511	186 007	217 781
Uthukela	201 718	215 800	255 734	98 003	100 514
Umkhanyathi	50 762	59 017	175 906	76 146	100 514
Amajuba	51 796	118 358	182 941	78 003	83 762
Zululand	94 101	112 910	219 550	84 288	83 762
Umkhanyakude	147 588	129 055	131 008	81 003	117 267
uThungulu	238 000	295 063	295 274	81 719	201 028
Ilembe	304 479	336 098	238 232	70 504	83 762
Sisonke	105 742	97 816	124 798	68 288	50 257
Total	2 772 233	3 077 411	3 238 428	1 685 764	1 675 237

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 the Metro has the highest population in the province. Some of the major projects which take place in the Metro include Cornubia, *eTafuleni*, Lamontville Slums Clearance, *Ntuzuma*, and Sunhills. The hostel and CRU programmes are also mainly implemented within the Metro. There is also extensive rehabilitation of former R293 towns that has been provided for within the Metro. The decrease in eThekweni from 2011/12 to 2012/13 is due to delays in the implementation of planned projects as a result of challenges experienced within the Metro. The allocation to eThekweni over the 2013/14 MTEF includes ring-fenced funding from the HSDG by National Treasury amounting to R878.400 million in 2013/14, R468.800 million in 2014/15 and R514.557 million in 2015/16. The second highest portion of spending is in uMgungundlovu, also due to the high demand for housing in this region. Projects which are taking place within this region include the *Vulindlela* rural housing project, *Mbambangalo*, Msunduzi Rectification 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 decrease in the two outer years relates to the lower allocation to the HSDG, as previously mentioned.

5.5 Summary of conditional grant payments and estimates

Tables 8.8 and 8.9 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 has three grants, namely the HSDG, the Housing Disaster Relief grant and 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 8.8: Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Human Settlements Development grant	2 103 423	2 711 234	2 769 871	2 915 297	2 915 297	2 915 297	3 235 428	1 685 764	1 675 237
Housing Disaster Relief grant	150 000	133 800	2 361	-	27 637	27 637	-	-	-
EPWP Integrated Grant for Provinces	-	-	-	-	-	-	3 000	-	-
Total	2 253 423	2 845 034	2 772 232	2 915 297	2 942 934	2 942 934	3 238 428	1 685 764	1 675 237

Table 8.9: Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	67 088	34 915	45 955	171 978	68 639	56 813	69 010	65 671	81 591
Compensation of employees	-	609	10 262	36 925	23 000	23 000	27 511	30 137	32 758
Goods and services	67 088	34 114	35 693	135 053	45 639	33 813	41 499	35 534	48 833
Other	-	192	-	-	-	-	-	-	-
Transfers and subsidies to:	2 142 519	2 782 642	2 714 967	2 729 919	2 826 117	2 858 249	3 093 454	1 565 379	1 524 652
Provinces and municipalities	209 973	353 525	103 537	390 480	175 010	199 202	164 800	240 417	161 563
Departmental agencies and accounts	-	-	-	-	95 229	95 229	220 408	100 000	100 000
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 932 546	2 429 117	2 611 430	2 339 439	2 555 878	2 563 818	2 708 246	1 224 962	1 263 089
Payments for capital assets	43 816	27 477	11 310	13 400	48 178	27 872	75 964	54 714	68 994
Buildings and other fixed structures	43 816	27 477	11 022	10 000	47 578	27 578	75 464	54 214	68 494
Machinery and equipment	-	-	288	3 400	600	294	500	500	500
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 253 423	2 845 034	2 772 232	2 915 297	2 942 934	2 942 934	3 238 428	1 685 764	1 675 237

The main funding for the department relates to the HSDG, which aims to promote the provision of low income housing using different programmes such as project linked subsidies, people's houses programmes, Integrated Residential Development programmes, rural housing subsidies, Informal Settlement Upgrade, social housing, etc. Furthermore, a provision of R51.720 million is made from the HSDG in 2013/14 for repairs to houses damaged by floods. The budget for this grant decreases significantly in the two outer years of the MTEF as result of the review of the current allocation formula of the HSDG (especially with regard to allocations to larger urban areas such as the eThekweni Metro). The 2011 Census data has shown large shifts in the need for housing toward larger urban areas. The current formula for the grant does not sufficiently respond to these shifts, which therefore necessitates a review of the formula. The full amount of this grant is allocated to the department in 2013/14, and only half of the allocation is allocated to the province in 2014/15 and 2015/16, at this stage. The remainder of the allocations for the two outer years remain unallocated in the interim, as previously mentioned. In addition, an annual average of some 28 per cent of the HSDG has been ring-fenced to be spent in the eThekweni Metro over the MTEF period.

From 2009/10 to the 2012/13 Adjusted Appropriation, the department received the Housing Disaster Relief grant, to rehabilitate communities affected by storm damage. The grant has not been provided for in the 2013/14 MTEF as the disaster allocation now forms part of the HSDG in 2013/14, as previously explained. The allocation for this grant was not fully spent in 2011/12 due to, among others, the delay in finalising the database of service providers that were to be utilised for the implementation of the programme, as well as the delays in the verification of affected beneficiaries. The department applied for a roll-over of R27.637 million to 2012/13 and this was approved by National Treasury.

As previously mentioned, the department receives an allocation of R3 million in 2013/14 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 is no allocation against the EPWP Integrated Grant for Provinces in 2014/15 and 2015/16. The department received allocations for this grant in 2010/11 and 2011/12, but no expenditure was incurred.

As of 2010/11, the department started funding *Compensation of employees* from the HSDG, 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 budgeted to spend a portion of the HSDG on *Machinery and equipment* in 2011/12 and 2012/13 and throughout the 2013/14 MTEF, 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, as explained previously. The substantial increase from 2011/12 to the 2012/13 Main Appropriation is due to provision for the administrative portion of the conditional grant to enhance service delivery on housing projects and estimated costs related to the implementation of the PMU. The decrease from the 2012/13 Main to Adjusted Appropriation is due to provision made for the implementation of the PMU, which was put on hold as the Infrastructure Crack Team from Provincial Treasury was appointed at lower costs. The high amount in 2013/14 compared to the two outer years of the MTEF is inclusive of the EPWP Integrated Grant for Provinces allocation.

Current payments: Other pertains to interest paid on overdue accounts in 2010/11. 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 fluctuating trend against *Transfers and subsidies to: Provinces and municipalities* from 2009/10 to 2011/12 relates to slow spending with regard to the CRU programme due to delays in the approval process of projects within municipalities. The decrease from 2010/11 to 2011/12 was due to once-off transfers 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 due to the late receipt of invoices. The decrease from the 2012/13 Main to Adjusted Appropriation is due to the re-classification of allocations for funds relating to the rectification of pre-1994 stock to *Transfers and subsidies to: Households* for rectification of properties owned by individuals, and to *Buildings and other fixed structures* for properties owned by the department and the decrease in the CRU budget in the eThekweni Metro due to slow spending, as explained previously.

The increase in *Transfers and subsidies to: Departmental agencies and accounts* from the 2012/13 Main to Adjusted Appropriation was due to the re-classification of the budget which was allocated to be transferred to SHRA and NHFC. The allocations were originally budgeted for under *Transfers and subsidies to: Households*, as previously explained. The decrease in the two outer years relates to the non-allocation to SHRA due to the reduced baseline with regard to the HSDG, as previously mentioned.

Transfers and subsidies to: Households, which shows an increasing trend from 2009/10 to 2013/14, caters for the bulk of the HSDG and the full allocation of the Housing Disaster Relief grant. The HSDG received additional funding over the 2013/14 MTEF for the informal settlements upgrade in rapidly urbanising mining towns to support the implementation of the SIPs identified by the PICC, as previously explained. As previously mentioned, the additional funding allocated in 2013/14 was significantly offset by the baseline cuts in the HSDG due to the data update resulting from the 2011 Census. After being allocated additional funding with regard to the HSDG over the MTEF, the grant's baseline was reduced by half in the two outer years as per instruction from National Treasury, due to the review of the current grant's allocation formula to provinces, as previously explained.

Buildings and other fixed structures is mainly associated with the Social and Economic Facilities programme. The budget allocated for the 2013/14 MTEF is allocated for the finalisation of these projects. An increase in the 2012/13 Adjusted Appropriation onward relates to the rectification of housing properties, which are owned by the department, as explained previously. The decrease in the 2012/13 Revised Estimate is due to savings that were identified under the rectification of pre-1994 housing stock owned by the department as a result of delays in getting the scoping from NHBRC to inform the rectifications to be done, as previously mentioned. The savings will be utilised for properties in the eThekwin Metro.

5.6 Summary of infrastructure payments and estimates

Table 8.10 presents a summary of infrastructure payments and estimates by infrastructure category. The figures in the table are significantly lower compared to the 2012/13 EPRE due to the correction of the budget for housing stock in line with SCOA classifications.

Table 8.10: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
New and replacement assets	43 816	27 477	11 099	10 000	10 000	10 000	15 000	26 014	26 014
Existing infrastructure assets	67 230	34 000	48 816	190 941	61 279	41 279	77 864	40 600	54 880
Upgrades and additions									
Rehabilitation, renovations and refurbishments	-	-	-	-	37 578	17 578	60 464	28 200	42 480
Maintenance and repairs	67 230	34 000	48 816	190 941	23 701	23 701	17 400	12 400	12 400
Infrastructure transfers	43 000	188 000	60 000	263 240	155 000	179 192	152 000	225 917	141 667
Current	-	60 000	60 000	60 000	60 000	84 192	52 000	68 117	72 467
Capital	43 000	128 000	-	203 240	95 000	95 000	100 000	157 800	69 200
<i>Capital infrastructure</i>	86 816	155 477	11 099	213 240	142 578	122 578	175 464	212 014	137 694
<i>Current infrastructure</i>	67 230	94 000	108 816	250 941	83 701	107 893	69 400	80 517	84 867
Total	154 046	249 477	119 915	464 181	226 279	230 471	244 864	292 531	222 561

The category *New and replacement assets* relates to the Social and Economic Facilities programme (HSDG). The asset constructed is owned by the department until handed over to the municipality and transferred to its asset register. The budget allocated for the 2013/14 MTEF is allocated for the finalisation of these projects.

Rehabilitation, renovations and refurbishments relates to the renovations of housing properties owned by the department. The decrease from the 2012/13 Adjusted Appropriation to Revised Estimate is attributed to the rectification of pre-1994 housing stock as a result of delays in getting the scoping report from NHBRC to inform the rectifications to be done. The fluctuating trend over the 2013/14 MTEF relates to the renovations of housing properties, which will be done in phases.

Maintenance and repairs relates to the maintenance of housing properties and the EEDBS programme. The decrease from 2009/10 to 2010/11 relates to low spending on the EEDBS programme due to delays in the rehabilitation of housing stock. The decrease from the 2012/13 Main to Adjusted Appropriation was due to the re-classification of allocations for rectification of pre-1994 stock to *Transfers and subsidies to: Households* for rectification of properties owned by individuals and *Buildings and other fixed structures* for rectification of properties owned by the department, as explained previously.

Infrastructure transfers: Current are in respect of transfers to the eThekwin Metro for maintenance to pre-1994 housing stock, e.g. Lamontville. These funds are transferred in terms of the agreement signed by the department and the eThekwin Metro for the rectification of these properties.

As mentioned above, *Infrastructure transfers: Capital* comprises the transfers in respect of the CRU programme. During 2011/12, no transfers were made due to delays in the approval process of projects within municipalities. The decrease in the 2012/13 Main to Adjusted Appropriation was due to savings identified as a result of delays in the implementation of the CRU programme, as well as the correction of the Rocky Housing project's budget to *Transfers and subsidies to: Households*.

5.7 Summary of Public Private Partnerships – Nil

5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA

Table 8.11 presents a summary of departmental transfers to national public entities listed in terms of Schedule 3 of the PFMA.

Table 8.11: 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
National Housing Finance Corporation	-	-	-	-	10 000	10 000	100 000	100 000	100 000
Social Housing Regulatory Authority	-	-	-	-	134 477	134 477	120 408	-	-
Total	-	-	-	-	144 477	144 477	220 408	100 000	100 000

The allocation in the 2012/13 Adjusted Appropriation relates to funds to be transferred to SHRA and NHFC for the implementation of the social housing programme and FLISP projects, respectively. This budget was originally budgeted for under *Transfers and subsidies to: Households*. The significant increase over the 2013/14 MTEF with regard to the NHFC relates to the FLISP projects, as the 2012/13 amount was for pilot projects (such as Merlewood in Ugu District, Rocky Parky in Ilembe District and Woodmead in the eThekweni Metro) only. The programme will be fully implemented over the 2013/14 MTEF. There is no allocation against SHRA from 2014/15 onward due to the reduced allocation with respect to the HSDG, as previously explained.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Category A	170 879	336 412	82 035	334 921	169 418	193 610	163 992	236 149	155 282
Category B	39 094	17 113	3 581	58 670	8 693	8 693	4 134	4 268	6 281
Category C	-	-	-	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
Total	209 973	353 525	85 616	393 591	178 111	202 303	168 126	240 417	161 563

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		
		2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Transfer of R293 staff	3.1 Admin.	-	-	1 451	3 111	3 111	3 111	3 326	-	-
CRU programme	3.4 Social & Rental Int.	43 000	128 000	-	203 240	95 000	95 000	100 000	157 800	69 200
Municipal rates and taxes	4.3 Housing Prop. Main.	44 303	15 525	8 365	20 000	20 000	20 000	12 800	14 500	19 896
Maintenance of R293 hostels & EEDBS	4.3 Prp Main & 4.2 Sale	122 670	210 000	75 800	167 240	60 000	84 192	52 000	68 117	72 467
Total		209 973	353 525	85 616	393 591	178 111	202 303	168 126	240 417	161 563

Although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, 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.

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. During 2011/12, no transfers were made due to delays in the approval process of projects within municipalities. The decrease in the 2012/13 Main to Adjusted Appropriation relates to delays in the implementation of the CRU programme due to the need to revise the policy to, among others, ensure its sustainability. The increase in the first two years of the 2013/14 MTEF relates to transfers to be made to the eThekweni Metro for the CRU programme as per the agreement between the department and the municipality. The budget declines in the outer year in line with the agreement.

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 (now phased into equitable share from 2013/14) 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 decrease over the 2013/14 MTEF is due to the department anticipating transfer of some of these properties to beneficiaries.

The department also provided for the maintenance of R293 hostels in the eThekweni Metro, as well as the EEDBS over the seven-year period. Maintenance of R293 hostels refers to hostels that were owned by the post-1994 KZN administration. The decrease from the 2012/13 Main to Adjusted Appropriation is due to the re-classification of allocations for rectification of pre-1994 housing stock to *Transfers and subsidies to: Households* for rectification of properties owned by individuals and *Buildings and other fixed structures* for rectification of properties owned by the department, as explained previously. 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, the eThekweni Metro will budget for these personnel costs. The 2012/13 Revised Estimate is higher than the Adjusted Appropriation due to the provision made for the transfer of funds to the eThekweni Metro in respect of EEDBS programme to facilitate the transfer of R293 properties. The budget is classified under *Goods and services* and will be shifted accordingly in January 2013. The decrease from 2012/13 to 2013/14 is due to the final payment for the maintenance of R293 as per the three-year agreement between the department and the Metro, as previously explained.

5.11 Transfers and subsidies

Table 8.14 below provides a summary of transfers and subsidies per programme. 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 and bursaries paid to external students.

Spending against *Households* in Programme 2 in 2009/10 and 2012/13 relates to staff exit costs.

Spending against *Provinces and municipalities* in Programmes 3 relates to programmes funded from the HSDG but implemented at the municipal level, e.g. CRU programme.

Spending against *Departmental agencies and accounts* in Programme 3 pertains to the transfers to SHRA and NHFC.

Spending on *Households* in Programme 3 relates mainly to the HSDG projects. As evidenced by the table above, most funding of the department is allocated within this category. The projects funded from the Housing Disaster Relief grant are also budgeted for here. Also included in this category are costs relating to staff exits. The decrease in the two outer years relates to the reduced allocation with respect to the HSDG, as previously explained.

The amounts shown under *Provinces and municipalities* against Programme 4 pertain to the maintenance of R293 properties, the EEDBS programme, rates and taxes, as well provision relating to R293 staff transferred to the eThekweni Metro. Amounts against *Households* relate to staff exit costs.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	943	872	565	610	990	1 524	785	829	860
Provinces and municipalities	87	57	62	110	230	230	250	265	280
Motor vehicle licences	87	57	62	110	230	230	250	265	280
Households	856	815	503	500	760	1 294	535	564	580
Bursaries (Non-employees)	459	479	149	500	500	400	535	564	580
Social benefits	397	336	354	-	260	894	-	-	-
2. Housing, Needs, Research & Planning	146	-	-	-	15	47	-	-	-
Households	146	-	-	-	15	47	-	-	-
Social benefits	146	-	-	-	15	47	-	-	-
3. Housing Development	1 975 725	2 557 241	2 631 424	2 627 918	2 873 449	2 881 389	3 018 954	1 469 882	1 412 849
Provinces and municipalities	43 000	128 007	-	203 250	95 000	95 000	100 000	157 800	69 200
CRU programme	43 000	128 000	-	203 240	95 000	95 000	100 000	157 800	69 200
Claims against the state	-	7	-	10	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	144 477	144 477	220 408	100 000	100 000
SHRA	-	-	-	-	134 477	134 477	120 408	-	-
NHFC	-	-	-	-	10 000	10 000	100 000	100 000	100 000
Households	1 932 725	2 429 234	2 631 424	2 424 668	2 633 972	2 641 912	2 698 546	1 212 082	1 243 649
Vulindlela, Cornubia, Shallcross, etc.	1 782 546	2 294 811	2 629 063	2 424 668	2 605 833	2 613 773	2 698 246	1 211 782	1 243 349
Housing Disaster Relief grant	150 000	133 800	2 361	-	27 637	27 637	-	-	-
Social benefits	179	623	-	-	502	502	300	300	300
4. Housing Asset Management, Property Management	170 339	226 256	97 413	190 701	91 483	115 675	79 500	96 483	112 498
Provinces and municipalities	166 973	225 525	85 616	190 351	83 111	107 303	68 126	82 617	92 363
Main. of R293 prop. and EEDBS	122 670	210 000	75 800	167 240	60 000	84 192	52 000	68 117	72 467
Rates and taxes	44 303	15 525	8 365	20 000	20 000	20 000	12 800	14 500	19 896
Transfer of staff to eThekweni Metro	-	-	1 451	3 111	3 111	3 111	3 326	-	-
Households	3 366	731	11 797	350	8 372	8 372	11 374	13 866	20 135
Rectification of pre-1994 housing	-	-	-	-	7 422	7 422	10 000	13 180	19 740
Social benefits	3 366	731	11 797	350	950	950	1 374	686	395
Total	2 147 153	2 784 369	2 729 402	2 819 229	2 965 937	2 998 635	3 099 239	1 567 194	1 526 207

6. Programme description

The services rendered by this department are categorised under four programmes, which largely 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 2009/10 to 2015/16.

Table 8.15: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Corporate Services	99 805	108 343	117 684	123 717	128 121	137 021	136 453	146 599	154 201
Total	99 805	108 343	117 684	123 717	128 121	137 021	136 453	146 599	154 201
Unauth. exp. (1 st charge) not available for spending	-	(9 303)	(9 303)	-	-	-	-	-	-
Baseline available for spending after 1st charge	99 805	99 040	108 381	123 717	128 121	137 021	136 453	146 599	154 201

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	96 704	96 025	105 579	120 622	122 242	118 908	132 790	142 874	150 421
Compensation of employees	47 614	54 634	57 118	70 762	70 382	67 048	80 268	84 650	90 547
Goods and services	49 090	41 391	48 461	49 860	51 860	51 860	52 522	58 224	59 874
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	943	872	565	610	990	1 524	785	829	860
Provinces and municipalities	87	57	62	110	230	230	250	265	280
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	856	815	503	500	760	1 294	535	564	580
Payments for capital assets	2 133	2 143	2 237	2 485	4 665	16 365	2 878	2 896	2 920
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 133	1 864	2 237	2 485	4 665	16 365	2 878	2 896	2 920
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	279	-	-	-	-	-	-	-
Payments for financial assets	25	9 303	9 303	-	224	224	-	-	-
Total	99 805	108 343	117 684	123 717	128 121	137 021	136 453	146 599	154 201
Unauth. exp. (1 st charge) not available for spending	-	(9 303)	(9 303)	-	-	-	-	-	-
Baseline available for spending after 1st charge	99 805	99 040	108 381	123 717	128 121	137 021	136 453	146 599	154 201

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 these charges.

The overall increase from 2009/10 to 2011/12 was attributable to inflationary increases. The increase from the 2012/13 Main to Adjusted Appropriation was to cater for the payment of the previous financial year's commitments with regard to the purchase of motor vehicles, as well as operational costs related to motor vehicles. The high 2012/13 Revised Estimate relates to the replacement of motor vehicles, as well as purchasing new motor vehicles for districts, as the department has decentralised its offices.

The increase over the 2013/14 MTEF onward is to cater for wage agreements, inflationary increases and filling of critical budgeted posts, which explains the increase against *Compensation of employees* and *Goods and services*.

The increase against *Compensation of employees* from 2011/12 to the 2012/13 Adjusted Appropriation was from provision made for the filling of vacant posts within the programme. The decrease from the 2012/13 Adjusted Appropriation to Revised Estimate is attributed to delays in the filling of vacant posts, pending the finalisation of the organisational structure.

The increase from the 2012/13 Main to Adjusted Appropriation against *Goods and services* relates to higher than budgeted fleet maintenance costs due to additional motor vehicles purchased. The department has also made provision for costs associated with the decentralisation of core functions to districts.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences.

The fluctuating trend against *Transfers and subsidies to: Households* over the seven years relates to staff exit costs.

Machinery and equipment fluctuates over the seven-year period due to the cyclical nature of items purchased within this category. The increase from the 2012/13 Adjusted Appropriation to Revised Estimate caters for the replacement of motor vehicles, as well as purchasing of new motor vehicles for districts as the department has decentralised its offices, as explained previously.

During 2010/11, the department purchased a Human Resource Connect system for the Human Resource component against *Software and other intangible assets*. 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* relates to the write-off of staff debts in terms of the departmental write-off policy in 2009/10 and 2012/13.

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 2009/10 to 2015/16.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Administration	1 120	1 067	1 149	2 130	1 733	1 733	1 818	1 967	2 075
Policy	3 008	2 918	3 166	4 866	3 814	3 814	4 622	4 880	5 145
Planning	8 130	11 415	12 395	29 655	21 482	21 482	16 221	16 951	17 384
Research	5 803	3 422	4 188	6 342	7 487	7 487	10 159	10 794	11 074
Total	18 061	18 822	20 898	42 993	34 516	34 516	32 820	34 592	35 678

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	17 196	18 154	19 520	41 063	31 776	31 244	30 210	32 197	33 683
Compensation of employees	10 222	10 624	11 327	28 288	17 620	13 188	17 797	18 883	19 997
Goods and services	6 974	7 530	8 193	12 775	14 156	18 056	12 413	13 314	13 686
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	146	-	-	-	15	47	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	146	-	-	-	15	47	-	-	-
Payments for capital assets	719	668	1 378	1 930	2 725	3 225	2 610	2 395	1 995
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	719	668	1 378	1 930	2 725	3 225	2 610	2 395	1 995
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	18 061	18 822	20 898	42 993	34 516	34 516	32 820	34 592	35 678

The decrease in the sub-programme: Administration from 2009/10 to 2010/11 was due to decreased travelling and subsistence costs in that year resulting from cost-cutting. The decrease from the 2012/13 Main to Adjusted Appropriation is the result of delays in the filling of budgeted vacant posts emanating from a lack of suitably qualified candidates, as well as the ongoing restructuring within the department. The increase over the 2013/14 MTEF is mainly to cater for the filling of budgeted vacant posts within this sub-programme, while bearing in mind the moratorium on the filling of non-critical posts.

The decrease against the sub-programme: Policy from 2009/10 to 2010/11 was due to changes in staff numbers. The increase from 2011/12 to the 2012/13 Main Appropriation is due to provision being made for the filling of vacant posts. The decrease from the 2012/13 Main to Adjusted Appropriation is the result of delays in the filling of posts emanating from a lack of suitably qualified candidates, as well as the restructuring of the department. The budget grows steadily over the 2013/14 MTEF to cater for the filling of critical vacant posts.

There is a steady increase in the sub-programme: Planning in 2009/10 to 2011/12. The increase from 2011/12 to the 2012/13 Main Appropriation was due to the department budgeting for project facilitator posts in this programme, which were initially budgeted for under Programme 3: Housing Development. The decrease from the 2012/13 Main to the Adjusted Appropriation was due to the decision taken that the posts should return to Programme 3 where they were previously budgeted for, as most activities of these posts relate to this programme. The decrease from the 2012/13 Revised Estimate to 2013/14 is due to provision for arrear payments in respect of SITA services, which were not received on time during 2011/12 and provision was made to settle outstanding payments during 2012/13.

The decrease against the sub-programme: Research from 2009/10 to 2010/11 was due to the delay in the implementation of the capacity building programmes such as training of *Amakhosi*, due to internal capacity constraints. The increase from the 2012/13 Main to Adjusted Appropriation relates to the costs related to the Youth Summit, which was inadequately budgeted for. The increase from the 2012/13 Revised Estimate to the 2013/14 MTEF is due to provision made for the filling of vacant posts (in line with the moratorium) and the implementation of capacity building programmes.

With regard to *Compensation of employees*, provision has been made over the MTEF for the filling of vacant posts (while bearing in mind the moratorium), as well as for anticipated inflationary increases. The decrease from the 2012/13 Main to Adjusted Appropriation and Revised Estimate was due to the non-filling of budgeted vacant posts, pending the finalisation of the organogram.

Goods and services grows consistently between 2009/10 and 2011/12. The increase from the 2012/13 Main to Adjusted Appropriation and Revised Estimate was due to arrear payments, which will be made for SITA services. The budget declines over the MTEF compared to the 2012/13 Revised Estimate, as the payment for SITA services is expected to normalise without any further arrear payments.

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.

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 outputs and performance indicators descriptions have been changed in line with the department's 2013/14 APP. The performance indicator “new” in the 2012/13 Estimated performance illustrates that the indicator did not exist in 2012/13, and that it is a new indicator from 2013/14 onward.

Table 8.19: Service delivery measures – Programme 2: Housing Needs, Research and Planning

Table 6.10: Service delivery measures – Programme 2: Housing Needs, Research and Planning						
Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2012/13	2013/14	2014/15	2015/16
Planning						
1.1	Improved planning to achieve integrated settlement developments	• No. of planned human settlement developments approved based on national and provincial priorities	new	5	9	14
		• No. of municipalities capacitated and supported with regard to human settlement development planning	new	6	8	10
		• Framework for identification of flood plains developed	Tender advertised TOR developed	TOR and contract	Framework developed	Implement and review

Table 8.19: Service delivery measures – Programme 2: Housing Needs, Research and Planning

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2012/13	2013/14	2014/15	2015/16
	<ul style="list-style-type: none"> Confirmed project pipeline 	Confirmed project pipeline	Pipeline budget developed, cash flows assigned	Implement and review	Implement and review
	<ul style="list-style-type: none"> No. of projects aligned with small town regeneration programme 	new	1	Determined by project team led by COGTA	Determined by project team led by COGTA
	<ul style="list-style-type: none"> No. of housing projects packaged 	new	30	30	30
Policy					
1.2	Improved planning to achieve integrated settlement developments	<ul style="list-style-type: none"> No. of research projects approved No. of policies and/or guidelines approved 	5 6	5 6	5 6
Research					
1.3	Improved planning to achieve integrated settlement developments	<ul style="list-style-type: none"> No. of housing consumers trained No. of Amakhosi trained No. of councillors trained No. of municipalities capacitated on accreditation 	6 000 160 160 6	6 000 160 160 7	6 000 160 160 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 HSDG, the remainder of which falls under Programme 4.

Tables 8.20 and 8.21 illustrate a summary of payments and budgeted estimates from 2009/10 to 2015/16.

This programme has increased significantly from 2009/10 to 2013/14 due to increases in the HSDG. The department was allocated the Housing Disaster Relief grant from 2009/10 to 2011/12 (of which a portion was rolled over to 2012/13) only, adding to the increases over these years. This programme is aligned to the departmental infrastructure plan, which contains a list of all projects that are to be implemented. The budget for this programme decreases significantly in the two outer years of the MTEF as result of the review of the current allocation formula of the HSDG (especially with regard to allocations to larger urban areas), which resulted in only half of the budget being allocated, pending the finalisation of the formula. The decrease in the two outer years has affected all the sub-programmes except Administration.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Administration	57 023	54 346	55 873	57 896	66 373	66 373	72 785	76 181	79 122
Financial Interventions	469 317	491 660	647 717	528 844	629 267	629 267	551 893	315 119	346 041
Incremental Interventions	746 834	993 336	961 162	1 085 350	890 181	890 181	1 038 096	514 040	433 074
Social and Rental Intervention	147 637	189 992	142 563	269 680	359 020	359 020	375 030	198 228	168 612
Rural Intervention	668 654	917 187	902 891	898 635	1 043 166	1 043 166	1 112 414	513 671	552 218
Total	2 089 465	2 646 521	2 710 206	2 840 405	2 988 007	2 988 007	3 150 218	1 617 239	1 579 067

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	69 834	61 803	67 457	198 547	103 828	96 194	115 039	120 078	139 162
Compensation of employees	42 579	49 382	59 416	87 858	81 980	81 980	91 232	96 797	102 508
Goods and services	27 255	12 229	8 041	110 689	21 848	14 214	23 807	23 281	36 654
Interest and rent on land	-	192	-	-	-	-	-	-	-
Transfers and subsidies to:	1 975 725	2 557 241	2 631 424	2 627 918	2 873 449	2 881 389	3 018 954	1 469 882	1 412 849
Provinces and municipalities	43 000	128 007	-	203 250	95 000	95 000	100 000	157 800	69 200
Departmental agencies and accounts	-	-	-	-	144 477	144 477	220 408	100 000	100 000
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 932 725	2 429 234	2 631 424	2 424 668	2 633 972	2 641 912	2 698 546	1 212 082	1 243 649
Payments for capital assets	43 906	27 477	11 325	13 940	10 730	10 424	16 225	27 279	27 056
Buildings and other fixed structures	43 816	27 477	11 022	10 000	10 000	10 000	15 000	26 014	26 014
Machinery and equipment	90	-	303	3 940	730	424	1 225	1 265	1 042
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 089 465	2 646 521	2 710 206	2 840 405	2 988 007	2 988 007	3 150 218	1 617 239	1 579 067

The sub-programme: Administration shows a decreasing trend from 2009/10 to 2010/11 due to the decrease in the number of housing projects launched, as well the implementation of cost-cutting. The increase from the 2012/13 Main to Adjusted Appropriation was due to the decision taken that the posts of project facilitators be returned to Programme 3 where they were previously budgeted for, as most activities of these posts relate to this programme. The sub-programme reflects a substantial increase over the 2013/14 MTEF, due to the provision made for the filling of vacant posts, while bearing in mind the moratorium.

The increase from 2009/10 to 2011/12 against Financial Interventions related to accelerated expenditure on the purchase of land for housing projects, mainly in the eThekweni Metro and Ilembe District. The increase from the 2012/13 Main to Adjusted Appropriation was due to provision for the purchase of land for housing projects, mainly in Msunduzi and KwaDukuza Municipalities. The increase in 2013/14 is largely due to the acceleration of housing programmes, such as FLISP. The decrease in the two outer years relates to the reduced allocation with respect to the HSDG, as previously explained.

The increase in the Incremental Interventions sub-programme from 2009/10 to 2010/11 was mainly as a result of the increase in the HSDG, as most projects that are implemented fall within this intervention. The decrease from the 2012/13 Main to Adjusted Appropriation is due to delays in the process of some projects within the eThekweni Metro as a result of delays in the SCM processes within the Metro, e.g. Cornubia housing project. The increase in 2013/14 is to cater for the fast-tracking of certain housing projects, such as *Vulindlela*, as previously explained. The decrease in the two outer years relates to the reduced allocation with respect to the HSDG, as previously explained.

The decrease against the sub-programme: Social and Rental Intervention from 2010/11 to 2011/12 was due to challenges experienced in the implementation of the CRU programme in the latter financial year. The increase from the 2012/13 Main to Adjusted Appropriation related to the re-allocation of funds returned by Thubelisha Homes for the Ingwavuma Ministerial projects for social housing projects. The budget allocated over the 2013/14 MTEF relates to the CRU programme, which will be transferred to municipalities for the upgrade and erection of hostel units. The decrease over the MTEF relates to the non-allocation to SHRA due to baseline cuts, as previously mentioned.

The increase in the sub-programme: Rural Intervention between 2009/10 and 2011/12 was due to an increase in the HSDG, resulting from the demand for rural housing in KZN. The large increase from the 2012/13 Main to Adjusted Appropriation was to cater for accelerated service delivery in the rural housing projects, which was not adequately budgeted for, and aligning the allocations with the revised cashflow of the department. Despite the reduced baseline, the other contributing factor to the decrease from 2013/14 to 2014/15 is that some of the rural projects reached completion stage, e.g. *Ekudubekeni*, *Bhekumthetho*,

Dubeni and Mabhungu rural housing. The decrease in the two outer years relates to the reduced allocation with respect to the HSDG, as previously explained.

The increase against *Compensation of employees* from 2009/10 onward can be ascribed to the anticipation of the organisational restructuring being finalised and the resultant filling of budgeted vacant posts (in line with the moratorium), as well as the various wage agreements.

The decrease against *Goods and services* from 2009/10 to 2011/12 was due to cost-cutting, whereby project launches were substantially decreased. The decrease from the 2012/13 Main to Adjusted Appropriation is due to provision made for the implementation of the PMU, which was later put on hold during the year as the Infrastructure Crack Team administered by Provincial Treasury was appointed. The reduction over the 2013/14 MTEF is due to the fact that the Infrastructure Crack Team is expected to continue to provide the required technical capacity to the department. The slightly high amount in 2013/14 compared to 2014/15 is due to the additional funding received with respect to the EPWP Integrated Grant for Provinces in that year only.

The increase against *Transfers and subsidies to: Provinces and municipalities* from 2009/10 to 2010/11 relates to transfers made for the CRU programme. During 2011/12, no transfers were made due to delays in the approval process of projects within municipalities. The decrease from the 2012/13 Main to Adjusted Appropriation relates to delays in the implementation of the CRU programme, as previously explained. The substantial increase in the first two years of the MTEF relates to transfers to be made to the eThekwin Metro for the CRU programme as per the agreement between the department and the municipality. The budget declines in the outer year in line with the agreement, as previously mentioned.

The allocation against *Transfers and subsidies to: Departmental agencies and accounts* in the 2012/13 Adjusted Appropriation relates to the re-classification of the budgets allocated to be transferred to SHRA and NHFC. These allocations were originally budgeted for under *Transfers and subsidies to: Households*. No provision has been made for the transfer to SHRA from 2014/15 due to the reduced allocation with regard to the HSDG, as previously mentioned.

Transfers and subsidies to: Households, which shows an increasing trend from 2009/10 to 2012/13, caters for the bulk of the HSDG and the full allocation of the Housing Disaster Relief grant. The bulk of the HSDG is allocated against this category, as housing units are transferred to beneficiaries upon completion. The increase in 2013/14 also takes into account additional funding allocated to the HSDG for the informal settlements upgrade in rapidly urbanising mining towns, as previously explained. The significant decrease in the two outer years of the MTEF relates to the reduced allocation with respect to the HSDG, as previously explained.

Buildings and other fixed structures is mainly associated with the Social and Economic Facilities programme. The budget allocated over the 2013/14 MTEF caters for the finalisation of some projects such as, Stepmore *Maguswana*, *Umkhizi* and Task Valley.

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 cost-cutting.

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 outputs and performance indicator's descriptions have been changed in line with the department's 2013/14 APP.

The two outer years' targets are based on the original allocation for the HSDG (which was R3.519 billion in 2014/15 and R3.863 billion in 2015/16), and are subject to change once the allocation formula for the grant is finalised by the National Department of Human Settlements.

Table 8.22: Service delivery measures – Programme 3: Housing Development

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2012/13	2013/14	2014/15	2015/16
1.1	Individual non credit linked subsidies	<ul style="list-style-type: none"> No. of beneficiaries approved No. of houses completed 	1 000 1 013	1 000 650	1 540 950	1 800 1 100
1.2	Social and economic amenities	<ul style="list-style-type: none"> No. of projects completed 	-	Projects under review	-	-
1.3	Finance Linked Individual Subsidy programme	<ul style="list-style-type: none"> No. of houses completed 	100	800	1 000	1 200
1.4	Project linked	<ul style="list-style-type: none"> No. of beneficiaries approved No. of sites serviced No. of houses completed 	3 826 2 054 1 740	2 600 2 700 3 184	5 393 930 5 231	5 393 1 085 3 784
1.5	Informal settlements upgrade	<ul style="list-style-type: none"> No. of sites serviced No. of houses completed 	5 825 1 732	6 729 5 806	9 157 7 223	8 595 8 718
1.6	Integrated Development programme	<ul style="list-style-type: none"> No. of sites serviced No. of houses completed 	484 187	580 580	920 1 140	778 762
1.7	Peoples' housing process	<ul style="list-style-type: none"> No. of houses completed 	2 730	1 644	864	900
1.8	Disaster management rehabilitation (inclusive of Operation <i>Sukuma Sakhe</i>)	<ul style="list-style-type: none"> No. of houses completed 	3 110	1 060	313	418
1.9	Rectification programme	<ul style="list-style-type: none"> No. of units rectified 	36	1 692	2 678	2 480
1.10	Provision of institutional subsidies (inclusive of vulnerable groups)	<ul style="list-style-type: none"> No. of units completed 	-	12	-	-
1.11	Affordable social housing	<ul style="list-style-type: none"> No. of units completed 	2 081	1 033	700	700
1.12	Community Residential Units	<ul style="list-style-type: none"> No. of units completed 	1 886	522	542	542
1.13	Rural housing	<ul style="list-style-type: none"> No. of beneficiaries approved No. of houses completed 	25 288 15 116	14 670 18 999	5 465 17 459	5 910 18 584
1.14	All subsidy instruments	<ul style="list-style-type: none"> No. of properties transferred No. of beneficiaries approved No. of sites completed No. of houses completed 	3 500 28 519 8 883 27 845	11 072 22 288 10 008 33 768	16 011 19 898 11 877 34 680	18 465 11 152 11 375 35 316
1.15	Access to land and densification	<ul style="list-style-type: none"> No. of hectares procured 	2 000 ha	1 850 ha	2 100 ha	2 100 ha

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Administration	64 333	62 693	75 808	75 803	71 399	62 499	70 190	69 269	70 939
Sale and Transfer of Housing Properties	31 340	97 563	1 105	7 076	7 076	7 076	8 331	8 309	8 309
Housing Properties Maintenance	189 643	155 295	116 794	210 941	148 701	148 701	152 664	136 397	166 983
Total	285 316	315 551	193 707	293 820	227 176	218 276	231 185	213 975	246 231

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	114 835	89 290	96 180	102 949	97 935	84 807	90 667	89 100	91 061
Compensation of employees	57 335	60 165	60 159	69 684	64 670	55 770	61 258	64 995	67 126
Goods and services	57 500	29 125	36 021	33 265	33 265	29 037	29 409	24 105	23 935
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	170 339	226 256	97 413	190 701	91 483	115 675	79 500	96 483	112 498
Provinces and municipalities	166 973	225 525	85 616	190 351	83 111	107 303	68 126	82 617	92 363
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 366	731	11 797	350	8 372	8 372	11 374	13 866	20 135
Payments for capital assets	102	5	114	170	37 748	17 748	61 018	28 392	42 672
Buildings and other fixed structures	-	-	77	-	37 578	17 578	60 464	28 200	42 480
Machinery and equipment	67	5	37	170	170	170	554	192	192
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	35	-	-	-	-	-	-	-	-
Payments for financial assets	40	-	-	-	10	46	-	-	-
Total	285 316	315 551	193 707	293 820	227 176	218 276	231 185	213 975	246 231

The fluctuations in the sub-programme: Administration from 2009/10 to 2011/12 were due to voluntary severance packages paid to officials who left the public service in 2009/10, hence there was a decrease from the 2012/13 Main to Adjusted Appropriation as the salaries for these officials were already budgeted for. The fluctuating trend over the 2013/14 MTEF is due to final payment which will be paid to the eThekweni Metro in 2013/14 for the R293 officials who were transferred to the Metro.

The increase against the sub-programme: Sale and Transfer of Housing Properties from 2009/10 to 2010/11 was 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 2010/11 to 2011/12 was 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 allocation remains constant in the two outer years, and the department anticipates reducing the allocation for this sub-programme moving forward, as there are a number of properties that would need to be rectified and then be transferred to beneficiaries in terms of the EEDBS.

There is a fluctuating trend against the sub-programme: Housing Properties Maintenance. 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, as previously explained. This once-off payment explains the decrease from 2009/10 to 2010/11. The decrease from the 2012/13 Main to Adjusted Appropriation was as a result of the delay in the implementation of the rectification programme for the pre-1994 housing stock. The process to appoint service providers to implement rectification is, however, underway in areas where assessments have been finalised. The fluctuating trend over the MTEF relate to the rectification of pre-1994 housing stock owned by the department while, in the meantime, transferring some of the properties to individuals (beneficiaries) or municipalities, as previously mentioned.

The increase against *Compensation of employees* from 2009/10 to 2010/11 can be ascribed to the wage agreements increase. The decrease from the 2012/13 Main to Adjusted Appropriation related to the budget, which was already allocated for the officials who took severance packages, as well as savings identified due to the posts not filled as a result of the restricting process. The approval for severance packages was obtained after the budget was finalised, hence their salaries were budgeted for. The further decrease in the 2012/13 Revised Estimate relates to the non-filling of budgeted vacant posts, pending the finalisation of the restructuring process.

The decrease from 2009/10 to 2010/11 against *Goods and services* was due to poor spending on the EEDBS programme due to delays in the rehabilitation of housing stock. The decrease from 2012/13 to 2013/14 is as a result of the anticipated reduction in maintenance of properties, as these properties will be

transferred to municipalities and individual beneficiaries. The decrease in the 2012/13 Revised Estimate is due to the budget for EEDBS, which is classified under this category and expected to be transferred to the eThekweni Metro. The budget will be shifted accordingly.

The fluctuating trend against *Transfers and subsidies to: Provinces and municipalities* from 2009/10 to 2011/12 was due to funds transferred 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. The decrease from the 2012/13 Main to Adjusted Appropriation was due to the re-classification of allocations for rectification of pre-1994 housing stock to *Transfers and subsidies to: Households* and *Buildings and other fixed structures*, as previously explained. The increase from the 2012/13 Adjusted Appropriation to Revised Estimate is due to the transfer made to the eThekweni Metro in respect of the EEDBS programme to facilitate the transfer of R293 properties. The budget is classified under *Goods and services* and will be shifted accordingly in January 2013, as previously explained. The allocation decreases from 2012/13 to 2013/14 due to the fact that the department will be rectifying the properties in line with the scoping reports from the NHBRC.

The amounts spent against *Transfers and subsidies to: Households* relate to staff exit costs and budgets allocated for rectification of properties owned by individuals, as explained previously.

The budget against *Buildings and other fixed structures* from the 2012/13 Adjusted Appropriation onward relates to the rectification of housing properties owned by the department, as explained previously. The decrease in the 2012/13 Revised Estimate is due to savings that were identified under the rectification of pre-1994 housing stock owned by the department as a result of delays in getting the scoping from NHBRC to inform the rectifications to be done, as previously mentioned. The fluctuating over the MTEF relate to the rectification of pre-1994 housing stock owned, as previously explained.

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 outputs and performance indicators descriptions have been changed in line with the department's 2013/14 APP.

Table 8.25: Service delivery measures – Programme 4: Housing Asset Management, Property Management

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16
1. Strengthening governance and service delivery	• Rental Tribunal: No. of cases resolved	1 380	1 380	1 380	1 380
2. To provide secure tenure to communities	• No. of units maintained	3 500	3 500	3 000	3 000
	• No. of pre-1994 units rectified	1 500	1 500	2 000	2 000
	• No. of residential properties transferred	2 500	2 500	1 605	1 605

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 2012/13, the department was engaged in a restructuring process, which entailed revising the structure of the department. The structure is anticipated to be completed and implemented by 31 March 2013. As is evident from Table 8.27, the new structure, which is anticipated to be implemented in the latter part of 2012/13, 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, and the Human Settlements Development grant will be utilised to fund some of the posts.

The number of contract workers rises substantially from 2012/13 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. The decrease against the number of contract workers from the 2012/13 Main to Adjusted Appropriation relates to the fact that the department was unable to find contract workers, such as quantity surveyors, with the adequate skills to oversee various aspects of housing projects.

Table 8.26: Personnel numbers and costs per programme

	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	As at 31 March 2016
Personnel numbers							
1. Administration	255	247	227	231	271	271	271
2. Housing Needs, Research and Planning	24	36	32	36	42	42	42
3. Housing Development	159	154	174	191	242	242	242
4. Housing Asset Management, Property Management	420	420	307	312	306	306	306
Total	858	857	740	770	861	861	861
Total personnel cost (R thousand)	157 750	174 805	188 020	217 986	250 555	265 325	280 178
Unit cost (R thousand)	184	204	254	283	291	308	325

Table 8.27: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation 2012/13	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Total for department									
Personnel numbers (head count)	858	857	740	917	809	770	861	861	861
Personnel cost (R thousand)	157 750	174 805	188 020	256 592	234 652	217 986	250 555	265 325	280 178
Human resources component									
Personnel numbers (head count)	48	67	76	57	57	57	66	66	66
Personnel cost (R thousand)	7 513	11 742	12 180	14 140	14 283	14 283	14 895	15 665	16 478
Head count as % of total for department	5.59	7.82	10.27	6.22	7.05	7.40	7.67	7.67	7.67
Personnel cost as % of total for department	4.76	6.72	6.48	5.51	6.09	6.55	5.94	5.90	5.88
Finance component									
Personnel numbers (head count)	108	104	92	106	106	106	127	127	127
Personnel cost (R thousand)	20 111	21 238	24 345	27 477	27 677	27 677	36 475	37 492	39 485
Head count as % of total for department	12.59	12.14	12.43	11.56	13.10	13.77	14.75	14.75	14.75
Personnel cost as % of total for department	12.75	12.15	12.95	10.71	11.79	12.70	14.56	14.13	14.09
Full time workers									
Personnel numbers (head count)	797	799	682	782	723	693	735	735	735
Personnel cost (R thousand)	147 776	165 651	178 866	213 715	191 775	175 109	213 439	226 348	239 199
Head count as % of total for department	92.89	93.23	92.16	85.28	89.37	90.00	85.37	85.37	85.37
Personnel cost as % of total for department	93.68	94.76	95.13	83.29	81.73	80.33	85.19	85.31	85.37
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)	61	58	58	135	86	77	126	126	126
Personnel cost (R thousand)	9 974	9 154	9 154	42 877	42 877	42 877	37 116	38 977	40 979
Head count as % of total for department	7.11	6.77	7.84	14.72	10.63	10.00	14.63	14.63	14.63
Personnel cost as % of total for department	6.32	5.24	4.87	16.71	18.27	19.67	14.81	14.69	14.63

In 2012/13, the department was engaged in a restructuring process, which entailed revising the structure of the department. The structure is anticipated to be completed and implemented by 31 March 2013. As is evident from Table 8.27, the new structure, which is anticipated to be implemented in the latter part of 2012/13, 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, and the HSDG will be utilised to fund some of the posts.

The number of contract workers rises substantially from 2012/13 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. The decrease against the number of contract workers from the 2012/13 Main to Adjusted Appropriation relates to the fact that the department was unable to find contract workers, such as quantity surveyors, with the adequate skills to oversee various aspects of housing projects.

7.2 Training

Tables 8.28 and 8.29 give a summary of departmental spending and information on training for the period 2009/10 to 2011/12, estimated spending for 2012/13 and budgeted expenditure for the 2013/14 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 8.28: Payments and estimates on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
1. Administration	1 399	393	249	1 300	1 300	400	1 320	1 466	1 425
2. Housing Needs, Research and Planning	1 564	69	-	1 410	1 410	1 377	1 450	1 525	1 535
3. Housing Development									
4. Housing Asset Management, Property Management									
Total	2 963	462	249	2 710	2 710	1 777	2 770	2 991	2 960

Table 8.29: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Number of staff	858	857	740	917	809	770	861	861	861
Number of personnel trained	845	816	256	906	809	770	811	811	811
of which									
Male	562	503	107	503	453	429	408	408	408
Female	283	313	149	403	356	341	403	403	403
Number of training opportunities	25	17	10	21	21	21	21	21	21
of which									
Tertiary	5	3	-	3	3	3	3	3	3
Workshops	13	6	1	10	10	10	10	10	10
Seminars	5	5	-	5	5	5	5	5	5
Other	2	3	9	3	3	3	3	3	3
Number of bursaries offered	15	19	10	18	18	27	23	23	23
External	7	6	4	5	5	14	10	10	10
Internal	8	13	6	13	13	13	13	13	13
Number of interns appointed	27	4	23	15	15	40	40	15	15
Number of learnerships appointed	-	-	6	2	2	2	2	2	2
Number of days spent on training	38	50	24	60	60	60	60	60	60

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 2011/12 is due to cost-cutting, whereby the department trained staff internally, rather than using service providers.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	324	387	474	412	412	417	434	477	534
Sale of goods and services produced by dept. (excl. capital assets)	324	387	474	412	412	417	434	477	534
Sales by market establishments									
Administrative fees	141	150	68	-	-	239	-	-	-
Other sales	183	237	406	412	412	178	434	477	534
of which									
Commission Insurance	154	191	157	356	356	146	375	412	462
House Debtors Admin Fee									
Rental parking open, boarding serv. staff	29	46	249	56	56	32	59	65	72
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	90	46	(20)	103	103	69	30	30	30
Interest	90	46	(20)	103	103	69	30	30	30
Dividends									
Rent on land									
Sale of capital assets	412	302	160	-	-	530	300	300	300
Land and subsoil assets									
Other capital assets	412	302	160	-	-	530	300	300	300
Transactions in financial assets and liabilities	5 729	7 382	268 554	735	735	13 449	775	853	938
Total	6 555	8 117	269 168	1 250	1 250	14 465	1 539	1 660	1 802

Table 8.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	298 569	265 272	288 736	463 181	355 781	331 153	368 706	384 249	414 327
Compensation of employees	157 750	174 805	188 020	256 592	234 652	217 986	250 555	265 325	280 178
Salaries and wages	135 957	149 648	161 750	227 001	205 901	193 235	222 223	236 229	249 918
Social contributions	21 793	25 157	26 270	29 591	28 751	24 751	28 332	29 096	30 260
Goods and services	140 819	90 275	100 716	206 589	121 129	113 167	118 151	118 924	134 149
of which									
Administrative fees	145	189	12	218	172	172	244	270	287
Advertising	3 533	1 545	2 530	1 281	4 430	4 803	4 540	4 746	5 651
Assets <R5000	278	161	167	757	821	862	1 334	1 355	1 373
Audit cost: External	3 221	3 278	3 529	4 180	4 180	4 180	4 300	5 675	6 100
Bursaries (employees)	102	123	79	300	300	300	310	337	350
Catering: Departmental activities	5 683	436	334	36	1 194	1 323	967	933	924
Communication	7 192	5 213	5 549	6 573	5 383	5 323	7 052	7 717	7 829
Computer services	4 456	7 055	6 849	9 333	10 009	13 848	8 658	9 266	9 531
Cons/prof. Business & advisory services	37 249	14 050	1 537	103 435	9 433	2 273	9 639	11 669	17 827
Cons/prof. Infrastructure & planning	190	1	20	-	10	107	-	-	-
Cons/prof. Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof. Legal cost	1 711	911	5 102	2 178	6 981	3 236	7 274	7 732	7 783
Contractors	3 113	177	407	-	2 102	2 133	5 570	2 660	2 700
Agency & support/outsourced services	674	687	1 031	590	445	445	663	715	772
Entertainment	84	31	13	75	53	75	54	72	82
Fleet services (incl. GMT)	-	-	3 261	2 930	4 430	4 730	2 750	3 350	3 400
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	6	59	60	122	121	126	138	158
Inventory: Fuel, oil and gas	-	-	12	-	54	54	150	150	150
Inventory: Learner and teacher supp material	122	212	184	232	227	230	272	312	334
Inventory: Materials and supplies	1 094	1 728	4 824	5 006	3 948	1 189	3 740	3 644	3 640
Inventory: Medical supplies	1	67	197	117	262	262	294	322	351
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	281	263	520	140	491	492	770	789	663
Inventory: Stationery and printing	1 211	831	999	1 428	1 452	1 500	1 731	1 885	1 932
Operating leases	16 156	18 571	19 588	20 094	20 109	18 176	20 224	21 309	21 384
Property payments	30 928	25 657	34 382	27 595	24 471	28 771	18 242	13 556	13 864
Transport provided: Departmental activity	2 594	16	54	15	267	267	230	210	680
Travel and subsistence	7 292	5 544	7 420	15 706	13 468	12 863	12 845	13 687	16 989
Training and development	2 963	462	249	2 710	2 710	1 777	2 770	2 991	2 960
Operating expenditure	2 166	556	621	790	1 121	1 071	1 321	1 408	1 424
Venues and facilities	8 380	2 505	1 187	810	2 404	2 504	1 981	1 926	4 911
Rental and hiring	-	-	-	-	80	80	100	100	100
Interest and rent on land	-	192	-	-	-	-	-	-	-
Interest	-	192	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	2 147 153	2 784 369	2 729 402	2 819 229	2 965 937	2 998 635	3 099 239	1 567 194	1 526 207
Provinces and municipalities	210 060	353 589	85 678	393 711	178 341	202 533	168 376	240 682	161 843
Provinces	87	64	62	120	230	230	250	265	280
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	87	64	62	120	230	230	250	265	280
Municipalities	209 973	353 525	85 616	393 591	178 111	202 303	168 126	240 417	161 563
Municipalities	209 973	353 525	85 616	393 591	178 111	202 303	168 126	240 417	161 563
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	144 477	144 477	220 408	100 000	100 000
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	144 477	144 477	220 408	100 000	100 000
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	1 937 093	2 430 780	2 643 724	2 425 518	2 643 119	2 651 625	2 710 455	1 226 512	1 264 364
Social benefits	4 547	2 169	12 300	850	2 227	2 793	2 209	1 550	1 275
Other transfers to households	1 932 546	2 428 611	2 631 424	2 424 668	2 640 892	2 648 832	2 708 246	1 224 962	1 263 089
Payments for capital assets	46 860	30 293	15 054	18 525	55 868	47 762	82 731	60 962	74 643
Buildings and other fixed structures	43 816	27 477	11 099	10 000	47 578	27 578	75 464	54 214	68 494
Buildings	-	-	77	-	37 578	17 578	60 464	28 200	42 480
Other fixed structures	43 816	27 477	11 022	10 000	10 000	10 000	15 000	26 014	26 014
Machinery and equipment	3 009	2 537	3 955	8 525	8 290	20 184	7 267	6 748	6 149
Transport equipment	1 926	1 846	2 018	1 970	4 150	15 850	2 118	2 166	2 200
Other machinery and equipment	1 083	691	1 937	6 555	4 140	4 334	5 149	4 582	3 949
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	35	279	-	-	-	-	-	-	-
Payments for financial assets	65	9 303	9 303	-	234	270	-	-	-
Total	2 492 647	3 089 237	3 042 495	3 300 935	3 377 820	3 377 820	3 550 676	2 012 405	2 015 177
Unauth. exp. (1 st charge) not available for spending	-	(9 303)	(9 303)	-	-	-	-	-	-
Baseline available for spending after 1st charge	2 492 647	3 079 934	3 033 192	3 300 935	3 377 820	3 377 820	3 550 676	2 012 405	2 015 177

Table 8.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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	96 704	96 025	105 579	120 622	122 242	118 908	132 790	142 874	150 421
Compensation of employees	47 614	54 634	57 118	70 762	70 382	67 048	80 268	84 650	90 547
Salaries and wages	40 459	46 171	47 773	61 252	60 922	58 588	70 551	74 870	80 128
Social contributions	7 155	8 463	9 345	9 510	9 460	8 460	9 717	9 780	10 419
Goods and services	49 090	41 391	48 461	49 860	51 860	51 860	52 522	58 224	59 874
of which									
Administrative fees	87	76	9	70	24	24	73	79	89
Advertising	905	842	1 924	931	2 420	2 779	2 600	3 000	3 200
Assets <R5000	79	98	16	78	120	120	56	67	75
Audit cost: External	3 221	3 278	3 529	4 180	4 180	4 180	4 300	5 675	6 100
Bursaries (employees)	102	123	79	300	300	300	310	337	350
Catering: Departmental activities	194	209	101	20	246	375	180	130	110
Communication	5 321	3 885	3 958	4 280	3 564	3 564	4 450	4 900	5 010
Computer services	-	144	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	1 676	1 767	94	10	190	190	220	260	310
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	1 247	541	4 230	1 182	1 332	1 779	1 800	2 150	2 200
Contractors	333	-	6	-	461	461	500	580	620
Agency & support/outsourced services	358	527	748	565	375	375	588	637	690
Entertainment	69	23	12	36	32	32	20	35	40
Fleet services (incl. GMT)	-	-	3 261	2 930	4 430	4 730	2 750	3 350	3 400
Housing									
Inventory: Food and food supplies	-	3	47	60	98	98	82	94	112
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	42	143	164	178	166	166	184	219	236
Inventory: Materials and supplies	34	10	-	-	74	74	82	89	98
Inventory: Medical supplies	-	67	197	102	253	253	278	306	336
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	86	8	3	57	21	21	52	60	68
Inventory: Stationery and printing	938	671	742	922	1 150	1 150	1 264	1 395	1 444
Operating leases	15 908	18 219	19 292	19 623	19 768	17 833	19 733	20 790	20 858
Property payments	10 203	8 115.0	7 135.0	9 578	6 924	8 524	7 150	7 500	7 800
Transport provided: Departmental activity	10	16	13	15	160	160	130	110	80
Travel and subsistence	2 209	1 733	2 354	2 429	3 203	3 203	3 300	3 900	4 153
Training and development	1 399	393	249	1 300	1 300	400	1 320	1 466	1 425
Operating expenditure	1 783	500	218	414	179	179	410	475	490
Venues and facilities	2 886	-	80	600	890	890	690	620	580
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	943	872	565	610	990	1 524	785	829	860
Provinces and municipalities	87	57	62	110	230	230	250	265	280
Provinces	87	57	62	110	230	230	250	265	280
Provincial Revenue Funds									
Provincial agencies and funds	87	57	62	110	230	230	250	265	280
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	856	815	503	500	760	1 294	535	564	580
Social benefits	856	815	503	500	760	1 294	535	564	580
Other transfers to households									
Payments for capital assets	2 133	2 143	2 237	2 485	4 665	16 365	2 878	2 896	2 920
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	2 133	1 864	2 237	2 485	4 665	16 365	2 878	2 896	2 920
Transport equipment	1 926	1 846	2 018	1 970	4 150	15 850	2 118	2 166	2 200
Other machinery and equipment	207	18	219	515	515	515	760	730	720
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	279	-	-	-	-	-	-	-
Payments for financial assets	25	9 303	9 303	-	224	224	-	-	-
Total	99 805	108 343	117 684	123 717	128 121	137 021	136 453	146 599	154 201
Unauth. exp. (1 st charge) not available for spending	-	(9 303)	(9 303)	-	-	-	-	-	-
Baseline available for spending after 1st charge	99 805	99 040	108 381	123 717	128 121	137 021	136 453	146 599	154 201

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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	17 196	18 154	19 520	41 063	31 776	31 244	30 210	32 197	33 683
Compensation of employees	10 222	10 624	11 327	28 288	17 620	13 188	17 797	18 883	19 997
Salaries and wages	8 875	9 217	9 731	24 943	15 455	12 023	15 577	16 514	17 466
Social contributions	1 347	1 407	1 596	3 345	2 165	1 165	2 220	2 369	2 531
Goods and services	6 974	7 530	8 193	12 775	14 156	18 056	12 413	13 314	13 686
of which									
Administrative fees	31	14	3	11	11	11	35	45	50
Advertising	-	-	24	90	330	330	509	528	544
Assets <R5000	55	23	45	444	274	266	363	498	502
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	69	24	50	-	253	253	270	285	295
Communication	233	178	206	206	162	167	280	300	315
Computer services	3 895	6 493	6 265	8 881	8 826	12 665	7 642	8 197	8 450
Cons/prof: Business & advisory services	-	-	87	-	-	2	-	-	-
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	11	-	79	-	-	1	-	-	-
Agency & support/outourced services	15	26	47	25	70	70	75	78	82
Entertainment	6	4	1	-	5	16	8	11	15
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	-	1	5	-	16	13	18	20	22
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	15	12	4	18	48	51	50	53	58
Inventory: Materials and supplies	-	-	1	-	5	5	8	10	12
Inventory: Medical supplies	1	-	-	-	-	-	-	-	-
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables									
Inventory: Stationery and printing	74	37	68	109	80	128	85	90	93
Operating leases	64	48	66	35	70	72	75	80	85
Property payments	13	-	(1)	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	51	51	-	-	-
Travel and subsistence	846	601	710	1 396	2 295	2 328	1 298	1 334	1 343
Training and development	1 564	69	-	1 410	1 410	1 377	1 450	1 525	1 535
Operating expenditure	12	-	-	-	-	-	-	-	-
Venues and facilities	70	-	533	150	250	250	247	260	285
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	146	-	-	-	15	47	-	-	-
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	146	-	-	-	15	47	-	-	-
Social benefits	146	-	-	-	15	47	-	-	-
Other transfers to households									
Payments for capital assets	719	668	1 378	1 930	2 725	3 225	2 610	2 395	1 995
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	719	668	1 378	1 930	2 725	3 225	2 610	2 395	1 995
Transport equipment									
Other machinery and equipment	719	668	1 378	1 930	2 725	3 225	2 610	2 395	1 995
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	18 061	18 822	20 898	42 993	34 516	34 516	32 820	34 592	35 678

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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	69 834	61 803	67 457	198 547	103 828	96 194	115 039	120 078	139 162
Compensation of employees	42 579	49 382	59 416	87 858	81 980	81 980	91 232	96 797	102 508
Salaries and wages	36 979	42 737	52 598	81 328	74 060	74 060	83 968	89 252	94 908
Social contributions	5 600	6 645	6 818	6 530	7 920	7 920	7 264	7 545	7 600
Goods and services	27 255	12 229	8 041	110 689	21 848	14 214	23 807	23 281	36 654
of which									
Administrative fees	4	88	-	137	137	137	136	146	148
Advertising	2 385	703	526	260	1 630	1 630	1 152	1 168	1 857
Assets <R5000	135	28	26	68	360	378	521	584	590
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	5 045	203	173	16	683	683	517	518	519
Communication	1 243	846	1 011	1 645	1 282	1 217	1 828	1 966	1 983
Computer services	291	341	498	296	743	743	777	814	821
Cons/prof: Business & advisory services	3 716	4 036	128	96 249	7 181	19	5 668	7 615	13 723
Cons/prof: Infrastructure & planning	142	1	-	-	10	107	-	-	-
Cons/prof: Laboratory services									
Cons/prof: Legal cost	21	185	576	130	50	50	120	127	128
Contractors	2 676	177	43	-	61	63	3 070	80	80
Agency & support/outourced services	145	109	-	-	-	-	-	-	-
Entertainment	8	2	-	24	8	19	26	26	27
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	-	2	7	-	3	5	7	7	7
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	45	51	3	3	-	-	3	3	3
Inventory: Materials and supplies	-	-	3	-	7	7	5	5	5
Inventory: Medical supplies	-	-	-	15	9	9	16	16	15
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	20	-	-	18	248	249	261	261	261
Inventory: Stationery and printing	137	45	147	314	124	124	288	302	301
Operating leases	92	266	164	358	200	200	333	351	353
Property payments	9	-	117	-	30	30	35	37	40
Transport provided: Departmental activity	2 374	-	38	-	56	56	100	100	600
Travel and subsistence	3 473	2 585	3 688	10 985	7 065	6 427	7 150	7 353	10 390
Training and development									
Operating expenditure	254	56	345	171	657	657	694	702	703
Venues and facilities	5 040	2 505	548	-	1 224	1 324	1 000	1 000	4 000
Rental and hiring	-	-	-	-	80	80	100	100	100
Interest and rent on land	-	192	-	-	-	-	-	-	-
Interest	-	192	-	-	-	-	-	-	-
Rent on land									
Transfers and subsidies to	1 975 725	2 557 241	2 631 424	2 627 918	2 873 449	2 881 389	3 018 954	1 469 882	1 412 849
Provinces and municipalities	43 000	128 007	-	203 250	95 000	95 000	100 000	157 800	69 200
Provinces	-	7	-	10	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds	-	7	-	10	-	-	-	-	-
Municipalities	43 000	128 000	-	203 240	95 000	95 000	100 000	157 800	69 200
Municipalities	43 000	128 000	-	203 240	95 000	95 000	100 000	157 800	69 200
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	144 477	144 477	220 408	100 000	100 000
Social security funds									
Entities receiving funds	-	-	-	-	144 477	144 477	220 408	100 000	100 000
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	1 932 725	2 429 234	2 631 424	2 424 668	2 633 972	2 641 912	2 698 546	1 212 082	1 243 649
Social benefits	179	623	-	-	502	502	300	300	300
Other transfers to households	1 932 546	2 428 611	2 631 424	2 424 668	2 633 470	2 641 410	2 698 246	1 211 782	1 243 349
Payments for capital assets	43 906	27 477	11 325	13 940	10 730	10 424	16 225	27 279	27 056
Buildings and other fixed structures	43 816	27 477	11 022	10 000	10 000	10 000	15 000	26 014	26 014
Buildings									
Other fixed structures	43 816	27 477	11 022	10 000	10 000	10 000	15 000	26 014	26 014
Machinery and equipment	90	-	303	3 940	730	424	1 225	1 265	1 042
Transport equipment									
Other machinery and equipment	90	-	303	3 940	730	424	1 225	1 265	1 042
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 089 465	2 646 521	2 710 206	2 840 405	2 988 007	2 988 007	3 150 218	1 617 239	1 579 067

Table 8.F: Details of payments and estimates by economic classification - Programme 4: Housing Asset Man., Property Man.

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	114 835	89 290	96 180	102 949	97 935	84 807	90 667	89 100	91 061
Compensation of employees	57 335	60 165	60 159	69 684	64 670	55 770	61 258	64 995	67 126
Salaries and wages	49 644	51 523	51 648	59 478	55 464	48 564	52 127	55 593	57 416
Social contributions	7 691	8 642	8 511	10 206	9 206	7 206	9 131	9 402	9 710
Goods and services	57 500	29 125	36 021	33 265	33 265	29 037	29 409	24 105	23 935
<i>of which</i>									
Administrative fees	23	11	-	-	-	-	-	-	-
Advertising	243	-	56	-	50	64	279	50	50
Assets <R5000	9	12	80	167	67	98	394	206	206
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	375	-	10	-	12	12	-	-	-
Communication	395	304	374	442	375	375	494	551	521
Computer services	270	77	86	156	440	440	239	255	260
Cons/prof: Business & advisory services	31 857	8 247	1 228	7 176	2 062	2 062	3 751	3 794	3 794
Cons/prof: Infrastructure & planning	48	-	20	-	-	-	-	-	-
Cons/prof: Laboratory services									
Cons/prof: Legal cost	443	185	296	866	5 599	1 407	5 354	5 455	5 455
Contractors	93	-	279	-	1 580	1 608	2 000	2 000	2 000
Agency & support/outourced services	156	25	236	-	-	-	-	-	-
Entertainment	1	2	-	15	8	8	-	-	-
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	-	-	-	-	5	5	19	17	17
Inventory: Fuel, oil and gas	-	-	12	-	54	54	150	150	150
Inventory: Learner and teacher supp material	20	6	13	33	13	13	35	37	37
Inventory: Materials and supplies	1 060	1 718	4 820	5 006	3 862	1 103	3 645	3 540	3 525
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	175	255	517	65	222	222	457	468	334
Inventory: Stationery and printing	62	78	42	83	98	98	94	98	94
Operating leases	92	38	66	78	71	71	83	88	88
Property payments	20 703	17 542	27 131	18 017	17 517	20 217	11 057	6 019	6 024
Transport provided: Departmental activity	210	-	3	-	-	-	-	-	-
Travel and subsistence	764	625	668	896	905	905	1 097	1 100	1 103
Training and development									
Operating expenditure	117	-	58	205	285	235	217	231	231
Venues and facilities	384	-	26	60	40	40	44	46	46
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	170 339	226 256	97 413	190 701	91 483	115 675	79 500	96 483	112 498
Provinces and municipalities	166 973	225 525	85 616	190 351	83 111	107 303	68 126	82 617	92 363
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	166 973	225 525	85 616	190 351	83 111	107 303	68 126	82 617	92 363
Municipalities	166 973	225 525	85 616	190 351	83 111	107 303	68 126	82 617	92 363
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	3 366	731	11 797	350	8 372	8 372	11 374	13 866	20 135
Social benefits	3 366	731	11 797	350	950	950	1 374	686	395
Other transfers to households	-	-	-	-	7 422	7 422	10 000	13 180	19 740
Payments for capital assets	102	5	114	170	37 748	17 748	61 018	28 392	42 672
Buildings and other fixed structures	-	-	77	-	37 578	17 578	60 464	28 200	42 480
Buildings	-	-	77	-	37 578	17 578	60 464	28 200	42 480
Other fixed structures									
Machinery and equipment	67	5	37	170	170	170	554	192	192
Transport equipment									
Other machinery and equipment	67	5	37	170	170	170	554	192	192
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	35	-	-	-	-	-	-	-	-
Payments for financial assets	40	-	-	-	10	46	-	-	-
Total	285 316	315 551	193 707	293 820	227 176	218 276	231 185	213 975	246 231

Table 8.G: Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	67 088	34 915	45 955	171 978	68 589	56 813	69 010	65 671	81 591
Compensation of employees	-	609	10 262	36 925	23 000	23 000	27 511	30 137	32 758
Salaries and wages	-	609	10 262	36 925	23 000	23 000	27 511	30 137	32 758
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	67 088	34 114	35 693	135 053	45 589	33 813	41 499	35 534	48 833
of which									
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	1 332	638	-	-	1 220	1 220	900	900	1 591
Assets <R5000	-	-	395	-	333	333	400	450	450
Audit cost: External	-	-	14	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	2 612	203	-	-	567	567	500	500	500
Communication	-	-	171	-	135	135	200	250	250
Computer services	-	-	-	-	341	341	74	75	80
Cons/prof: Business & advisory services	35 452	12 048	1 165	103 325	9 103	1 941	9 284	11 209	17 317
Cons/prof: Infrastructure & planning	190	-	139	-	10	107	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	442	170	183	681	5 484	1 292	5 156	5 246	5 246
Contractors	1 344	-	276	-	1 630	1 632	5 070	2 080	2 080
Agency & support/outsourced services	38	-	191	-	-	-	-	-	-
Entertainment	3	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	9	-	-	50	150	150	150
Inventory: Learner and teacher supp material	-	12	-	-	-	-	-	-	-
Inventory: Materials and supplies	1 031	1 412	4 833	5 006	3 856	3 856	3 645	3 540	3 525
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	4	-	7	-	268	268	330	335	340
Inventory: Stationery and printing	45	-	-	-	-	-	-	-	-
Lease payments	46	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	80	80	100	100	100
Property payments	20 688	17 550	27 090	18 014	17 514	17 514	11 010	6 019	6 024
Transport provided: Departmental activity	1 176	-	31	-	56	56	100	100	600
Travel and subsistence	-	30	736	8 027	4 027	3 456	3 500	3 500	6 500
Training and development	-	-	-	-	-	-	-	-	-
Operating expenditure	17	6	20	-	71	71	80	80	80
Venues and facilities	2 668	2 045	433	-	894	894	1 000	1 000	4 000
Interest and rent on land	-	192	-	-	-	-	-	-	-
Interest	-	192	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	2 142 519	2 782 642	2 714 968	2 729 919	2 826 117	2 858 249	3 093 454	1 565 379	1 524 652
Provinces and municipalities	209 973	353 525	103 537	390 480	175 010	199 202	164 800	240 417	161 563
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	209 973	353 525	103 537	390 480	175 010	199 202	164 800	240 417	161 563
Municipalities	209 973	353 525	103 537	390 480	175 010	199 202	164 800	240 417	161 563
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	95 229	95 229	220 408	100 000	100 000
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	95 229	95 229	220 408	100 000	100 000
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	1 932 546	2 429 117	2 611 431	2 339 439	2 555 878	2 563 818	2 708 246	1 224 962	1 263 089
Social benefits	-	-	-	-	115	115	-	-	-
Other transfers to households	1 932 546	2 429 117	2 611 431	2 339 439	2 555 763	2 563 703	2 708 246	1 224 962	1 263 089
Payments for capital assets	43 816	27 477	11 310	13 400	48 178	27 872	75 964	54 714	68 994
Buildings and other fixed structures	43 816	27 477	11 022	10 000	47 578	27 578	75 464	54 214	68 494
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	43 816	27 477	11 022	10 000	47 578	27 578	75 464	54 214	68 494
Machinery and equipment	-	-	288	3 400	600	294	500	500	500
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	288	3 400	600	294	500	500	500
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 253 423	2 845 034	2 772 233	2 915 297	2 942 884	2 942 934	3 238 428	1 685 764	1 675 237

Table 8.H: Payments and estimates by economic classification: Human Settlements Development grant - Prog. 3

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	13 078	7 582	12 221	141 201	37 862	30 228	40 279	44 962	60 882
Compensation of employees	-	609	10 262	36 925	23 000	23 000	27 511	30 137	32 758
Salaries and wages	-	609	10 262	36 925	23 000	23 000	27 511	30 137	32 758
Goods and services	13 078	6 781	1 959	104 276	14 862	7 228	12 768	14 825	28 124
of which									
Advertising	1 332	638	-	-	1 220	1 220	900	900	1 591
Assets <R5000	-	-	392	-	333	333	400	450	450
Audit cost: External	-	-	14	-	-	-	-	-	-
Catering: Departmental activities	2 612	203	-	-	567	567	500	500	500
Communication	-	-	171	-	135	135	200	250	250
Cons/prof: Business & advisory services	3 701	3 833	-	96 249	7 171	9	5 668	7 615	13 723
Cons/prof: Infrastructure & planning	142	-	119	-	10	107	-	-	-
Contractors	1 344	-	-	-	50	52	70	80	80
Agency & support/outsourced services	38	-	43	-	-	-	-	-	-
Entertainment	3	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	12	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	248	248	250	250	250
Inventory: Stationery and printing	45	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	80	80	100	100	100
Property payments	-	14	-	-	-	-	-	-	-
Transport provided: Departmental activity	1 176	-	31	-	56	56	100	100	600
Travel and subsistence	-	30	736	8 027	4 027	3 456	3 500	3 500	6 500
Operating expenditure	17	6	20	-	71	71	80	80	80
Venues and facilities	2 668	2 045	433	-	894	894	1 000	1 000	4 000
Interest and rent on land	-	192	-	-	-	-	-	-	-
Interest	-	192	-	-	-	-	-	-	-
Transfers and subsidies to	1 825 546	2 423 317	2 628 442	2 542 679	2 711 058	2 718 998	3 018 654	1 469 582	1 412 549
Provinces and municipalities	43 000	128 000	19 372	203 240	95 010	95 010	100 000	157 800	69 200
Municipalities	43 000	128 000	19 372	203 240	95 010	95 010	100 000	157 800	69 200
Municipalities	43 000	128 000	19 372	203 240	95 010	95 010	100 000	157 800	69 200
Departmental agencies and accounts	-	-	-	-	95 229	95 229	220 408	100 000	100 000
Entities receiving funds	-	-	-	-	95 229	95 229	220 408	100 000	100 000
Households	1 782 546	2 295 317	2 609 070	2 339 439	2 520 819	2 528 759	2 698 246	1 211 782	1 243 349
Social benefits	-	-	-	-	115	115	-	-	-
Other transfers to households	1 782 546	2 295 317	2 609 070	2 339 439	2 520 704	2 528 644	2 698 246	1 211 782	1 243 349
Payments for capital assets	43 816	27 477	11 310	13 400	10 600	10 294	15 500	26 514	26 514
Buildings and other fixed structures	43 816	27 477	11 022	10 000	10 000	10 000	15 000	26 014	26 014
Other fixed structures	43 816	27 477	11 022	10 000	10 000	10 000	15 000	26 014	26 014
Machinery and equipment	-	-	288	3 400	600	294	500	500	500
Other machinery and equipment	-	-	288	3 400	600	294	500	500	500
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 882 440	2 458 376	2 651 973	2 697 280	2 759 520	2 759 520	3 074 433	1 541 058	1 499 945

Table 8.I: Payments and estimates by economic classification: Human Settlements Development grant - Prog. 4

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	54 010	27 333	33 734	30 777	30 727	26 585	25 731	20 709	20 709
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	54 010	27 333	33 734	30 777	30 727	26 585	25 731	20 709	20 709
<i>of which</i>									
Assets <R5000	-	-	3	-	-	-	-	-	-
Computer services	-	-	-	-	341	341	74	75	80
Cons/prof: Business & advisory services	31 751	8 215	1 165	7 076	1 932	1 932	3 616	3 594	3 594
Cons/prof: Infrastructure & planning	48	-	20	-	-	-	-	-	-
Cons/prof: Legal cost	442	170	183	681	5 484	1 292	5 156	5 246	5 246
Contractors	-	-	276	-	1 580	1 580	2 000	2 000	2 000
Agency & support/outourced services	-	-	148	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	9	-	-	50	150	150	150
Inventory: Materials and supplies	1 031	1 412	4 833	5 006	3 856	3 856	3 645	3 540	3 525
Inventory: Other consumables	4	-	7	-	20	20	80	85	90
Lease payments	46	-	-	-	-	-	-	-	-
Property payments	20 688	17 536	27 090	18 014	17 514	17 514	11 010	6 019	6 024
Transfers and subsidies to	166 973	225 525	84 165	187 240	87 422	111 614	74 800	95 797	112 103
Provinces and municipalities	166 973	225 525	84 165	187 240	80 000	104 192	64 800	82 617	92 363
Municipalities	166 973	225 525	84 165	187 240	80 000	104 192	64 800	82 617	92 363
Municipalities	166 973	225 525	84 165	187 240	80 000	104 192	64 800	82 617	92 363
Households	-	-	-	-	7 422	7 422	10 000	13 180	19 740
Other transfers to households	-	-	-	-	7 422	7 422	10 000	13 180	19 740
Payments for capital assets	-	-	-	-	37 578	17 578	60 464	28 200	42 480
Buildings and other fixed structures	-	-	-	-	37 578	17 578	60 464	28 200	42 480
Other fixed structures	-	-	-	-	37 578	17 578	60 464	28 200	42 480
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	220 983	252 858	117 899	218 017	155 727	155 777	160 995	144 706	175 292

Table 8.J: Payments and estimates by economic classification: Housing Disaster Relief grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	150 000	133 800	2 361	-	27 637	27 637	-	-	-
Households	150 000	133 800	2 361	-	27 637	27 637	-	-	-
Other transfers to households	150 000	133 800	2 361	-	27 637	27 637	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	150 000	133 800	2 361	-	27 637	27 637	-	-	-

Table 8.K: Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	-	-	-	-	-	-	3 000	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	3 000	-	-
<i>of which</i>									
Contractors	-	-	-	-	-	-	3 000	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	3 000	-	-

Estimates of Provincial Revenue and Expenditure

Table 8.L: 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						2013/14	2014/15	2015/16	
R thousand															
New and replacement assets															
1.	Social and Economic Facilities	Various	Parks, creche facilities, taxi ranks, community halls, etc.	Several	01 Apr 2011	01 Mar 2016	HSDG	Programme 3	-	-	-	15 000	26 014	26 014	
Total New and replacement assets									-	-	-	15 000	26 014	26 014	
Upgrades and additions															
Rehabilitation, renovations and refurbishments															
1.	Rectification of pre-994 housing stock	Various	Human Settlements Properties	Several	Ongoing	Ongoing	HSDG	Programme 4	-	-	-	60 464	28 200	42 480	
Total Rehabilitation, renovations and refurbishments									-	-	-	60 464	28 200	42 480	
Maintenance and repairs															
1.	Housing Property Maintenance	Various	Human Settlements Properties	Several	Ongoing	Ongoing	HSDG	Programme 4	-	-	-	17 400	12 400	12 400	
Total Maintenance and repairs									-	-	-	17 400	12 400	12 400	
Infrastructure transfers - current															
1.	Maintenance of R293 hostels and housing properties	Various	Human Settlements Properties	Several	Ongoing	Ongoing	HSDG	Programme 4	-	-	-	52 000	68 117	72 467	
Total Infrastructure transfers - current									-	-	-	52 000	68 117	72 467	
Infrastructure transfers - capital															
1.	Community Residential Units	Various	Hostels	Several	Ongoing	Ongoing	HSDG	Programme 3	-	-	-	100 000	157 800	69 200	
Total Infrastructure transfers - capital									-	-	-	100 000	157 800	69 200	
Total Infrastructure									-	-	-	244 864	292 531	222 561	

Table 8.M: Summary of transfers to local government

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni	170 879	336 412	82 035	334 921	169 418	193 610	163 992	236 149	155 282
Total: Ugu Municipalities	60	27	62	-	45	45	55	65	75
B KZN211 Vulamehlo	-	8	-	-	-	-	-	-	-
B KZN212 Umdoni	48	4	43	-	40	40	45	50	55
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	12	15	19	-	5	5	10	15	20
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	38 246	8 616	2 635	9 000	4 008	4 008	3 857	3 969	5 969
B KZN221 uMshwathi	4	87	80	-	-	-	-	-	-
B KZN222 uMngeni	18	56	144	-	3	3	5	5	5
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	38 224	8 455	2 390	9 000	4 000	4 000	3 842	3 949	5 944
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	18	21	-	5	5	10	15	20
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	124	58	57	3 960	-	-	62	74	72
B KZN232 Emnambithi/Ladysmith	123	51	57	-	-	-	60	66	70
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	1	7	-	3 960	-	-	2	8	2
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	3	-	3 000	-	-	-	-	-
B KZN241 Endumeni	-	-	-	-	-	-	-	-	-
B KZN242 Nqutu	-	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	-	-	-	-	-	-	-
B KZN245 Umvoti	-	3	-	3 000	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	249	17	-	-	-	-	-	-	-
B KZN252 Newcastle	249	17	-	-	-	-	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	3 960	4 500	4 500	10	10	15
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	3 960	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	4 500	4 500	10	10	15
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	415	8 392	827	8 925	140	140	150	150	150
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	414	8 392	827	8 925	130	130	135	135	135
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	10	10	15	15	15
B KZN285 Mthonjaneni	1	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	29 825	-	-	-	-	-
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	29 825	-	-	-	-	-
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	209 973	353 525	85 616	393 591	178 111	202 303	168 126	240 417	161 563

Table 8.N: Transfers to local government - CRU programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni	43 000	120 000	-	150 570	95 000	95 000	100 000	157 800	69 200
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	3 000	-	-	-	-	-
B KZN225 Msunduzi	-	-	-	3 000	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	3 960	-	-	-	-	-
B KZN234 Umtshezi	-	-	-	3 960	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	3 000	-	-	-	-	-
B KZN245 Umvoti	-	-	-	3 000	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	3 960	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	3 960	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	8 000	-	8 925	-	-	-	-	-
B KZN282 uMhlathuze	-	8 000	-	8 925	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	29 825	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	29 825	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	43 000	128 000	-	203 240	95 000	95 000	100 000	157 800	69 200

Table 8.O: Transfers to local government - Municipal rates and taxes

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni	5 209	6 412	4 784	14 000	11 307	11 307	8 666	10 232	13 615
Total: Ugu Municipalities	60	27	62	-	45	45	55	65	75
B KZN211 Vulamehlo	-	8	-	-	-	-	-	-	-
B KZN212 Umdoni	48	4	43	-	40	40	45	50	55
B KZN216 Hibiscus Coast	12	15	19	-	5	5	10	15	20
Total: uMgungundlovu Municipalities	38 246	8 616	2 635	6 000	4 008	4 008	3 857	3 969	5 969
B KZN221 uMshwathi	4	87	80	-	-	-	-	-	-
B KZN222 uMngeni	18	56	144	-	3	3	5	5	5
B KZN225 Msunduzi	38 224	8 455	2 390	6 000	4 000	4 000	3 842	3 949	5 944
B KZN227 Richmond	-	18	21	-	5	5	10	15	20
Total: Uthukela Municipalities	124	58	57	-	-	-	62	74	72
B KZN232 Emnambithi/Ladysmith	123	51	57	-	-	-	60	66	70
B KZN234 Umtshezi	1	7	-	-	-	-	2	8	2
Total: Umzinyathi Municipalities	-	3	-	-	-	-	-	-	-
B KZN245 Umvoti	-	3	-	-	-	-	-	-	-
Total: Amajuba Municipalities	249	17	-	-	-	-	-	-	-
B KZN252 Newcastle	249	17	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	4 500	4 500	10	10	15
B KZN266 Ulundi	-	-	-	-	4 500	4 500	10	10	15
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	415	392	827	-	140	140	150	150	150
B KZN282 uMhlathuze	414	392	827	-	130	130	135	135	135
B KZN284 uMlalazi	-	-	-	-	10	10	15	15	15
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	44 303	15 525	8 365	20 000	20 000	20 000	12 800	14 500	19 896

Table 8.P: Transfers to local government - Maintenance of R293 Hostels & EEDBS

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni	122 670	210 000	75 800	167 240	60 000	84 192	52 000	68 117	72 467
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	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	122 670	210 000	75 800	167 240	60 000	84 192	52 000	68 117	72 467

Table 8.Q: Transfers to local government - Transfer of R293 staff

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni	-	-	1 451	3 111	3 111	3 111	3 326	-	-
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	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	-	1 451	3 111	3 111	3 111	3 326	-	-

VOTE 9

Community Safety and Liaison

Operational budget	R 172 347 000
MEC remuneration	Nil
Total amount to be appropriated	R 172 347 000
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 2010 in responding to crime. This approach, which is known as the Building a United Front Against Crime (BUFAC) project, and is implemented through Operation *Hlasela*, combines aspects of crime prevention, crime combating, the improvement of socio-economic conditions and the strengthening of human solidarity among citizens. 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 2012/13 financial year

Section 2 provides a review of 2012/13, 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.

Civilian Secretariat for Police Service Act, 2011

The department derives its mandate from Sections 206 and 208 of Chapter 11 of the Constitution, which in essence state that a civilian secretariat for the police must be established. To this end, the Civilian Secretariat for Police Service Act was enacted in 2011.

In analysing the department's constitutional functions and the statutory functions of the Provincial Secretariat, it became apparent that the constitutional police oversight and community relations functions, which formed the basis of the functions of the department previously, have been incorporated into the statutory functions of the Provincial Secretariat under the Act. The department therefore revised its organisational structure, and the new organogram was approved by DPSA in December 2012. The phasing in of the approved organogram will take place over the 2013/14 MTEF in line with the moratorium on the filling of non-critical posts, coupled with the implementation of the Civilian Secretariat for Police Service Act, which will take place over the next few years.

Decentralisation strategy

As mentioned, the new organisational structure, which aims to decentralise offices to a district level, was approved in 2012. In this regard, a decision was taken that the department could utilise any savings identified under *Compensation of employees* at the end of 2012/13 to fund part of the new organisational structure in 2013/14, as long as it adhered to the moratorium on the filling of non-critical posts. It was also agreed that an additional R5 million in 2014/15 and R5 million in 2015/16 would be allocated to the department over the two outer years of the 2013/14 MTEF for this purpose. The department's staff complement will increase, in a phased-in approach from 107 in 2012/13 to 164 in 2015/16.

Volunteer Social Crime Prevention Project (VSCPP)

The VSCPP involves the recruitment of volunteers in order to establish a community engagement mechanism for law enforcement agencies, with the key objective being to drive social crime prevention. During 2012/13, this project achieved good success, particularly in the area of monitoring crime hotspots such as taverns, ATMs and shopping malls during the festive season.

Justice Crime Prevention and Security (JCPS) cluster

On a provincial level, the department currently uses the Justice, Crime Prevention and Security Cluster (JCPS), voluntary crime prevention structures, specific interest group forums and *ad hoc* platforms to form partnerships to drive crime prevention. The JCPS focussed on a number of issues in 2012/13, such as rhino poaching, the high road death toll, anti-foreigner sentiments, and taxi conflicts, among others.

Thathulwazi community police training and SAPS evaluations

The *Thathulwazi* programme is a departmental project that aims to empower CPF members so they can effectively fulfil their roles. The focus of *Thathulwazi* is to equip CPF members with the understanding of the concept of community policing. The project is divided into two parts, namely induction training, which is facilitated on request by departmental staff, and a skills training programme, which is facilitated by FET Colleges. During 2012/13, these programmes continued, with 96 participants graduating.

The department evaluated police stations, verified CPFs, provided victim support to victims of crime through the establishment of victim support centres, and assessed specialised SAPS units during 2012/13. In all, 28 police stations were evaluated during the year. The findings from these evaluations were reported to the relevant stakeholders, and include among others, a shortage of police vehicles, inadequate staff capacity, inadequate infrastructure at some of the stations, and dysfunctional CPFs.

Integrated Youth Development Strategy (IYDS)

The department hosted a number of workshops and training sessions in 2012/13, such as social crime prevention, drug awareness, etc. The department also continued to use sport as a strategy to divert the youth from delinquent behaviour, and to promote more constructive use of leisure time. The Sports Against Crime initiative is one of the programmes that the department employs to encourage the youth to be involved in the fight against crime. Tournaments and Youth Day celebrations were held in various areas. The department also hosted a life skills camp for youth at Umbumbulu FET College. These integrated programmes assist the youth to serve on various committees within their districts.

Stock theft

Stock theft cuts across and threatens both the commercial and subsistence farming economy. The department continued to focus on dealing with stock theft by capacitating communities, as well as promoting marking and improved documentation of livestock during 2012/13.

The launch of the Blow the Whistle programme was held at Ozwathini. This programme encourages communities to be good neighbours, as well as to act as the ‘eyes and ears’ of the police.

Victim empowerment

Operation *Khuz’umhlola*, meaning to reprimand unacceptable behaviour, aims to protect the widowed, women, children, and other vulnerable groups through educational campaigns. During 2012, the department continued to use a comic book and DVD which illustrates the rights of children. The department also continued to capacitate targeted groups on human trafficking by showing an educational DVD and providing educational material. Through the Safe Teas programme, continued support was provided to older persons in terms of the Older Persons’ Act.

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 CPF induction workshops for newly elected CPF members (with 125 members being trained), verifying the existence of CPF youth desks throughout KZN, and community consultative meetings on safety in various districts.

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. As part of the Substance Abuse Awareness programme, a meeting involving licensed liquor traders was held. The department continues to partner with the SAPS, the Department of Transport (DOT), 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 KZN Liquor Authority to initiate a series of liquor forum meetings promoting responsible trading and consumption of alcohol. During 2012/13, two liquor forum meetings were held.

3. Outlook for the 2013/14 financial year

Section 3 looks at the key focus areas of 2013/14, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments. It should be

noted that, during 2013/14, the department will commence with the roll-out of the Civilian Secretariat for Police Service Act. It aims to achieve this through the implementation of the new organogram which is characterised by the decentralisation strategy.

Decentralisation strategy

The department will implement the approved organisational structure over the 2013/14 MTEF. The department aims to increase its organisational structure, in line with the approved organogram, from 107 permanent employees in 2012/13 to 164 in 2015/16. The Civilian Secretariat for Police Service Act will also be implemented, bearing in mind the moratorium on the filling of non-critical vacant posts.

Holistic community liaison framework

The department currently uses the JCPS, voluntary crime prevention structures, etc., to form partnerships with relevant stakeholders and drive crime prevention. The need for a permanent advisory and consultative platform at a provincial level has been identified to allow for greater consultation between provincial departments. The establishment of a KZN Council Against Crime (hereafter referred to as the Council) was considered to be the most appropriate way to meet this need. The Council will consist of representatives of the Premier, MECs, JCPS, House of Traditional Leaders, religious leaders, business leaders, etc. Participation on the Council, in respect of non-governmental organisations or formations, is on a voluntary and non-remunerative basis. In respect of government organisations, participation is compulsory.

Communities-in-Dialogue Programme (CiDP)

The department will continue to mobilise communities through the CiDP in order to assume responsibility for peace, stability and creating safer places to live. The essence of the CiDP is creating a platform for dialogue and acceptance of responsibility to resolve inter and intra-community conflicts.

In the case of politically related conflicts, the approach takes the form of multi-party political interventions, whereby the department will facilitate dialogue between affected political parties and the acceptance of responsibility for resolving conflicts between their members, with the support of law enforcement and other government departments. This programme will become increasingly important as the country approaches the 2014 general elections.

Where conflicts are of a non-political nature, such as land disputes within various communities, the department will facilitate dialogue sessions between the affected groups with the involvement of all relevant stakeholders, law enforcement and other government departments. The objective of these community dialogues is sustainable peace and crime reduction through community ownership.

Volunteer Social Crime Prevention Project (VSCPP)

The department continues to undertake the VSCPP. The department is aiming to extend its outreach to communities at ward level. Monitoring crime hotspots, such as taverns, ATMs and pension pay-out points, will continue to be a priority.

Integrated Youth Development Strategy (IYDS)

The department will host a number of workshops and training sessions in 2013/14, 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

The department will continue to focus on dealing with stock theft by capacitating communities, as well as promoting marking and improved documentation of livestock.

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 2009/10 to 2015/16. 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	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Provincial allocation	127 638	140 744	150 139	159 661	159 661	159 661	166 978	175 482	182 627
Conditional grants	-	-	-	1 673	1 673	1 673	5 369	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	-	1 673	1 673	1 673	5 369	-	-
Total receipts	127 638	140 744	150 139	161 334	161 334	161 334	172 347	175 482	182 627
Total payments	125 272	129 186	145 239	161 334	161 334	153 068	172 347	180 482	187 627
Surplus/(Deficit) before financing	2 366	11 558	4 900	-	-	8 266	-	(5 000)	(5 000)
Financing									
of which									
Provincial cash resources	-	-	-	-	-	-	-	5 000	5 000
Surplus/(deficit) after financing	2 366	11 558	4 900	-	-	8 266	-	-	-

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. 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 allocation. In addition, it 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 not purchasing six motor vehicles. The balance of the under-spending relates to the fact that the full complement of VSCPP volunteers was not achieved, due to resignations.

In 2011/12, the department ended the year with an under-spending of R4.900 million, mainly as a result of the non-filling of vacant posts pending the finalisation of the organisational structure.

The department is projecting to end 2012/13 with under-spending of R8.266 million due to the non-filling of vacant posts, pending the finalisation of the organisational structure. As mentioned, any savings against *Compensation of employees* will be rolled over in respect of once-off expenditure for the phasing in of the new organisational structure. In 2012/13, the department received a new grant of R1.673 million, being the Social Sector EPWP Incentive Grant for Provinces, which is projected to be fully spent. This grant, which aims to create work opportunities, is also allocated in 2013/14, with the department receiving R5.369 million in this regard. The department uses this grant for the payment of stipends for VSCPP members. There are no grant allocations in the outer two years of the MTEF, at this stage.

Over the MTEF, the department receives additional allocations of R5 million per year in 2014/15 and 2015/16, for the phasing in of the new approved organogram. It must be noted that no additional funding is provided for this beyond 2015/16, at this stage.

4.2 Departmental receipts collection

Table 9.2 shows the sources of own revenue collected by the department. 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	50	43	54	52	52	52	57	63	69
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	6	1	1	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	4	61	15	-	-	-	-	-	-
Total	60	105	70	52	52	52	57	63	69

Sale of goods and services other than capital assets forms the bulk of the revenue and is largely collected against commission received from insurance companies for the collection of monthly contributions. The department is projecting to collect R52 000 by the end of 2012/13, mainly with regard to commission from insurance. This category is expected to grow steadily to R69 000 by 2015/16.

The department collected revenue against *Interest, dividends and rent on land* from 2009/10 to 2011/12 in respect of interest earned on staff debts. No revenue estimates have been made for this category from 2012/13 onward, as it is difficult to accurately budget for this.

From 2009/10 to 2011/12, the department collected revenue against *Transactions in financial assets and liabilities* in respect of the recovery of outstanding staff debts. This revenue is difficult to project, hence the fluctuating trend over the first three years, and no projections being made from 2012/13 onward.

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 2012 wage agreement and an inflationary wage adjustment of 6.3 per cent, 6.1 per cent and 5.9 per cent over the three years of the 2013/14 MTEF, respectively, through internal reprioritisation.
- Provision was made for an annual 1.5 per cent pay progression.
- The expanded cost-cutting measures, as re-issued by Provincial Treasury in 2013/14, will continue to be adhered to over the 2013/14 MTEF.
- CPI projections were considered when inflation related items were calculated.
- Implementation of the approved organogram over the MTEF.

5.2 Additional allocations for the 2011/12 to 2013/14 MTEF

Table 9.3 shows additional funding received by the department over the three MTEF periods: 2011/12, 2012/13 and 2013/14. 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 2011/12 and 2012/13 MTEF periods (i.e. for the financial year 2015/16) are based on the incremental percentage used in the 2013/14 MTEF.

Table 9.3: Summary of additional provincial allocations for the 2011/12 to 2013/14 MTEF

R thousand	2011/12	2012/13	2013/14	2014/15	2015/16
2011/12 MTEF period	932	308	276	293	306
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement	1 011	409	403	427	447
National Cabinet decision to cut provinces by 0.3 per cent	(79)	(101)	(127)	(135)	(141)
2012/13 MTEF period		2 613	3 643	4 676	4 891
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement		613	643	676	707
Establishment of community safety structures		2 000	3 000	4 000	4 184
2013/14 MTEF period			(2 302)	231	(916)
Census data update and 1%, 2% and 3% baseline cuts			(2 302)	(4 769)	(5 916)
Implementation of structure to roll-out Civilian Secretariat for Police Service Act			-	5 000	5 000
Total	932	2 921	1 617	5 200	4 281

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, 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.

In the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period. The department achieved this reduction in budget by cutting back on *Goods and services* items, such as catering, transport and other event related items.

In the outer two years of the MTEF, the department receives additional funding of R5 million per year for the implementation of the new organisational structure, in line with the decentralisation strategy and implementation of the Civilian Secretariat for Police Service Act.

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 2009/10 to 2015/16.

Overall, there is an increase in the department's budget over the seven-year period.

It must be noted that, in line with the implementation of the Civilian Secretariat for Police Service Act, and the relevant functions the department performs, an additional programme, namely Programme 4: Provincial Civilian Secretariat, has been added to the department's programme structure as of 2013/14. Programme 2: Civilian Oversight and Programme 3: Crime Prevention and Community Police Relations will be amalgamated into Programme 4. As such, the historical figures for Programme 4 are the amalgamated historic spending trends of Programmes 2 and 3 combined.

It is noted that this revised programme structure does not conform to the budget and programme structure set for the Safety and Liaison sector. As significant changes are occurring in the sector, though, through the implementation of the Civilian Secretariat for Police Service Act, National Treasury was requested, and gave approval, for the department to deviate from the sector structure by adding a programme.

Table 9.4: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15
1. Administration	35 119	33 230	38 082	36 981	36 981	33 423	39 238	41 592	43 505
2. Civilian Oversight	14 537	18 151	20 303	40 319	40 319	38 587	-	-	-
3. Crime Prev. and Community Police Relations	75 616	77 805	86 854	84 034	84 034	81 058	-	-	-
4. Provincial Civilian Secretariat	-	-	-	-	-	-	133 109	138 890	144 122
Total	125 272	129 186	145 239	161 334	161 334	153 068	172 347	180 482	187 627

Table 9.5: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	123 485	127 050	142 558	160 322	159 872	151 606	170 246	179 320	186 411
Compensation of employees	32 069	31 591	32 658	45 030	45 030	36 764	48 566	56 960	60 026
Goods and services	91 416	95 459	109 900	115 292	114 842	114 842	121 680	122 360	126 385
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	359	17	466	12	12	12	12	12	13
Provinces and municipalities	8	10	3	12	12	12	12	12	13
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	289	-	-	-	-	-	-
Households	351	7	174	-	-	-	-	-	-
Payments for capital assets	1 329	2 101	2 215	1 000	1 450	1 450	2 089	1 150	1 203
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 329	1 248	2 215	1 000	1 268	1 268	2 089	1 150	1 203
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	853	-	-	182	182	-	-	-
Payments for financial assets	99	18	-	-	-	-	-	-	-
Total	125 272	129 186	145 239	161 334	161 334	153 068	172 347	180 482	187 627

The 2012/13 Adjusted Appropriation remains unchanged from the Main Appropriation, due to the department not receiving additional funding during 2012/13. The department is projecting to end 2012/13 with an under-spending of R8.266 million (across the three programmes) against *Compensation of employees* due to the non-filling of vacant posts pending the finalisation of the new organisational structure. In line with a decision taken by the MEC for Finance, any savings identified against this category may be rolled over to 2013/14 to cater for the phasing in of the new organisational structure.

The decrease in Programme 1: Administration from 2009/10 to 2010/11 was due to cost-cutting. The increase from 2010/11 to 2011/12 was due to inflationary increases, salary adjustments and increased administrative costs, such as advertising, in line with the expansion of Operation *Hlasela*. The decrease from 2011/12 to 2012/13 was mainly due to the funds for creating public awareness being moved to Programme 2: Civilian Oversight, under which the bulk of the department's service delivery programmes were housed. The increase from the 2012/13 Adjusted Appropriation to 2013/14 is due to provision for administrative support for the implementation of the Civilian Secretariat for Police Service Act. Programme 1 shows steady growth from 2013/14 to 2015/16.

The substantial increase in Programme 2: Civilian Oversight from 2011/12 to the 2012/13 Main Appropriation can mainly be ascribed to increased emphasis on improving the effectiveness of SAPS, by training and development of its members on social crime, such as teaching SAPS members how to deal with rape victims, etc., additional funding for the establishment of community safety structures, and for creating public awareness. 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. From 2013/14 onward, Programme 2 has been incorporated into Programme 4 in line with the new organisational structure of the department, and the implementation of the Civilian Secretariat for Police Service Act.

The increase in Programme 3: Crime Prevention and Community Police Relations from 2009/10 to 2011/12 was 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 2011/12 to the 2012/13 Main Appropriation was due to a number of BUFAC projects, such as crime awareness projects, being moved to Programme 2, as mentioned above. Also, the department received conditional grant funding in 2012/13, namely the Social Sector EPWP Incentive Grant for Provinces. As with Programme 2, Programme 3 has been incorporated into Programme 4 in line with the new organisational structure of the department, and the implementation of the Civilian Secretariat for Police Service Act.

Programme 4 provides for the decentralisation strategy and the roll-out and implementation of the Civilian Secretariat for Police Service Act. It comprises the allocations that were previously held against Programmes 2 and 3, and also includes R5.369 million for the Social Sector EPWP Incentive Grant for Provinces in 2013/14 only. In 2014/15 and 2015/16, amounts of R5 million are provided in each year, for the phasing in of the new organisational structure, as mentioned previously.

The decrease in *Compensation of employees* from 2009/10 to 2010/11 was mainly due to staff exits. The substantial increase from 2011/12 to the 2012/13 Main Appropriation was due to the anticipated filling of vacant posts. As mentioned, the department is projecting to end 2012/13 with an under-spending against this category of R8.266 million due to the non-filling of posts pending the finalisation of the organisational structure. Any savings identified against this category in 2012/13 will be rolled over to 2013/14 to cater for the filling of posts in respect of the phasing in of the new structure.

Goods and services houses the bulk of the department's service delivery expenditure. The increase from 2011/12 to the 2012/13 Main Appropriation was mainly due to additional funding for community safety structures, as well as emphasis being placed on crime awareness projects, etc. The decrease from the 2012/13 Main to Adjusted Appropriation was a result of cost-cutting. These savings were moved to *Machinery and equipment* and *Software and other intangible assets*, as explained in detail below. The increase in 2013/14 is mainly in respect of the department receiving a further allocation for the Social Sector EPWP Incentive Grant to Provinces, and inflationary adjustments.

The budget against *Transfers and subsidies to: Provinces and municipalities* relates to the payment of motor vehicle licence fees.

In 2011/12, an amount of R289 000 was paid from *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.

Transfers and subsidies to: Households is mainly in respect of the payment of staff exit costs.

The fluctuating trend against *Machinery and equipment* from 2009/10 onward relates to the department purchasing vehicles and equipment on a cyclical basis. In 2010/11, the department had to replace its main server. The increase from 2010/11 to 2011/12 pertains to the purchase of computers and furniture. The increase from the 2012/13 Main to Adjusted Appropriation relates to the purchase of a smoke detector to protect the department's server against fire.

In 2010/11, the department spent R853 000 for the licensing and installation of a new server against *Software and other intangible assets*. The amount of R182 000 against this category in 2012/13 relates to the renewal of software licence fees for the Novell System.

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.

During 2012/13, 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 strategy is to make the department's 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

Table 9.6: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15	2015/16
eThekweni	7 783	12 268	12 659	13 276	13 719
Ugu	7 828	8 264	8 471	8 838	9 076
uMgungundlovu	9 986	13 473	13 614	14 905	14 774
Uthukela	8 299	9 291	9 539	9 975	10 266
Umkhanyathi	7 588	7 334	10 106	10 579	10 898
Amajuba	6 455	9 836	10 106	10 579	10 898
Zululand	8 947	7 277	7 444	7 744	7 932
Umkhanyakude	6 716	9 324	9 573	10 011	10 303
uThungulu	8 388	8 223	8 428	8 792	9 028
Ilembe	9 402	7 530	7 707	8 024	8 225
Sisonke	9 059	6 659	6 802	7 060	7 217
Total	90 451	99 479	104 449	109 783	112 336

5.5 Summary of conditional grant payments and estimates

Table 9.7 illustrates conditional grant payments and estimates for the period 2009/10 to 2015/16. Details are given in *Annexure – Vote 9: Community Safety and Liaison*.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Social Sector EPWP Incentive Grant for Provinces	-	-	-	1 673	1 673	1 673	5 369	-	-
Total	-	-	-	1 673	1 673	1 673	5 369	-	-

The department receives funding in respect of the Social Sector EPWP Incentive Grant for Provinces which was allocated in 2012/13, in line with DORA 2012. In 2013/14, the department continues to receive this grant, the purpose of which is to create work opportunities. The department uses this funding for social crime prevention volunteers who are employed within the VSCPP, and the economic classification *Goods and services*. These funds will assist the department in catering for the payment of stipends of the VSCPP employees. There is no grant allocation over the last two years of the MTEF, at this stage.

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 2011/12, the department transferred R289 000 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		
		2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Community policing structure	3.2 Com Police Relations	-	-	289	-	-	-	-	-	-
Total		-	-	289	-	-	-	-	-	-

5.10 Transfers to local government

The department makes no transfer payments to local government, although it does pay motor vehicle licence fees against this category, which are not a direct transfer to a municipality. 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	359	17	145	12	12	12	12	12	13
Provinces and municipalities	8	10	3	12	12	12	12	12	13
Motor vehicle licences	8	10	3	12	12	12	12	12	13
Households	351	7	142	-	-	-	-	-	-
Leave gratuity/social benefits	351	7	142	-	-	-	-	-	-
2. Civilian Oversight	-	-	31	-	-	-	-	-	-
Households	-	-	31	-	-	-	-	-	-
Leave gratuity/social benefits	-	-	31	-	-	-	-	-	-
3. Crime Prev. and Community Police Relations	-	-	290	-	-	-	-	-	-
Non-profit institutions	-	-	289	-	-	-	-	-	-
Community policing structure	-	-	289	-	-	-	-	-	-
Households	-	-	1	-	-	-	-	-	-
Leave gratuity/social benefits	-	-	1	-	-	-	-	-	-
Total	359	17	466	12	12	12	12	12	13

Spending under Programme 1 against *Provinces and municipalities* relates to the payment of motor vehicle licences.

Households pertain to the payment of leave gratuities, except for the amount of R1 000 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 2011/12 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 four programmes, namely Administration, Civilian Oversight, Crime Prevention and Community Police Relations, and Provincial Civilian Secretariat. As mentioned, Programme 4 is a new programme which was introduced in 2013/14 in line with the functions relating to the Civilian Secretariat for Police Service Act. As of 2013/14, Programmes 2 and 3 are amalgamated into Programme 4. This revised structure of the department is not aligned with the sector specific programme structure of the Safety and Liaison sector, but National Treasury approval for this deviation was received – i.e. the department was allowed to add another programme. 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 DOT, 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. This programme is in line with the sector specific Safety and Liaison programme structure.

Tables 9.10 and 9.11 give a summary of payments and estimates for the seven-year period up to 2015/16.

Table 9.10: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Office of the HOD	5 317	3 854	5 339	7 118	7 118	5 636	7 577	8 031	8 400
Financial Management	9 117	9 484	7 236	9 514	9 514	8 414	10 126	10 734	11 228
Corporate Services	17 178	16 636	22 468	15 885	15 885	15 578	16 781	17 788	18 606
Legal	2 104	1 841	1 542	2 758	2 758	2 286	2 935	3 111	3 254
Security	1 403	1 415	1 497	1 706	1 706	1 509	1 819	1 928	2 017
Total	35 119	33 230	38 082	36 981	36 981	33 423	39 238	41 592	43 505

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	34 634	33 019	36 069	36 629	36 179	32 621	38 816	41 134	43 025
Compensation of employees	14 769	14 270	14 249	19 804	19 804	16 246	21 365	22 860	24 209
Goods and services	19 865	18 749	21 820	16 825	16 375	16 375	17 451	18 274	18 816
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	359	17	145	12	12	12	12	12	13
Provinces and municipalities	8	10	3	12	12	12	12	12	13
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	351	7	142	-	-	-	-	-	-
Payments for capital assets	126	176	1 868	340	790	790	410	446	467
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	126	167	1 868	340	608	608	410	446	467
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	9	-	-	182	182	-	-	-
Payments for financial assets	-	18	-	-	-	-	-	-	-
Total	35 119	33 230	38 082	36 981	36 981	33 423	39 238	41 592	43 505

This programme shows steady growth over the seven-year period under review. However, there is a slight decrease in the budget from the 2012/13 Main Appropriation to the Revised Estimate due to the non-filling of posts pending the finalisation of the organisational restructuring.

The overall increase in the sub-programmes: Office of the HOD, Financial Management, Legal, and Security from 2011/12 to the 2012/13 Main Appropriation was 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, and the decrease in Financial Management from 2010/11 to 2011/12 was due to cost-cutting.

The decrease in the Corporate Services sub-programme from 2011/12 to 2012/13 was a result of the creating public awareness project being moved to Programme 2 for the majority of BUFAC projects to be housed under one programme, in line with the decentralisation strategy.

The decrease against *Compensation of employees* from 2009/10 to 2010/11 is a result of staff exits, with low spending in 2011/12 due to the non-filling of vacant posts, pending the finalisation of the departmental restructuring. The savings were moved to *Goods and services* in Programme 2 to cover costs associated with the interim decentralisation strategy. The increase from 2011/12 to the 2012/13 Main Appropriation was due to the anticipated filling of posts. However, posts were not filled, pending the finalisation of the new organisational structure, hence the decrease from the 2012/13 Main Appropriation to the Revised Estimate. As explained above, any savings realised against this category will be rolled over to 2013/14 to cater for the revised organisational structure. The increase against this category over the 2013/14 MTEF is due to the filling of vacant posts in line with the phasing in of the approved organogram.

The decrease in *Goods and services* from 2009/10 to 2010/11 was due to cost-cutting. The decline from 2011/12 to the 2012/13 Main Appropriation is the result of the shifting of the creating public awareness project from Programme 1 to Programme 2 in line with BUFAC. This category shows steady growth over the 2013/14 MTEF.

Transfers and subsidies to: Provinces and municipalities is for motor vehicle licences.

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. The fluctuating trend was due to the department purchasing machinery and equipment on a cyclical basis.

In 2010/11, the department spent R9 000 on software licence fees relating to the installation of a new server. This was allocated against *Software and other intangible assets*. The spending of R182 000 against this category in 2012/13 relates to the renewal of software licences for the Novell System.

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

From 2009/10 to 2012/13, this programme comprises two sub-programmes, namely Policy and Research and Monitoring and Evaluation, which for that period comply with the uniform budget and programme structure of the Safety and Liaison sector. This programme forms part of Programme 4 from 2013/14 onward, as the department becomes responsible for the Civilian Secretariat for Police Service Act.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Policy and Research	1 983	1 972	630	2 616	2 616	1 584	-	-	-
Monitoring and Evaluation	12 554	16 179	19 673	37 703	37 703	37 003	-	-	-
Total	14 537	18 151	20 303	40 319	40 319	38 587	-	-	-

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	14 423	18 121	20 157	40 199	40 199	38 467	-	-	-
Compensation of employees	6 593	6 900	7 266	10 013	10 013	8 281	-	-	-
Goods and services	7 830	11 221	12 891	30 186	30 186	30 186	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	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	-	-	-	-	-	-
Payments for capital assets	27	30	115	120	120	120	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	27	30	115	120	120	120	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	87	-	-	-	-	-	-	-	-
Total	14 537	18 151	20 303	40 319	40 319	38 587	-	-	-

This programme shows a relatively steady trend from 2009/10 to 2011/12. However, there is a substantial increase from 2011/12 to the 2012/13 Main Appropriation, as explained below.

The substantial decrease in spending from 2009/10 to 2011/12 against the sub-programme: Policy and Research was due to cost-cutting.

The large increase against the sub-programme: Monitoring and Evaluation from 2011/12 to 2012/13 was 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 also accounted for the increase over the same period against *Goods and services*.

The decrease in *Compensation of employees* from the 2012/13 Adjusted Appropriation to the Revised Estimate was due to the non-filling of posts pending the finalisation of the organisational structure. The savings identified against this category in 2012/13 will be rolled over to 2013/14, to Programme 4, to cater for the phased-in approach of the new approved organogram.

The increase against *Goods and services* from 2009/10 to 2010/11 was due to increased emphasis placed on improving the effectiveness of the SAPS. The substantial increase from 2011/12 to the 2012/13 Main Appropriation was 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.

Transfers and subsidies to: Households in 2011/12 relates to staff exit costs.

The fluctuating trend against *Machinery and equipment* over the 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 were aligned, as far as possible, to the generic service delivery measures of the sector in 2012/13. As noted earlier, Programme 2 will be amalgamated into Programme 4 as of 2013/14, hence no service delivery measures are reflected in the table from 2013/14 onward.

Table 9.14: Service delivery measures – Programme 2: Civilian Oversight

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
1. To conduct research	• No. of research studies conducted	2	-	-	-	
2. To monitor SAPS levels of service delivery in KZN	• No. of police stations evaluated	78	-	-	-	
3. Operation <i>Hlasela</i>	• No. of Operation <i>Hlasela</i> projects conducted	26	-	-	-	

6.3 Programme 3: Crime Prevention and Community Police Relations

This programme comprises three sub-programmes from 2009/10 to 2012/13, namely, Social Crime Prevention, Community Police Relations and Promotion of Safety, which for that period comply with the uniform budget and programme structure of the Safety and Liaison sector. This programme forms part of Programme 4 from 2013/14 onward, as the department becomes responsible for the Civilian Secretariat for Police Service Act. This programme is not in line with the sector specific structure for the Safety and Liaison sector as of 2013/14.

Tables 9.15 and 9.16 give a summary of payments and estimates for the period up to 2015/16.

Table 9.15: Summary of payments and estimates - Programme 3: Crime Prev. and Community Police Relations

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Social Crime Prevention	5 556	5 866	5 904	7 550	7 550	7 550	-	-	-
Community Police Relations	7 780	8 536	8 970	12 403	12 403	12 403	-	-	-
Promotion of Safety	62 280	63 403	71 980	64 081	64 081	61 105	-	-	-
Total	75 616	77 805	86 854	84 034	84 034	81 058	-	-	-

Table 9.16: Summary of payments and estimates by economic classification - Programme 3: Crime Prev. and Community Police Relations

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	74 428	75 910	86 332	83 494	83 494	80 518	-	-	-
Compensation of employees	10 707	10 421	11 143	15 213	15 213	12 237	-	-	-
Goods and services	63 721	65 489	75 189	68 281	68 281	68 281	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	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	-	-	-	-	-	-
Households	-	-	1	-	-	-	-	-	-
Payments for capital assets	1 176	1 895	232	540	540	540	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 176	1 051	232	540	540	540	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	844	-	-	-	-	-	-	-
Payments for financial assets	12	-	-	-	-	-	-	-	-
Total	75 616	77 805	86 854	84 034	84 034	81 058	-	-	-

This programme shows relatively steady growth from 2009/10 to 2012/13, with the exception of a sharp increase in 2011/12 due to increased spending on the VSCPP project and Operation *Hlasela*.

The sub-programme: Social Crime Prevention shows gradual growth from 2009/10 to 2012/13, as a result of annual wage agreements and inflationary adjustments. The sub-programme: Community Police Relations shows steady growth from 2009/10 to 2011/12. The increase in the 2012/13 Main Appropriation was due to the anticipated filling of vacant posts.

The sub-programme: Promotion of Safety pertains to spending on the VSCPP, community policing, social crime prevention and victim empowerment. The large increase from 2010/11 to 2011/12 was due to increased emphasis being placed on the VSCPP and crime awareness projects. The decrease from 2011/12 to the 2012/13 Main Appropriation 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*. The department received a new conditional grant in 2012/13, namely the Social Sector EPWP Incentive Grant for Provinces. This funding is allocated against *Goods and services*.

The increase against *Compensation of employees* from 2011/12 to the 2012/13 Main Appropriation was due to the department hiring additional contract personnel to manage the implementation and running of the VSCPP, as well as the fact that the department anticipated filling posts. The decrease from the 2012/13 Main Appropriation to the Revised Estimate was the result of the non-filling of vacant posts, pending the finalisation of the new organisational structure. Any savings identified against this category at year-end will be rolled over to cater for the phasing in of the new approved organogram.

Goods and services shows a decrease from 2011/12 to the 2012/13 Main Appropriation due to the movement of BUFAC projects to Programme 2, as explained in detail above.

The spending against *Transfers and subsidies to: Non-profit institutions* in 2011/12 related to the procurement and transfer of a park-home in Umlazi to a community policing NGO.

Transfers and subsidies to: Households in 2011/12 relates to a donation toward a CPF member's funeral.

The high spending against *Machinery and equipment* in 2009/10 was 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.

Software and other intangible assets caters for the installation of a new computer server.

Payments for financial assets 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 were aligned, as far as possible, to the generic service delivery measures of the sector in 2012/13. As noted earlier, Programme 3 will be amalgamated into Programme 4 as of 2013/14, hence no service delivery measures are reflected in the table from 2013/14 onward.

Table 9.17: Service delivery measures – Programme 3: Crime Prevention and Community Police Relations

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
1. Social crime programmes	• No. of social crime programmes implemented	4	-	-	-	
2. Community Police Relations	• No. of CPF members trained	125	-	-	-	
3. Victim Empowerment	• No. of victim empowerment programmes implemented	4	-	-	-	
4. Volunteer Social Crime Prevention Project	• No. of districts where volunteers are deployed	13	-	-	-	

6.4 Programme 4: Provincial Civilian Secretariat

Programme 4: Provincial Civilian Oversight is a new programme which has been created to make provision for the functions identified in the Civilian Secretariat for Police Service Act. This programme is not aligned to the budget structure of the Safety and Liaison sector. As mentioned earlier, due to the changes in this sector, brought about by the Civilian Secretariat for Police Service Act, National Treasury approval was obtained to deviate from the sector specific budget structure, by adding another programme.

The purpose of this programme is to perform the function of oversight over the Office of the Provincial Commissioner and specialised units, as well as community police relations at a provincial level. In addition, it will perform the function of safety information analysis and conceptualisation which has to be done at a provincial level.

The sub-programme: Crime Prevention and Partnerships is responsible for concluding formal relationships with relevant departments, NGOs and the business community. Projects included here are establishment of safety structures, school safety, stock theft, youth development, business against crime, among others.

The sub-programme: Police Performance Monitoring and Evaluation is responsible for the oversight of the department in respect of the SAPS. This sub-programme includes, among others, the evaluation of police stations, oversight of the Office of the Provincial Commissioner, and interventions at under-performing police stations.

The Safety Research and Information Management sub-programme forms the information nerve centre of the department. It will continuously collate information from all the service units in the department and use this information to review policing policies and directives, develop, evaluate and review community safety models, initiatives and monitoring tools, review police practices, methodologies and performance and conduct research into the policing needs of the province as required by the Constitution and the Civilian Secretariat for Police Service Act. Projects included under this sub-programme are the review of policing policies and development of new policy initiatives on policing in KZN.

Tables 9.18 and 9.19 below illustrate the summary of payments and estimates relating to Programme 4 presented per sub-programme and economic classification.

Table 9.18: Summary of payments and estimates - Programme 4: Provincial Civilian Secretariat

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Crime Prevention and Partnerships	-	-	-	-	-	-	85 602	85 838	87 997
Police Performance Monitoring and Evaluation	-	-	-	-	-	-	44 557	49 575	52 490
Safety Research and Information Management	-	-	-	-	-	-	2 950	3 477	3 635
Total	-	-	-	-	-	-	133 109	138 890	144 122

Table 9.19: Summary of payments and estimates by economic classification - Programme 4: Provincial Civilian Secretariat

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	-	-	-	-	-	-	131 430	138 186	143 386
Compensation of employees	-	-	-	-	-	-	27 201	34 100	35 817
Goods and services	-	-	-	-	-	-	104 229	104 086	107 569
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	-	-	-	-	-	-	1 679	704	736
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	1 679	704	736
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	133 109	138 890	144 122

This programme shows steady growth over the 2013/14 MTEF in line with the implementation of the Civilian Secretariat for Police Service Act. In 2014/15 and 2015/16 the department receives additional funding of R5 million per year (against *Compensation of employees*) for the implementation and phasing in of the new approved organogram. In addition, any savings identified at the end of 2012/13 against *Compensation of employees* will be rolled over to the same category in 2013/14 to cater for the phased-in approach of the implementation of the structure.

As explained earlier, this programme comprises the conditional grant funding of R5.369 million in 2013/14, for which no allocation has been provided over the outer two years of the MTEF, thus explaining the decrease in *Goods and services* in 2014/15.

The department purchases *Machinery and equipment* on a cyclical basis, hence the fluctuating trend against this category over the 2013/14 MTEF.

Service delivery measures – Programme 4: Provincial Civilian Secretariat

Table 9.20 illustrates the main service delivery information relating to Programme 4: Provincial Civilian Secretariat.

These service delivery measures are not aligned to the Safety and Liaison sector specific service delivery measures due to the implementation of the Civilian Secretariat for Police Service Act. However, the sector is currently reviewing the existing measures to ensure that they take into account the new Act.

Table 9.20: Service delivery measures – Programme 4: Provincial Civilian Secretariat

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
1. To monitor SAPS levels of service delivery	• No. of stations evaluated	new	78	78	78	
	• No. of specialised units evaluated	new	8	8	8	
	• No. of provincial SAPS headquarters monitored	new	1	1	1	
2. Safety partnerships and implemented crime prevention initiatives	• No. of community safety structures established	new	65	65	65	
	• No. of functional community safety partnerships	new	10	10	10	
	• No. of effective crime prevention programmes	new	11	11	11	
3. Effective and efficient police policies, practices, methodologies, safety models, monitoring tools and accurate policing needs	• Research into the policing needs of KZN	new	1 research paper	1 research paper	1 research paper	
	• Review policing policies and directives	new	1 policy review	1 policy review	1 policy review	

7. Other programme information

7.1 Personnel numbers and cost

Tables 9.21 and 9.22 below reflect the personnel numbers and estimates pertaining to the department over the seven-year period. Table 9.21 illustrates personnel numbers per programme, while Table 9.22 reflects details of personnel numbers at a departmental level.

Table 9.21: Personnel numbers and costs per programme

	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	As at 31 March 2016
Personnel numbers							
1. Administration	50	52	53	48	73	75	85
2. Civilian Oversight	18	18	17	17	-	-	-
3. Crime Prev. and Community Police Relations	40	38	38	42	-	-	-
4. Provincial Civilian Secretariat	-	-	-	-	67	75	79
Total	108	108	108	107	140	150	164
Total personnel cost (R thousand)	32 069	31 591	32 658	36 764	48 566	56 960	60 026
Unit cost (R thousand)	297	293	302	344	347	380	366

Table 9.22: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Total for department									
Personnel numbers (head count)	108	108	108	126	126	107	140	150	164
Personnel cost (R thousand)	32 069	31 591	32 658	45 030	45 030	36 764	48 566	56 960	60 026
Human resources component									
Personnel numbers (head count)	6	5	5	6	6	6	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	4.76	5.61	4.29	4.00	3.66
Personnel cost as % of total for department	5.34	5.12	4.95	5.95	4.17	5.11	5.51	5.01	5.08
Finance component									
Personnel numbers (head count)	18	15	15	17	17	17	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	13.49	15.89	12.14	11.33	10.37
Personnel cost as % of total for department	13.28	9.82	9.50	10.84	7.51	9.20	10.05	9.13	9.27
Full time workers									
Personnel numbers (head count)	87	82	82	94	94	75	125	135	149
Personnel cost (R thousand)	30 733	29 937	30 698	41 711	41 711	33 445	45 309	53 492	56 316
Head count as % of total for department	80.56	75.93	75.93	74.60	74.60	70.09	89.29	90.00	90.85
Personnel cost as % of total for department	95.83	94.76	94.00	92.63	92.63	90.97	93.29	93.91	93.82
Part-time workers									
Personnel numbers (head count)	7	10	10	15	15	15	15	15	15
Personnel cost (R thousand)	210	528	528	637	637	637	575	611	654
Head count as % of total for department	6	9.26	9.26	11.90	11.90	14.02	10.71	10.00	9.15
Personnel cost as % of total for department	194	488.89	488.89	505.56	505.56	595.33	410.71	407.58	398.88
Contract workers									
Personnel numbers (head count)	14	16	16	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	13.49	15.89	-	-	-
Personnel cost as % of total for department	3.51	3.56	4.38	5.96	5.96	7.30	5.52	5.01	5.09

As is evident from the tables, the department is increasing its staff numbers from 107 in 2012/13 to 164 in 2015/16. This is due to the department budgeting to fill its full staff complement (which consists of 149 full time staff and 15 interns) in line with the new approved organisational structure, hence the increase in *Compensation of employees* over the 2013/14 MTEF period.

The decrease in personnel costs from the 2012/13 Adjusted Appropriation to the Revised Estimate in Table 9.22 is due to the non-filling of posts, pending the finalisation of the organisational structure.

7.2 Training

Tables 9.23 and 9.24 below reflect the actual and estimated expenditure on training per programme for the period 2009/10 to 2015/16, 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 on 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 9.23 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 substantial increase in expenditure on training against Programme 2 from 2011/12 to 2012/13 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. Also, the fact that the department plans to fill its entire staff complement explains the substantial increase in the training budget (Programme 4) over the 2013/14 MTEF.

Table 9.23: Payments and estimates on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	311	13	161	437	437	437	458	485	507
2. Civilian Oversight	340	458	1 221	1 485	1 485	1 485	-	-	-
3. Crime Prev. and Community Police Relations	104	33	1 292	5 100	5 100	5 100	-	-	-
4. Provincial Civilian Secretariat	-	-	-	-	-	-	7 894	8 203	8 580
Total	755	504	2 674	7 022	7 022	7 022	8 352	8 688	9 087

Table 9.24: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Number of staff	108	108	108	126	126	107	140	150	164
Number of personnel trained	54	100	69	95	95	40	118	125	131
of which									
Male	32	38	28	40	40	12	56	60	62
Female	22	62	41	55	55	28	62	65	69
Number of training opportunities	21	30	31	19	19	14	21	24	26
of which									
Tertiary	-	4	8	2	2	6	8	10	12
Workshops	21	8	22	13	13	7	12	13	13
Seminars	-	3	1	2	2	1	1	1	1
Other	-	15	-	2	2	-	-	-	-
Number of bursaries offered	10	27	8	12	12	6	10	12	12
External	-	-	-	-	-	-	2	-	-
Internal	10	27	8	12	12	6	8	12	12
Number of interns appointed	15	15	15	15	15	15	15	15	15
Number of learnerships appointed									
Number of days spent on training	52	80	57	60	60	21	82	86	90

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	50	43	54	52	52	52	57	63	69
Sale of goods and services produced by dept. (excl. capital assets)	50	43	54	52	52	52	57	63	69
Sales by market establishments	-	-	-	28	28	28	31	34	37
Administrative fees									
Other sales	50	43	54	24	24	24	26	29	32
<i>of which</i>									
Administrative fees	50	24	34	-	-	-	-	-	-
Commission of insurance	-	19	20	24	24	24	26	29	32
Rental Parking Open, Boarding serv. Staff									
Other									
Sale of scrap, waste, arms and other used current									
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	1	-	-	-	-	-	-
Interest	6	1	1	-	-	-	-	-	-
Dividends									
Rent on land									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets									
Other capital assets									
Transactions in financial assets and liabilities	4	61	15	-	-	-	-	-	-
Total	60	105	70	52	52	52	57	63	69

Table 9.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	123 485	127 050	142 558	160 322	159 872	151 606	170 246	179 320	186 411
Compensation of employees	32 069	31 591	32 658	45 030	45 030	36 764	48 566	56 960	60 026
Salaries and wages	28 628	28 173	29 008	40 381	40 381	33 664	43 528	51 635	53 891
Social contributions	3 441	3 418	3 650	4 649	4 649	3 100	5 038	5 325	6 135
Goods and services	91 416	95 459	109 900	115 292	114 842	114 842	121 680	122 360	126 385
<i>of which</i>									
Administrative fees	12	4	-	2	2	2	2	2	2
Advertising	6 118	2 633	8 349	5 573	5 573	5 573	5 844	6 195	6 480
Assets <R5000	56	69	106	198	198	198	207	220	230
Audit cost: External	1 720	1 561	1 390	1 700	1 700	1 700	1 783	1 890	1 977
Bursaries (employees)	86	45	105	127	127	127	133	141	147
Catering: Departmental activities	415	-	3 502	3 653	3 653	3 653	3 921	4 238	4 433
Communication	3 023	5 340	4 819	5 061	5 061	5 061	5 308	5 627	5 886
Computer services	848	544	825	723	723	723	758	803	840
Cons/prof: Business & advisory services	2 359	6 661	3 554	3 863	3 863	3 863	4 096	4 382	4 584
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	1 221	2 043	1 472	511	511	511	536	568	594
Contractors	3 473	4 444	6 076	4 925	4 925	4 925	5 164	5 474	5 726
Agency & support/outsourced services	6 715	10 150	9 358	10 068	10 068	10 068	7 256	6 422	5 789
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	997	1 085	1 633	1 620	1 620	1 620	1 699	1 802	1 885
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	61	91	41	113	113	113	119	126	132
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	2 440	2 681	315	1 825	1 825	1 825	1 914	2 029	2 122
Inventory: Stationery and printing	3 046	5 234	2 265	9 272	9 272	9 272	9 859	10 572	11 058
Operating leases	4 555	3 555	4 788	4 355	4 355	4 355	4 567	4 841	5 064
Property payments	1 375	1 298	1 126	1 516	1 516	1 516	1 590	1 685	1 763
Transport provided: Departmental activity	3 456	2 939	5 765	3 299	3 299	3 299	3 459	3 666	3 835
Travel and subsistence	5 252	4 656	7 289	6 805	6 355	6 355	6 987	7 234	7 269
Training and development	755	504	2 674	7 022	7 022	7 022	8 352	8 688	9 087
Operating expenditure	27 037	34 055	32 407	33 549	33 549	33 549	38 260	35 433	37 063
Venues and facilities	16 013	5 867	12 041	9 512	9 512	9 512	9 866	10 322	10 419
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	359	17	466	12	12	12	12	12	13
Provinces and municipalities	8	10	3	12	12	12	12	12	13
Provinces	8	10	3	12	12	12	12	12	13
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	8	10	3	12	12	12	12	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	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	289	-	-	-	-	-	-
Households	351	7	174	-	-	-	-	-	-
Social benefits	351	7	143	-	-	-	-	-	-
Other transfers to households	-	-	31	-	-	-	-	-	-
Payments for capital assets	1 329	2 101	2 215	1 000	1 450	1 450	2 089	1 150	1 203
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 329	1 248	2 215	1 000	1 268	1 268	2 089	1 150	1 203
Transport equipment	1 104	-	-	-	-	-	-	-	-
Other machinery and equipment	225	1 248	2 215	1 000	1 268	1 268	2 089	1 150	1 203
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	853	-	-	182	182	-	-	-
Payments for financial assets	99	18	-	-	-	-	-	-	-
Total	125 272	129 186	145 239	161 334	161 334	153 068	172 347	180 482	187 627

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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	34 634	33 019	36 069	36 629	36 179	32 621	38 816	41 134	43 025
Compensation of employees	14 769	14 270	14 249	19 804	19 804	16 246	21 365	22 860	24 209
Salaries and wages	13 031	12 990	12 949	18 109	18 109	15 246	19 484	20 881	22 139
Social contributions	1 738	1 280	1 300	1 695	1 695	1 000	1 881	1 979	2 070
Goods and services	19 865	18 749	21 820	16 825	16 375	16 375	17 451	18 274	18 816
of which									
Administrative fees	2	2	-	2	2	2	2	2	2
Advertising	4 012	2 337	8 002	1 044	1 044	1 044	1 095	1 161	1 214
Assets <R5000	48	31	87	154	154	154	161	171	179
Audit cost: External	1 720	1 561	1 390	1 700	1 700	1 700	1 783	1 890	1 977
Bursaries (employees)	82	45	105	127	127	127	133	141	147
Catering: Departmental activities	127	-	23	78	78	78	82	87	91
Communication	1 098	822	786	903	903	903	947	1 004	1 050
Computer services	848	544	819	723	723	723	758	803	840
Cons/prof: Business & advisory services	69	1 910	412	270	270	270	283	300	314
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	663	1 483	15	511	511	511	536	568	594
Contractors	179	1 015	205	252	252	252	264	280	293
Agency & support/outsourced services	606	102	250	241	241	241	253	268	280
Entertainment									
Fleet services (incl. GMT)	238	267	401	429	429	429	450	478	500
Housing									
Inventory: Food and food supplies	33	51	18	74	74	74	78	83	87
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	-	-	-	-	-	-
Inventory: Stationery and printing	1 896	3 042	1 257	2 527	2 527	2 527	2 650	2 809	2 938
Operating leases	4 555	3 555	4 788	4 355	4 355	4 355	4 567	4 841	5 064
Property payments	1 375	1 298	1 126	1 516	1 516	1 516	1 590	1 685	1 763
Transport provided: Departmental activity	11	-	-	-	-	-	-	-	-
Travel and subsistence	610	263	1 039	1 249	799	799	1 116	970	717
Training and development	311	13	161	437	437	437	458	485	507
Operating expenditure	27	1	10	6	6	6	6	6	6
Venues and facilities	1 343	407	768	227	227	227	239	242	253
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	359	17	145	12	12	12	12	12	13
Provinces and municipalities	8	10	3	12	12	12	12	12	13
Provinces	8	10	3	12	12	12	12	12	13
Provincial Revenue Funds									
Provincial agencies and funds	8	10	3	12	12	12	12	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	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	351	7	142	-	-	-	-	-	-
Social benefits	351	7	142	-	-	-	-	-	-
Other transfers to households									
Payments for capital assets	126	176	1 868	340	790	790	410	446	467
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	126	167	1 868	340	608	608	410	446	467
Transport equipment									
Other machinery and equipment	126	167	1 868	340	608	608	410	446	467
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	9	-	-	182	182	-	-	-
Payments for financial assets	-	18	-	-	-	-	-	-	-
Total	35 119	33 230	38 082	36 981	36 981	33 423	39 238	41 592	43 505

Table 9.D: Details of payments and estimates by economic classification - Programme 2: Civilian Oversight

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
Current payments	14 423	18 121	20 157	40 199	40 199	38 467	-	-	-
Compensation of employees	6 593	6 900	7 266	10 013	10 013	8 281	-	-	-
Salaries and wages	5 873	6 117	6 416	8 885	8 885	7 281	-	-	-
Social contributions	720	783	850	1 128	1 128	1 000	-	-	-
Goods and services	7 830	11 221	12 891	30 186	30 186	30 186	-	-	-
of which									
Administrative fees	-	2	-	-	-	-	-	-	-
Advertising	518	123	333	4 504	4 504	4 504	-	-	-
Assets <R5000	6	13	13	44	44	44	-	-	-
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	31	-	813	2 204	2 204	2 204	-	-	-
Communication	167	208	215	97	97	97	-	-	-
Computer services									
Cons/prof: Business & advisory services	200	3 416	1 251	2 422	2 422	2 422	-	-	-
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	500	-	-	-	-	-	-	-	-
Contractors	307	502	907	2 695	2 695	2 695	-	-	-
Agency & support/outourced services	198	1 534	2 121	3 233	3 233	3 233	-	-	-
Entertainment									
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	9	8	3	16	16	16	-	-	-
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	298	465	64	3 061	3 061	3 061	-	-	-
Operating leases									
Property payments									
Transport provided: Departmental activity	150	163	679	1 977	1 977	1 977	-	-	-
Travel and subsistence	1 535	2 261	3 029	1 939	1 939	1 939	-	-	-
Training and development	340	458	1 221	1 485	1 485	1 485	-	-	-
Operating expenditure									
Venues and facilities	3 571	2 068	2 242	6 509	6 509	6 509	-	-	-
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	-	-	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	-	-	-	-	-	-
Social benefits									
Other transfers to households	-	-	31	-	-	-	-	-	-
Payments for capital assets	27	30	115	120	120	120	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	27	30	115	120	120	120	-	-	-
Transport equipment									
Other machinery and equipment	27	30	115	120	120	120	-	-	-
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	87	-	-	-	-	-	-	-	-
Total	14 537	18 151	20 303	40 319	40 319	38 587	-	-	-

Table 9.E: Details of payments and estimates by economic classification - Programme 3: Crime Prev. and Community Police Relations

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
Current payments	74 428	75 910	86 332	83 494	83 494	80 518	-	-	-
Compensation of employees	10 707	10 421	11 143	15 213	15 213	12 237	-	-	-
Salaries and wages	9 724	9 066	9 643	13 387	13 387	11 137	-	-	-
Social contributions	983	1 355	1 500	1 826	1 826	1 100	-	-	-
Goods and services	63 721	65 489	75 189	68 281	68 281	68 281	-	-	-
of which									
Administrative fees	10	-	-	-	-	-	-	-	-
Advertising	1 588	173	14	25	25	25	-	-	-
Assets <R5000	2	25	6	-	-	-	-	-	-
Audit cost: External	4	-	-	-	-	-	-	-	-
Bursaries (employees)	257	-	2 666	1 371	1 371	1 371	-	-	-
Catering: Departmental activities	1 758	4 310	3 818	4 061	4 061	4 061	-	-	-
Communication	-	-	6	-	-	-	-	-	-
Computer services	2 090	1 335	1 891	1 171	1 171	1 171	-	-	-
Cons/prof: Business & advisory services	-	-	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	58	560	1 457	-	-	-	-	-	-
Contractors	2 987	2 927	4 964	1 978	1 978	1 978	-	-	-
Agency & support/outsourced services	5 911	8 514	6 987	6 594	6 594	6 594	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	759	818	1 232	1 191	1 191	1 191	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	19	32	20	23	23	23	-	-	-
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	2 428	2 681	157	1 825	1 825	1 825	-	-	-
Inventory: Stationery and printing	852	1 727	944	3 684	3 684	3 684	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	3 295	2 776	5 086	1 322	1 322	1 322	-	-	-
Travel and subsistence	3 107	2 132	3 221	3 617	3 617	3 617	-	-	-
Training and development	104	33	1 292	5 100	5 100	5 100	-	-	-
Operating expenditure	27 010	34 054	32 397	33 543	33 543	33 543	-	-	-
Venues and facilities	11 099	3 392	9 031	2 776	2 776	2 776	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	-	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	-	-	-	-	-	-
Households	-	-	1	-	-	-	-	-	-
Social benefits	-	-	1	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 176	1 895	232	540	540	540	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 176	1 051	232	540	540	540	-	-	-
Transport equipment	1 104	-	-	-	-	-	-	-	-
Other machinery and equipment	72	1 051	232	540	540	540	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	844	-	-	-	-	-	-	-
Payments for financial assets	12	-	-	-	-	-	-	-	-
Total	75 616	77 805	86 854	84 034	84 034	81 058	-	-	-

Table 9.F: Details of payments and estimates by economic classification - Programme 4: Provincial Civilian Secretariat

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	-	-	-	-	-	-	131 430	138 186	143 386
Compensation of employees	-	-	-	-	-	-	27 201	34 100	35 817
Salaries and wages	-	-	-	-	-	-	24 044	30 754	31 752
Social contributions	-	-	-	-	-	-	3 157	3 346	4 065
Goods and services	-	-	-	-	-	-	104 229	104 086	107 569
of which									
Administrative fees	-	-	-	-	-	-	4 749	5 034	5 266
Advertising	-	-	-	-	-	-	46	49	51
Assets <R5000	-	-	-	-	-	-			
Audit cost: External	-	-	-	-	-	-			
Bursaries (employees)	-	-	-	-	-	-			
Catering: Departmental activities	-	-	-	-	-	-	3 839	4 151	4 342
Communication	-	-	-	-	-	-	4 361	4 623	4 836
Computer services	-	-	-	-	-	-			
Cons/prof: Business & advisory services	-	-	-	-	-	-	3 813	4 082	4 270
Cons/prof: Infrastructure & planning	-	-	-	-	-	-			
Cons/prof: Laboratory services	-	-	-	-	-	-			
Cons/prof: Legal cost	-	-	-	-	-	-			
Contractors	-	-	-	-	-	-	4 900	5 194	5 433
Agency & support/outsourced services	-	-	-	-	-	-	7 003	6 154	5 509
Entertainment	-	-	-	-	-	-			
Fleet services (incl. GMT)	-	-	-	-	-	-	1 249	1 324	1 385
Housing	-	-	-	-	-	-			
Inventory: Food and food supplies	-	-	-	-	-	-	41	43	45
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	-	-	-	-	-	-	1 914	2 029	2 122
Inventory: Stationery and printing	-	-	-	-	-	-	7 209	7 763	8 120
Operating leases	-	-	-	-	-	-			
Property payments	-	-	-	-	-	-			
Transport provided: Departmental activity	-	-	-	-	-	-	3 459	3 666	3 835
Travel and subsistence	-	-	-	-	-	-	5 871	6 264	6 552
Training and development	-	-	-	-	-	-	7 894	8 203	8 580
Operating expenditure	-	-	-	-	-	-	38 254	35 427	37 057
Venues and facilities	-	-	-	-	-	-	9 627	10 080	10 166
Rental and hiring	-	-	-	-	-	-			
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	-	-	-	-	-	-	1 679	704	736
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	1 679	704	736
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	1 679	704	736
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	133 109	138 890	144 122

Table 9.G: Payments and estimates by economic classification: Conditional grant: Social Sector EPWP Incentive Grant for Provinces

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	-	-	-	1 673	1 673	1 673	5 369	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	1 673	1 673	1 673	5 369	-	-
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	1 673	1 673	5 369	-	-
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	1 673	1 673	5 369	-	-

VOTE 10

The Royal Household

Operational budget	R 63 330 000
MEC remuneration	Nil
Total amount to be appropriated	R 63 330 000
<i>of which:</i>	
Unauthorised expenditure (1 st charge) not available for spending	R 2 500 000
Vote 10 baseline available for spending after 1 st charge	R 60 830 000
Responsible Executive Authority	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 Household Trust (hereafter referred to as 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 Executive Authority 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 2012/13 financial year

Section 2 provides a review of 2012/13, 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 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 Trustees was appointed in that year. The Royal Trust was listed as a Schedule 3C provincial public entity during 2012/13. Although agreement was reached in 2012/13 on functions to be performed by the Royal Household and the Royal Trust, respectively, the Royal Trust was not yet fully operational. This was due to the fact that staff negotiations were not concluded in 2012/13 as was anticipated, largely as a result of a lack of managerial/supervisory capacity in the Royal Trust to oversee the staff who are employed to support the Royal Household. These staff are therefore still managed and paid by the department, pending the finalisation of the post establishment structure and job evaluation of the posts.

During the transition period, while the Royal Trust engaged itself with the development of policies, systems and procedures to ensure that adequate financial management and human resource management controls are in place, the department continued with its routine activities in respect of the Royal Household, such as administrative support to His Majesty, the King, maintenance of palaces and farming activities.

A Task Team, consisting of the Office of the Premier, Provincial Treasury, the Department of the Royal Household and the Royal Trust, was appointed in 2012/13 to resolve matters such as the transfer of staff, performance of duties relating to His Majesty's Queens, etc., and the transfer of functions from the department to the Royal Trust. To date, major milestones achieved by the Task Team include agreement between the department and the Royal Trust on the functions to be performed by the Royal Trust and the department, agreement on interim arrangements in respect of staffing and budget, etc. It must be noted that the roles, responsibilities and functions agreed upon will then form the basis for further planning currently underway, in respect of staff structures, staff negotiations and funding requirements.

Renovations to palaces

The department continued with the renovation and refurbishment, as well as repairs and maintenance projects to the Royal residences. These projects included the construction of new buildings, such as rondavels, a cold-room and a garage, at the KwaDlamahlahla and Ingwavuma palaces, renovations of KwaKhethomthandayo, KwaKhangela and KwaLinduzulu palaces, etc. Also, a water reticulation system was provided at KwaKhethomthandayo palace and a new generator provided at Ondini palace.

His Majesty, the King's activities

During 2012/13, His Majesty, the King undertook the following:

- Participated in government events and ceremonies, such as the opening of the KZN Provincial Legislature, official opening of the KZN House of Traditional Leaders, and many other events organised by various departments.
- Hosted major traditional events, such as the Reed Dance, First Fruits and *Amaganu* (amarula) ceremonies.
- Hosted a number of dignitaries from other countries, such as the Israel Ambassador, and prominent business people, such as a delegation from Singapore, as a business ambassador to KZN.
- Installed *Amakhosi* both statutorily and customarily.
- Was involved in farming activities, such as crop and animal production.

Feasibility studies of His Majesty, the King's farms

It must be noted that, although none of His Majesty, the King's farms appear to be commercially viable in terms of the feasibility studies undertaken, the department continued with subsistence farming activities. The farming activities undertaken on the farms included animal disease control, Nguni and Boran breeding, providing and fencing of grazing areas, plant production which include providing inputs, ploughing and planting, harvesting of crops such as beans and maize, and fencing of arable lands.

3. Outlook for the 2013/14 financial year

Section 3 looks at the key focus areas of 2013/14, 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. Funds are transferred to cater for, among others, staff remuneration, emolument for Trustees, as well as the Queens' expenses.

It is envisaged that negotiations with organised labour regarding the transfer of staff to the Royal Trust will be finalised during 2013/14 and that, as the Royal Trust becomes operational, more functions will be devolved from the department to the Royal Trust. The department will therefore be left with a small staff complement to render administrative support services to His Majesty, the King. The decision to retain Vote 10 as a separate department, or to incorporate it as a programme under the Office of the Premier, is still under discussion at a political level.

Staff transfers are anticipated to take place in 2013/14, with palace workers in Programme 2: Royal Household Planning and Development and farm workers under Programme 3: His Majesty, the King's Farms, earmarked for transfer to the Royal Trust. The ultimate objective over the next three to five years will be for Vote 10 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 only for 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.

Renovations to palaces

The department will continue with renovations and refurbishments of palaces. This includes major renovations, upgrades, refurbishments and repairs to both the inside and outside of the palaces, providing water reticulation systems, landscaping, construction of new rondavels at Ingwavuma palace, renovations and upgrades at eNyokeni, KwaLinduzulu and KwaKhangela, etc. It must be noted that the department received an additional allocation of R12 million, which was specifically and exclusively appropriated for the rehabilitation, renovation and refurbishment of palaces in 2013/14.

His Majesty, the King's activities

During 2013/14, 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, and undertake both national and international trips as a business ambassador. The department will continue to support the King's farming activities such as crop and animal production.

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 2009/10 to 2015/16. 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, and 75 of 2012, as explained in further detail in Section 5.3.

Table 10.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Provincial allocation	40 643	45 113	55 643	59 566	59 566	59 566	63 330	53 870	56 063
Total receipts	40 643	45 113	55 643	59 566	59 566	59 566	63 330	53 870	56 063
Total payments	40 407	50 627	59 409	59 566	65 361	65 361	63 330	53 870	56 063
Surplus/(Deficit) before financing	236	(5 514)	(3 766)	-	(5 795)	(5 795)	-	-	-
Financing									
of which									
Provincial roll-overs	-	236	-	-	5 383	5 383	-	-	-
Provincial cash resources	-	1 800	5 000	-	412	412	-	-	-
Surplus/(deficit) after financing	236	(3 478)	1 234	-	-	-	-	-	-

The department ended 2009/10 with an under-spending of R236 000, due to cost-cutting.

In 2010/11, the department received a roll-over of R236 000 from 2009/10, and additional funding of R1.800 million allocated as provincial cash resources 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 over-expenditure of R3.478 million.

In 2011/12, the department received provincial cash resources of R5 million, specifically allocated as seed funding to establish (i.e. for the set-up and operational costs) the Royal Trust, in line with a Cabinet resolution. After the repayment of the second instalment of the first charge of R3.767 million, the budget was under-spent by R1.234 million due to under-spending on ring-fenced funds. The department received R8 million which was specifically and exclusively appropriated for the rehabilitation, renovation and refurbishment of palaces. Section 43(4)(a) of the PFMA prohibits the department from using savings realised against these infrastructure projects to offset over-expenditure in other areas. The under-spending of R5.383 million relating to these funds should therefore be taken into account when calculating the real net over-spending, which resulted in over-expenditure for the vote as a whole of R4.239 million (not in the table).

In 2012/13, the department received provincial cash resources of R412 000 for the higher than budgeted 2012 wage agreement and a roll-over of R5.383 million from 2011/12, being the under-spending on funds which were specifically and exclusively appropriated for the rehabilitation, renovation and refurbishment of palaces.

The budget allocation for the 2013/14 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	89	81	104	98	98	100	103	109	110
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	335	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	-	97	50	-	-	-	-	-	-
Total	89	513	154	98	98	100	103	109	110

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 2011/12 relates to higher than anticipated insurance and garnishee orders received by the department.

During 2010/11, the department collected once-off revenue on *Sale of capital assets* for the unanticipated sale of redundant vehicles.

In 2010/11, the department received R97 000 against *Transactions in financial assets and liabilities* recovered from 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 through internal reprioritisation for the inflationary wage adjustment of 6.3 per cent in 2013/14, 6.1 per cent in 2014/15 and 5.9 per cent in 2015/16, as well as the annual 1.5 per cent pay progression.
- Inflation related items are based on CPI projections.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2013/14, will continue to be adhered to over the 2013/14 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.

5.2 Additional allocation for the 2011/12 to 2013/14 MTEF

Table 10.3 shows additional funding received by the department over the three MTEF periods 2011/12, 2012/13 and 2013/14. 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 2011/12 and 2012/13 MTEF periods (i.e. for the financial year 2015/16) are based on the incremental percentage used in the 2013/14 MTEF.

Table 10.3: Summary of additional provincial allocations for the 2011/12 to 2013/14 MTEF

R thousand	2011/12	2012/13	2013/14	2014/15	2015/16
2011/12 MTEF period	8 814	10 874	12 834	13 604	14 230
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement	844	911	884	937	980
Prov. priorities: Renovations, refurbishment of the Royal residences	8 000	10 000	12 000	12 720	13 305
National Cabinet decision to cut provinces by 0.3 per cent	(30)	(37)	(50)	(53)	(55)
2012/13 MTEF period		132	138	(12 575)	(13 153)
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement		132	138	145	152
Prov. priorities: Renovations, refurbishment of the Royal residences		-	-	(12 720)	(13 305)
2013/14 MTEF period			(873)	(1 464)	(1 816)
Census data update and 1%, 2% and 3% baseline cuts			(873)	(1 464)	(1 816)
Total	8 814	11 006	12 099	(435)	(740)

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 additional funding in the 2012/13 MTEF to provide for the carry-through costs of the higher than anticipated 2011 wage agreement. The decrease in 2014/15 and 2015/16 is due to the removal of the palace renovations funding, in line with project requirements.

In the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. national, provincial and local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period.

The department implemented the baseline cuts against *Goods and services* (on items such as travel and subsistence costs, catering, transport costs, contractors, etc.), *Transfers and subsidies to: Departmental agencies and accounts* and *Payments for capital assets*, across all programmes. The cuts will impact on His Majesty, the King's movements which relate to his legislative mandate, purchase of office equipment, maintenance projects, as well as agricultural inputs and rentals for grazing camps. Also, the department reduced the allocation to the Royal Trust, until the Royal Trust is fully established and able to perform all the required activities.

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 2009/10 to 2015/16.

Table 10.4: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Support Services - His Majesty, the King	24 323	36 120	43 215	35 278	35 421	35 421	39 027	42 021	43 668
2. Royal Household Planning and Development	13 666	11 964	14 336	20 484	26 085	26 085	20 575	8 911	9 324
3. His Majesty, the King's Farms	2 418	2 543	1 858	3 804	3 855	3 855	3 728	2 938	3 071
Total	40 407	50 627	59 409	59 566	65 361	65 361	63 330	53 870	56 063
Unauth. exp. (1 st charge) not available for spending	-	(3 767)	(3 767)	(1 800)	(1 800)	(1 800)	(2 500)	(2 500)	(4 694)
Baseline available for spending after 1st charge	40 407	46 860	55 642	57 766	63 561	63 561	60 830	51 370	51 369

Table 10.5: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	39 352	38 973	41 086	33 367	35 010	35 010	26 122	26 419	25 261
Compensation of employees	16 891	20 238	20 093	20 852	21 264	21 264	13 938	13 474	14 094
Goods and services	22 461	18 735	20 993	12 515	13 746	13 746	12 184	12 945	11 167
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	262	6 564	11 524	12 141	11 121	11 121	20 541	22 548	23 575
Provinces and municipalities	26	19	-	8	8	8	9	10	10
Departmental agencies and accounts	-	5 857	11 300	12 000	10 800	10 800	20 393	22 393	23 415
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	236	688	224	133	313	313	139	145	150
Payments for capital assets	647	1 106	3 032	12 258	17 430	17 430	14 167	2 403	2 533
Buildings and other fixed structures	314	259	2 527	10 821	16 204	16 204	12 866	1 063	1 112
Machinery and equipment	333	763	505	1 437	1 226	1 226	1 301	1 340	1 421
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	1 800	1 800	1 800	2 500	2 500	4 694
Total	40 407	50 627	59 409	59 566	65 361	65 361	63 330	53 870	56 063
Unauth. exp. (1 st charge) not available for spending	-	(3 767)	(3 767)	(1 800)	(1 800)	(1 800)	(2 500)	(2 500)	(4 694)
Baseline available for spending after 1st charge	40 407	46 860	55 642	57 766	63 561	63 561	60 830	51 370	51 369

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. In 2011/12, the second instalment of R3.767 million was paid but there was further unauthorised expenditure, which became a further first charge. In terms of SCOPA Resolution 7 of 2012, the instalment of R1.800 million remains in 2012/13 and instalments of R2.500 million each will be implemented in 2013/14 and 2014/15, and R4.694 million in 2015/16. The first charge implemented was allocated under Programme 1, against *Payments for financial assets*, and the amounts available for spending from 2010/11 to 2015/16 have been reduced by the instalment amounts.

The low level of spending against Programme 1 in 2009/10, compared to ensuing years, relates to cost-cutting, where the department reduced spending 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 2011/12 related to an additional R5 million, being seed funding for the establishment of the Royal Trust, and R343 000 for the higher than anticipated 2011 wage agreement. The decrease in 2012/13 was due to the once-off seed funding of R5 million in 2011/12. The increase over the 2013/14 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 expenditure against Programme 2 in 2010/11 was due to cost-cutting. The increase in 2011/12 related to the higher than budgeted 2011 wage agreement, as well as the renovations and refurbishment of palaces. The department received additional funding over the 2011/12 MTEF for the renovations and maintenance of Royal residences, which comes to an end in 2013/14, in line with project requirements, explaining the substantial decrease in 2014/15. The department, however, did not fully spend the funds allocated for renovations and refurbishment of palaces in 2011/12 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. In the 2012/13 Adjustments Estimate, a roll-over of R5.383 million relating to 2011/12 unspent funds ring-fenced for infrastructure projects was allocated to the department, accounting for the increase in the 2012/13 Adjusted Appropriation and Revised Estimate.

Spending against Programme 3 shows a fluctuating trend over the seven-year period. The decrease in 2011/12 was due to the non-filling of vacant posts and implementation of cost-cutting, which resulted in savings against training and development costs. The substantial increase in 2012/13 relates to the anticipated filling of vacant posts. The decrease in 2014/15 relates to the assumption that staff will be transferred to the Royal Trust, with an inflationary increase in 2015/16.

The increase against *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 increase against *Compensation of employees* in the 2012/13 Adjusted Appropriation and Revised Estimate related to the higher than anticipated 2012 wage agreement. The decrease from 2013/14 is due to the phased-in transfer of staff to the Royal Trust, assuming finalisation of labour negotiations.

High spending against *Goods and services* in 2009/10 was mainly attributable to subsistence and travel costs for His Majesty, the King, and his entourage. The increase from 2010/11 to 2011/12 related to the fact that the department continued to perform many of the functions which the Royal Trust was anticipated to perform, such as paying for expenditure relating to His Majesty's Queens, municipal and maintenance costs, etc., as the Royal Trust was not yet fully functional. Spending pressures that exist within the department, such as audit fees, financial management consultants' fees, catering, entertainment and subsistence and travel costs, also contributed to the increase in 2011/12 and in the 2012/13 Adjusted Appropriation and Revised Estimate. The decrease in the 2012/13 Main Appropriation was due to the anticipated transfer of functions to the Royal Trust. The transfer did not materialise as anticipated, therefore funds were moved from *Transfers and subsidies to: Departmental agencies and accounts* to *Goods and services* in the 2012/13 Adjustments Estimate. The decrease over the 2013/14 MTEF is to cater for the anticipated transfer of functions to the Royal Trust.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences. The decrease from 2010/11 was due to the disposal of vehicles. The department did not receive invoices from the Department of Transport (DOT) in 2011/12, which accounts for no spending recorded against this category. The growth from 2013/14 onward is mainly due to the anticipated increase in annual tariffs.

Transfers to the Royal Trust are reflected against *Transfers and subsidies to: Departmental agencies and accounts*. The increase in 2011/12 was due to the fact that the Royal Trust was allocated once-off seed funding of R5 million for establishment costs, in line with a Cabinet resolution. The low 2012/13 Revised Estimate related to the movement of funds to *Goods and services*, as the department continued to perform many of the functions that the Royal Trust was anticipated to perform, as it is not yet fully functional. The increase in the 2013/14 MTEF is due to the anticipated increase in transfers, as the Royal Trust begins to take over more and more functions from the department.

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 reduction from 2012/13 onward relates to fewer anticipated staff exits from the Vote itself, due to the fact that staff are going to be transferred to the Royal Trust. Any exit costs would therefore be paid for by the Royal Trust, rather than the department.

With regard to *Buildings and other fixed structures*, 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. *Buildings and other fixed structures* shows substantial growth from 2011/12, where 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. The department however, did not fully spend the funds allocated for renovations and refurbishment of palaces in 2011/12, due to delays in the implementation of certain infrastructure projects, as previously mentioned. In the 2012/13 Adjustments Estimate, a roll-over of R5.383 million relating to 2011/12 unspent funds ring-fenced for infrastructure projects was allocated to the department, accounting for the increase in the 2012/13 Adjusted Appropriation and Revised Estimate. 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, explaining the decrease in 2014/15.

The budget for *Machinery and equipment* includes funds for the acquisition of vehicles 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 decrease in the 2012/13 Adjusted Appropriation and Revised Estimate related to savings identified against this category due to cost-cutting which were moved to ease other spending pressures within the department. The steady increase over the 2013/14 MTEF relates to the department's plan to replenish the departmental fleet.

The amount of R84 000 against *Biological assets* in 2010/11 related to the purchase of 12 Nguni cattle.

The amounts reflected against *Payments for financial assets* can largely be ascribed to payments in respect of the first charge. The 2009/10 and a portion of the 2010/11 amount pertained 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 further first charge. In 2011/12, the second instalment of R3.767 million was paid but further unauthorised expenditure was incurred, which became a further first charge. The third instalment of R1.800 million was implemented in 2012/13. The instalments of R2.500 million each will be implemented in 2013/14 and 2014/15, and R4.694 million in 2015/16, as previously explained.

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 *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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
New and replacement assets									
Existing infrastructure assets	1 339	997	4 027	14 349	19 732	19 732	13 366	1 563	1 642
Upgrades and additions									
Rehabilitation, renovations and refurbishments	314	259	2 527	10 821	16 204	16 204	12 866	1 063	1 112
Maintenance and repairs	1 025	738	1 500	3 528	3 528	3 528	500	500	530
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Current									
Capital									
<i>Capital infrastructure</i>	<i>314</i>	<i>259</i>	<i>2 527</i>	<i>10 821</i>	<i>16 204</i>	<i>16 204</i>	<i>12 866</i>	<i>1 063</i>	<i>1 112</i>
<i>Current infrastructure</i>	<i>1 025</i>	<i>738</i>	<i>1 500</i>	<i>3 528</i>	<i>3 528</i>	<i>3 528</i>	<i>500</i>	<i>500</i>	<i>530</i>
Total	1 339	997	4 027	14 349	19 732	19 732	13 366	1 563	1 642

The maintenance and repair work that is undertaken at the royal residences is recorded as *Maintenance and repairs*. Capital additions are reflected against *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. The increase in 2012/13 related to projects which were scheduled in 2011/12, but commenced in 2012/13 due to the above-mentioned delays with the implementation of infrastructure projects. In light of the baseline reductions, the department reviewed its maintenance projects, where only projects which are considered urgent will be undertaken over the 2013/14 MTEF in order 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 commenced in 2011/12 with the process of renovating and repairing two palaces, i.e. KwaKhethomthandayo and KwaDlamahlahla, which are expected to be completed in 2012/13. This allocation was substantially under-spent in 2011/12 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 and, as a consequence, R5.383 million was rolled over to 2012/13, as reflected in the 2012/13 Adjusted Appropriation and Revised Estimate. All the renovations, upgrading and refurbishment of palaces, such as the construction of rondavels at Ingwavuma palace, providing water reticulation systems, etc., are envisaged 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

Table 10.7 presents the summary of transfer payments made to other entities by Vote 10. Financial summaries in respect of the public entity is presented in *Annexure – Vote 10: Royal Household*.

Table 10.7: 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Royal Trust	-	5 857	11 300	12 000	10 800	10 800	20 393	22 393	23 415
Total	-	5 857	11 300	12 000	10 800	10 800	20 393	22 393	23 415

The Royal Trust was established in 2009/10 as an entity in terms of the KZN Royal Household Trust Act and registered as a Schedule 3C provincial public entity during 2012/13.

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 Trustees, 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 did not change, but were merely being administered by the Royal Trust.

In 2011/12, according to a Cabinet Resolution, the Royal Trust received once-off seed funding of R5 million for establishment costs. The decrease in the 2012/13 Adjusted Appropriation and Revised Estimate related to the fact that the department continued to perform many of the functions which were anticipated to be performed by the Royal Trust, such as paying for expenditure relating to His Majesty's Queens, municipal and maintenance costs, etc., as the Royal Trust is not fully functional. Also, not all outstanding matters, such as a fully functional organisational structure, transfer of staff, SCM capacity, internal controls, etc., within the Royal Trust, have been resolved.

A Task Team was appointed to resolve matters relating to the transfer of functions from the department to the Royal Trust and it is envisaged that the Royal Trust will assume the majority of its functions from 2013/14, hence the substantial increase from 2013/14 onward. To this end, the transfer of palace support staff in Programme 2 and farm staff from Programme 3 is envisaged to take place from 2013/14.

5.9 Transfers to other entities – Nil

5.10 Transfers to local government

The Royal Household makes no transfer payments to local government. Although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, 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	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
1. Support Services - His Majesty, the King	102	6 357	11 392	12 008	10 858	10 858	20 402	22 403	23 425
Provinces and municipalities	26	19	-	8	8	8	9	10	10
Motor vehicle licences	26	19	-	8	8	8	9	10	10
Departmental agencies and accounts	-	5 857	11 300	12 000	10 800	10 800	20 393	22 393	23 415
Royal Trust	-	5 857	11 300	12 000	10 800	10 800	20 393	22 393	23 415
Households	76	481	92	-	50	50	-	-	-
Staff exit costs	76	481	92	-	50	50	-	-	-
2. Royal Household Planning and Dev	160	192	132	133	183	183	139	145	150
Households	160	192	132	133	183	183	139	145	150
Staff exit costs	160	192	132	133	183	183	139	145	150
3. His Majesty, the King's Farms	-	15	-	-	80	80	-	-	-
Households	-	15	-	-	80	80	-	-	-
Staff exit costs	-	15	-	-	80	80	-	-	-
Total	262	6 564	11 524	12 141	11 121	11 121	20 541	22 548	23 575

Provinces and municipalities in Programme 1 reflects the payment of motor vehicle licences. The decrease from 2010/11 was due to the disposal of vehicles. No expenditure was recorded against this category in 2011/12 due to the fact that the department did not receive invoices from DOT. The growth from 2013/14 onward is mainly due to the anticipated increase in annual tariffs.

The large transfers against *Departmental agencies and accounts* in Programme 1 relate to the transfer of funds to the Royal Trust. The decrease in the 2012/13 Adjusted Appropriation and Revised Estimate 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 R1.200 million in respect of the Royal Trust from *Departmental agencies and accounts* to *Goods and services* in the 2012/13 Adjustments Estimate. The increase over the 2013/14 MTEF relates to the increase in transfers to the Royal Trust, which is anticipated to become fully functional over the MTEF.

Households, against all programmes, pertains mainly to the payment of leave gratuities and other staff exit costs over the seven-year period, which are difficult to predict. The increase in 2010/11 related to unanticipated staff exits resulting from natural attrition and the payment of a severance package. The reduction from 2012/13 onward relates to fewer anticipated staff exits from the Vote itself, due to the fact that staff are going to be transferred to the Royal Trust, as previously mentioned.

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 *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 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, 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 2009/10 to 2015/16. As mentioned under Section 5.3 above, in terms of Section 34(2) of the PFMA, and in line with various SCOPA resolutions, 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. In 2011/12, the second instalment was paid but there was further unauthorised expenditure, which became a further first charge. In line with SCOPA Resolution 75 of 2012, the instalment of R1.800 million remains in 2012/13, and instalments of R2.500 million each will be implemented in 2013/14 and 2014/15, and R4.694 million in 2015/16. The first charge implemented was allocated under Programme 1, against the King's Office Support Services sub-programme, under *Payments for financial assets*, and the amounts available for spending from 2010/11 to 2015/16 have been reduced by the instalment amounts.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
King's Office Support Services	24 323	30 263	31 915	23 278	24 621	24 621	18 634	19 528	20 253
Royal Trust	-	5 857	11 300	12 000	10 800	10 800	20 393	22 493	23 415
Total	24 323	36 120	43 215	35 278	35 421	35 421	39 027	42 021	43 668
Unauth. exp. (1 st charge) not available for spending	-	(3 767)	(3 767)	(1 800)	(1 800)	(1 800)	(2 500)	(2 500)	(4 694)
Baseline available for spending after 1st charge	24 323	32 353	39 448	33 478	33 621	33 621	36 527	39 521	38 974

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	24 221	25 265	27 549	20 231	21 574	21 574	15 029	15 993	14 353
Compensation of employees	7 646	10 482	9 801	9 989	10 132	10 132	4 585	4 859	5 083
Goods and services	16 575	14 783	17 748	10 242	11 442	11 442	10 444	11 134	9 270
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	102	6 357	11 392	12 008	10 858	10 858	20 402	22 403	23 425
Provinces and municipalities	26	19	-	8	8	8	9	10	10
Departmental agencies and accounts	-	5 857	11 300	12 000	10 800	10 800	20 393	22 393	23 415
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	76	481	92	-	50	50	-	-	-
Payments for capital assets	-	514	507	1 239	1 189	1 189	1 096	1 125	1 196
Buildings and other fixed structures	-	-	2	-	-	-	-	-	-
Machinery and equipment	-	514	505	1 239	1 189	1 189	1 096	1 125	1 196
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	1 800	1 800	1 800	2 500	2 500	4 694
Total	24 323	36 120	43 215	35 278	35 421	35 421	39 027	42 021	43 668
Unauth. exp. (1 st charge) not available for spending	-	(3 767)	(3 767)	(1 800)	(1 800)	(1 800)	(2 500)	(2 500)	(4 694)
Baseline available for spending after 1st charge	24 323	32 353	39 448	33 478	33 621	33 621	36 527	39 521	38 974

The overall spending of this programme was low in 2009/10 due to the effects of cost-cutting. The increase in 2011/12 largely related to spending pressures that exist within the department against *Goods and services*, such as audit fees, financial management consultants' fees, catering, entertainment and subsistence and travel costs.

The increase in the sub-programme: King's Office Support Services in 2010/11 was 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 increase in 2011/12 was mainly due to unanticipated pressures in audit costs, financial management consultants, property payments, fleet services and subsistence and travel costs, largely affecting *Goods and services*. Also, the department continued to perform many of the functions which the Royal Trust was anticipated to perform, such as paying for expenditure relating to His Majesty's Queens, municipal and maintenance costs, etc., as the Royal Trust was not yet fully functional. The increase in the 2012/13 Adjusted Appropriation related to the non-transfer of staff to the Royal Trust as anticipated, due to the fact that the Royal Trust was still not fully functional. These factors also account for the trend against *Goods and services*. The expenditure of this sub-programme is expected to decrease in 2013/14, with inflationary increases from 2014/15 onward, 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 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 2011/12 was due to seed funding which was transferred to the Royal Trust, as per Cabinet Resolution. The decrease in the 2012/13 Adjusted Appropriation and Revised Estimate 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 fully functional. This resulted in the department reducing the Royal Trust allocation by R1.200 million in the 2012/13 Adjustments Estimate, as previously mentioned. The increase over the 2013/14 MTEF relates to the further phasing in of the running costs of the Royal Household that are to be administered by the Royal Trust, as mentioned in detail earlier.

Compensation of employees was high in 2010/11 due to the above-mentioned higher than anticipated 2010 wage agreement, back-pay for His Majesty, the King's salary which was inadvertently under-paid since 2000/01 and His Majesty, the King's salary increases in line with Remuneration of Public Office Bearers Act. The increase in the 2012/13 Adjusted Appropriation and Revised Estimate relates to the higher than anticipated 2012 wage agreement. The decrease over the 2013/14 MTEF provides for the transfer of staff from the department to the Royal Trust.

Transfers and subsidises to: Households relates to staff exit costs.

The amounts against *Machinery and equipment* relate to the acquisition of vehicles and office equipment which is purchased on a cyclical basis. The department did not spend any funds on *Machinery and equipment* in 2009/10 due to cost-cutting. The decrease from the 2012/13 Main to Adjusted Appropriation related to the movement of savings, as a result of cost-cutting, to *Transfers and subsidises to: Households* to cater for unanticipated staff exit costs. The allocations over the 2013/14 MTEF provides for the purchase of motor vehicles, office equipment and computers.

The repayment of unauthorised expenditure (i.e. the first charge) is reflected against *Payments for financial assets*. Also, the 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			
		2012/13	2013/14	2014/15	2015/16	
Support His Majesty, the King in fulfilling 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 2009/10 to 2015/16.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Support Services - His Majesty, the King	13 666	11 964	14 336	20 484	26 085	26 085	20 575	8 911	9 324
Total	13 666	11 964	14 336	20 484	26 085	26 085	20 575	8 911	9 324

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	12 713	11 264	11 679	9 443	9 661	9 661	7 480	7 608	7 962
Compensation of employees	7 566	8 384	9 102	8 253	8 471	8 471	6 630	6 728	7 037
Goods and services	5 147	2 880	2 577	1 190	1 190	1 190	850	880	925
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidises to:	160	192	132	133	183	183	139	145	150
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	160	192	132	133	183	183	139	145	150
Payments for capital assets	647	508	2 525	10 908	16 241	16 241	12 956	1 158	1 212
Buildings and other fixed structures	314	259	2 525	10 821	16 204	16 204	12 866	1 063	1 112
Machinery and equipment	333	249	-	87	37	37	90	95	100
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	146	-	-	-	-	-	-	-	-
Total	13 666	11 964	14 336	20 484	26 085	26 085	20 575	8 911	9 324

The decrease in this programme in 2010/11 was due to cost-cutting, largely against *Goods and services*. Also, the department 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 2012/13 Main Appropriation relates to additional funding allocated to the department in the 2011/12 MTEF, ring-fenced for the renovations and refurbishment of palaces. The further increase in the 2012/13 Adjusted Appropriation and Revised Estimate related largely to these unspent ring-fenced funds being rolled over to 2012/13 for the renovations and refurbishment of palaces. It is anticipated that the department will continue with the renovations of all the palaces over the 2013/14 MTEF, with funding for this coming to an end in 2013/14 in line with project requirements.

The decrease in *Compensation of employees* from 2012/13 onward emanates from the planned phased-in transfer of staff to the Royal Trust. The transfer was not done in 2012/13 due to the ongoing negotiations with organised labour. In the 2012/13 Adjusted Appropriation, the slight increase is due to additional funding for the higher than anticipated 2012 wage agreement. The decrease over the 2013/14 MTEF is due to the anticipated transfer of staff to the Royal Trust.

The amounts against *Transfers and subsidies to: Households* relate to staff exit costs.

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 KwaDlamahlahla, commenced. The department, however, did not fully spend the ring-fenced funds in 2011/12 due to delays in the implementation of certain infrastructure projects, as His Majesty, the King was not completely satisfied with the infrastructure plan. The increase in the 2012/13 Adjusted Appropriation and Revised Estimate was due to these unspent ring-fenced funds being rolled over to 2012/13 for the renovations and refurbishment of palaces. It is anticipated that the department will continue with the renovations of all the palaces, such as the construction of rondavels at Ingwavuma palace, providing water reticulation systems, etc., with funding for this coming 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. The number of maintenance projects significantly decreases from 2014/15, in line with the additional funding for the rehabilitation, renovation and refurbishment of palaces, coming to an end in 2013/14.

Table 10.14: Service delivery measures – Programme 2: Royal Household Planning and Development

Outputs	Performance indicators	Estimated performance		Medium term targets	
		2012/13	2013/14	2014/15	2015/16
Maintenance of the Royal Residences	• No. of maintenance projects	10	10	4	4

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 subsistent 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 summarise payments and estimates from 2009/10 to 2015/16.

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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
His Majesty, the King's Farms	2 418	2 543	1 858	3 804	3 855	3 855	3 728	2 938	3 071
Total	2 418	2 543	1 858	3 804	3 855	3 855	3 728	2 938	3 071

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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	2 418	2 444	1 858	3 693	3 775	3 775	3 613	2 818	2 946
Compensation of employees	1 679	1 372	1 190	2 610	2 661	2 661	2 723	1 887	1 974
Goods and services	739	1 072	668	1 083	1 114	1 114	890	931	972
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	15	-	-	80	80	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	15	-	-	80	80	-	-	-
Payments for capital assets	-	84	-	111	-	-	115	120	125
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	111	-	-	115	120	125
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	84	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 418	2 543	1 858	3 804	3 855	3 855	3 728	2 938	3 071

The decrease in this programme in 2011/12 related mainly to cost-cutting, which resulted in savings in training and development costs. The allocation for this programme decreases in 2014/15 in line with the department's plan to transfer farm workers to the Royal Trust.

The decrease against *Compensation of employees* in 2010/11 related to the non-filling of posts which became vacant due to staff exits, and, the transfer of staff from this programme to Programmes 1 and 2, due to the reduction in farm operations. The significant increase in the 2012/13 Main Appropriation relates to the anticipated filling of vacant posts. In the 2012/13 Adjustments Estimate, the department received additional funding for the higher than anticipated 2012 wage agreement, accounting for the increase in the 2012/13 Adjusted Appropriation and Revised Estimate. The allocation decreases in 2014/15, with an inflationary increase in 2015/16, as the Royal Trust takes over more and more functions from the department.

Spending against *Goods and services* was low in 2009/10, with a further significant decrease in 2011/12 due to cost-cutting, which resulted in savings in training and development costs in 2011/12. The increase in the 2012/13 Adjusted Appropriation and Revised Estimate caters for the purchase of vaccinations for new cattle. The allocation decreases in 2013/14, with inflationary increases over the MTEF, as the Royal Trust takes over more and more functions from the department.

The amounts against *Machinery and equipment* relate to the purchase of farming implements, such as brush cutters and farm fencing material.

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			
		2012/13	2013/14	2014/15	2015/16	
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	
Crop production	• No. of hectares planted	120	120	120	120	

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. The number of staff anticipated to be transferred to the Royal Trust over the 2013/14 MTEF is shown as a footnote to Table 10.18. It is noted that the Royal Trust Board members are excluded from the tables.

Table 10.18: Personnel numbers and costs per programme

	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	As at 31 March 2016
Personnel numbers							
1. Support Services - His Majesty, the King	27	33	33	33	17	17	17
2. Royal Household Planning and Development	102	93	93	93	60	55	55
3. His Majesty, the King's farms	21	14	14	15	15	8	8
Total	150	140	140	141	92	80	80
Total personnel cost (R thousand)	16 891	20 238	20 093	21 264	13 938	13 474	14 094
Unit cost (R thousand)	113	145	144	151	152	168	176
<i>The Royal Trust</i>	-	3	3	4	53	65	65

Table 10.19: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Total for department									
Personnel numbers (head count)	150	140	140	141	141	141	92	80	80
Personnel cost (R thousand)	16 891	20 238	20 093	20 852	21 264	21 264	13 938	13 474	14 094
Human resources component									
Personnel numbers (head count)	6	6	6	6	6	6	6	6	6
Personnel cost (R thousand)	1 229	1 428	1 735	1 735	1 522	1 522	1 735	1 830	1 940
Head count as % of total for department	4.00	4.29	4.29	4.26	4.26	4.26	6.52	7.50	7.50
Personnel cost as % of total for department	7.28	7.06	8.63	8.32	7.16	7.16	12.45	13.58	13.76
Finance component									
Personnel numbers (head count)	13	13	13	13	13	13	13	13	13
Personnel cost (R thousand)	2 851	3 306	3 922	3 679	3 679	3 679	3 922	3 922	3 922
Head count as % of total for department	8.67	9.29	9.29	9.22	9.22	9.22	14.13	16.25	16.25
Personnel cost as % of total for department	16.88	16.34	19.52	17.64	17.30	17.30	28.14	29.11	27.83
Full time workers									
Personnel numbers (head count)	150	140	140	141	141	141	92	80	80
Personnel cost (R thousand)	16 891	20 238	20 093	20 852	21 264	21 264	13 938	13 474	14 094
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	-	-	-	-	-	-	-	-	-

Note: The phased-in establishment of the Royal Trust commenced in 2010/11. As such, these personnel costs are paid for by the Royal Trust and are reflected against Transfers and subsidies to: Dept. agencies and accounts.

As reflected in the table above, the department is projecting to transfer palace support staff from Programme 2 (from 2013/14 going forward) and farm workers from Programme 3 (evident from 2014/15) to the Royal Trust over the next three to five years, hence the reduction in staff numbers against these two programmes over the MTEF.

It is noted that the average unit cost is higher in 2015 compared to 2014, even though the number of personnel decreases. This is due to the fact that the majority of staff to be transferred to the Royal Trust consists of farm workers in lower level salary scales.

7.2 Training

Tables 10.20 and 10.21 give a summary of departmental spending and information on training for the period 2009/10 to 2011/12 and budgeted expenditure for the period 2013/14 to 2015/16.

Table 10.20 illustrates the number of staff affected by the various training programmes and initiatives, as well as a gender breakdown. The department spent a minimal amount of R3 000 on training in 2010/11 and R44 000 in 2011/12. However, no provision has been made for training in 2012/13 and over the 2013/14 MTEF, pending the establishment of the Royal Trust.

Table 10.20: Payments and estimates on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Support Services - His Majesty, the King	-	3	44	-	-	-	-	-	-
Total	-	3	44	-	-	-	-	-	-

Table 10.21: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Number of staff	150	140	140	141	141	141	92	80	80
Number of personnel trained	-	2	2	-	-	-	-	-	-
of which									
Male									
Female	-	2	2	-	-	-	-	-	-
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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	89	81	104	98	98	100	103	109	110
Sale of goods and services produced by dept. (excl. capital assets)	89	81	104	98	98	100	103	109	110
Sales by market establishments									
Administrative fees	29	-	-	-	-	-	-	-	-
Other sales	60	81	104	98	98	100	103	109	110
of which									
Commission on insurance	60	81	104	98	98	100	103	109	110
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	-	97	50	-	-	-	-	-	-
Total	89	513	154	98	98	100	103	109	110

Table 10.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
Current payments	39 352	38 973	41 086	33 367	35 010	35 010	26 122	26 419	25 261
Compensation of employees	16 891	20 238	20 093	20 852	21 264	21 264	13 938	13 474	14 094
Salaries and wages	14 820	17 506	17 300	18 915	19 327	19 327	11 903	11 317	11 838
Social contributions	2 071	2 732	2 793	1 937	1 937	1 937	2 035	2 157	2 256
Goods and services	22 461	18 735	20 993	12 515	13 746	13 746	12 184	12 945	11 167
of which									
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	66	-	46	53	53	53	55	58	60
Assets <R5000	334	52	59	7	7	7	7	7	7
Audit cost: External	824	245	1 909	-	-	-	1 200	1 320	1 200
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	140	120	-	-	-	-	-	-
Communication	1 086	1 182	1 239	1 029	1 029	1 029	1 240	1 250	1 020
Computer services	-	242	166	-	-	-	-	-	-
Cons/prof: Business & advisory services	655	1 996	1 705	596	596	596	723	754	640
Cons/prof: Infrastructure & planning	-	-	764	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	1 126	-	-	-	500	500	530
Agency & support/outsourced services	-	1 960	-	-	-	-	-	-	-
Entertainment	1 302	782	969	868	868	868	960	980	930
Fleet services (incl. GMT)	-	-	-	-	641	641	100	120	110
Housing	185	-	-	31	31	31	33	50	36
Inventory: Food and food supplies	996	521	1 576	7	566	566	7	25	7
Inventory: Fuel, oil and gas	217	36	1 031	-	-	-	100	110	115
Inventory: Learner and teacher supp material	-	30	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	904	212	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	5	502	219	250	250	325	349	363
Inventory: Stationery and printing	404	122	517	329	329	329	340	380	360
Operating leases	124	353	260	137	137	137	163	210	120
Property payments	1 335	600	1 083	1 200	1 200	1 200	11	50	60
Transport provided: Departmental activity	4 567	2 490	-	1 575	1 575	1 575	1 440	1 480	1 320
Travel and subsistence	8 277	6 695	6 070	5 117	5 117	5 117	4 356	4 652	3 609
Training and development	-	3	44	-	-	-	-	-	-
Operating expenditure	689	377	1 595	825	825	825	624	650	680
Venues and facilities	1 400	-	-	522	522	522	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	262	6 564	11 524	12 141	11 121	11 121	20 541	22 548	23 575
Provinces and municipalities	26	19	-	8	8	8	9	10	10
Provinces	26	19	-	8	8	8	9	10	10
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	26	19	-	8	8	8	9	10	10
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	5 857	11 300	12 000	10 800	10 800	20 393	22 393	23 415
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	5 857	11 300	12 000	10 800	10 800	20 393	22 393	23 415
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	236	688	224	133	313	313	139	145	150
Social benefits	236	688	224	133	313	313	139	145	150
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	647	1 106	3 032	12 258	17 430	17 430	14 167	2 403	2 533
Buildings and other fixed structures	314	259	2 527	10 821	16 204	16 204	12 866	1 063	1 112
Buildings	-	259	2 527	-	-	-	-	-	-
Other fixed structures	314	-	-	10 821	16 204	16 204	12 866	1 063	1 112
Machinery and equipment	333	763	505	1 437	1 226	1 226	1 301	1 340	1 421
Transport equipment	-	-	-	1 054	1 004	1 004	1 096	1 125	1 196
Other machinery and equipment	333	763	505	383	222	222	205	215	225
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	1 800	1 800	1 800	2 500	2 500	4 694
Total	40 407	50 627	59 409	59 566	65 361	65 361	63 330	53 870	56 063
Unauth. exp. (1 st charge) not available for spending	-	(3 767)	(3 767)	(1 800)	(1 800)	(1 800)	(2 500)	(2 500)	(4 694)
Baseline available for spending after 1st charge	40 407	46 860	55 642	57 766	63 561	63 561	60 830	51 370	51 369

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		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Current payments	24 221	25 265	27 549	20 231	21 574	21 574	15 029	15 993	14 353
Compensation of employees	7 646	10 482	9 801	9 989	10 132	10 132	4 585	4 859	5 083
Salaries and wages	6 786	9 233	8 611	8 824	8 967	8 967	3 365	3 566	3 731
Social contributions	860	1 249	1 190	1 165	1 165	1 165	1 220	1 293	1 352
Goods and services	16 575	14 783	17 748	10 242	11 442	11 442	10 444	11 134	9 270
of which									
Administrative fees									
Advertising	60	-	46	53	53	53	55	58	60
Assets <R5000	6	14	59	7	7	7	7	7	7
Audit cost: External	-	245	1 909	-	-	-	1 200	1 320	1 200
Bursaries (employees)									
Catering: Departmental activities	-	140	120	-	-	-	-	-	-
Communication	964	1 182	1 239	1 029	1 029	1 029	1 240	1 250	1 020
Computer services	-	242	166	-	-	-	-	-	-
Cons/prof: Business & advisory services	655	-	1 705	596	596	596	723	754	640
Cons/prof: Infrastructure & planning	-	-	764	-	-	-	-	-	-
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	-	-	3	-	-	-	-	-	-
Agency & support/outsourced services	-	1 960	-	-	-	-	-	-	-
Entertainment	787	782	931	868	868	868	960	980	930
Fleet services (incl. GMT)	-	-	-	-	641	641	100	120	110
Housing	28	-	-	31	31	31	33	50	36
Inventory: Food and food supplies	6	262	1 555	7	566	566	7	25	7
Inventory: Fuel, oil and gas	-	7	934	-	-	-	-	-	-
Inventory: Learner and teacher supp material	-	30	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	(451)	-	-	-	-	-	-
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	5	460	-	-	-	-	-	-
Inventory: Stationery and printing	399	122	517	329	329	329	340	380	360
Operating leases	124	251	159	137	137	137	163	210	120
Property payments	9	267	771	10	10	10	11	50	60
Transport provided: Departmental activity	4 567	2 490	-	1 575	1 575	1 575	1 440	1 480	1 320
Travel and subsistence	8 143	6 457	6 009	5 078	5 078	5 078	4 165	4 450	3 400
Training and development	-	3	44	-	-	-	-	-	-
Operating expenditure	-	324	1 595	-	-	-	-	-	-
Venues and facilities	827	-	-	522	522	522	-	-	-
Rental and hiring	-	-	(787)	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	102	6 357	11 392	12 008	10 858	10 858	20 402	22 403	23 425
Provinces and municipalities	26	19	-	8	8	8	9	10	10
Provinces	26	19	-	8	8	8	9	10	10
Provincial Revenue Funds									
Provincial agencies and funds	26	19	-	8	8	8	9	10	10
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	5 857	11 300	12 000	10 800	10 800	20 393	22 393	23 415
Social security funds									
Entities receiving funds	-	5 857	11 300	12 000	10 800	10 800	20 393	22 393	23 415
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	76	481	92	-	50	50	-	-	-
Social benefits	76	481	92	-	50	50	-	-	-
Other transfers to households									
Payments for capital assets	-	514	507	1 239	1 189	1 189	1 096	1 125	1 196
Buildings and other fixed structures	-	-	2	-	-	-	-	-	-
Buildings	-	-	2	-	-	-	-	-	-
Other fixed structures									
Machinery and equipment	-	514	505	1 239	1 189	1 189	1 096	1 125	1 196
Transport equipment	-	-	-	1 054	1 004	1 004	1 096	1 125	1 196
Other machinery and equipment	-	514	505	185	185	185	-	-	-
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	1 800	1 800	1 800	2 500	2 500	4 694
Total	24 323	36 120	43 215	35 278	35 421	35 421	39 027	42 021	43 668
Unauth. exp. (1 st charge) not available for spending	-	(3 767)	(3 767)	(1 800)	(1 800)	(1 800)	(2 500)	(2 500)	(4 694)
Baseline available for spending after 1st charge	24 323	32 353	39 448	33 478	33 621	33 621	36 527	39 521	38 974

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	12 713	11 264	11 679	9 443	9 661	9 661	7 480	7 608	7 962
Compensation of employees	7 566	8 384	9 102	8 253	8 471	8 471	6 630	6 728	7 037
Salaries and wages	6 580	7 065	7 600	7 745	7 963	7 963	6 094	6 160	6 443
Social contributions	986	1 319	1 502	508	508	508	536	568	594
Goods and services	5 147	2 880	2 577	1 190	1 190	1 190	850	880	925
<i>of which</i>									
Administrative fees									
Advertising	6	-	-	-	-	-	-	-	-
Assets <R5000	328	38	-	-	-	-	-	-	-
Audit cost: External	824	-	-	-	-	-	-	-	-
Bursaries (employees)									
Catering: Departmental activities									
Communication	122	-	-	-	-	-	-	-	-
Computer services									
Cons/prof: Business & advisory services	-	1 996	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	-	-	1 123	-	-	-	500	500	530
Agency & support/outsourced services									
Entertainment	515	-	38	-	-	-	-	-	-
Fleet services (incl. GMT)									
Housing	138	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	990	259	21	-	-	-	-	-	-
Inventory: Fuel, oil and gas	217	29	97	-	-	-	100	110	115
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	-	35	211	-	-	-	-	-	-
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	-	-	-	-	-	100	110	115
Inventory: Stationery and printing	5	-	-	-	-	-	-	-	-
Operating leases									
Property payments	1 326	333	248	1 190	1 190	1 190	-	-	-
Transport provided: Departmental activity									
Travel and subsistence	103	158	52	-	-	-	150	160	165
Training and development									
Operating expenditure	-	32	-	-	-	-	-	-	-
Venues and facilities	573	-	-	-	-	-	-	-	-
Rental and hiring	-	-	787	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	160	192	132	133	183	183	139	145	150
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	160	192	132	133	183	183	139	145	150
Social benefits	160	192	132	133	183	183	139	145	150
Other transfers to households									
Payments for capital assets	647	508	2 525	10 908	16 241	16 241	12 956	1 158	1 212
Buildings and other fixed structures	314	259	2 525	10 821	16 204	16 204	12 866	1 063	1 112
Buildings	-	259	2 525	-	-	-	-	-	-
Other fixed structures	314	-	-	10 821	16 204	16 204	12 866	1 063	1 112
Machinery and equipment	333	249	-	87	37	37	90	95	100
Transport equipment									
Other machinery and equipment	333	249	-	87	37	37	90	95	100
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	146	-	-	-	-	-	-	-	-
Total	13 666	11 964	14 336	20 484	26 085	26 085	20 575	8 911	9 324

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	2 418	2 444	1 858	3 693	3 775	3 775	3 613	2 818	2 946
Compensation of employees	1 679	1 372	1 190	2 610	2 661	2 661	2 723	1 887	1 974
Salaries and wages	1 454	1 208	1 089	2 346	2 397	2 397	2 444	1 591	1 664
Social contributions	225	164	101	264	264	264	279	296	310
Goods and services	739	1 072	668	1 083	1 114	1 114	890	931	972
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	19	-	-	-	-	-	-	-	-
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	-	869	452	-	-	-	-	-	-
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	-	42	219	250	250	225	239	248
Inventory: Stationery and printing									
Operating leases	-	102	101	-	-	-	-	-	-
Property payments	-	-	64	-	-	-	-	-	-
Transport provided: Departmental activity									
Travel and subsistence	31	80	9	39	39	39	41	42	44
Training and development									
Operating expenditure	689	21	-	825	825	825	624	650	680
Venues and facilities									
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	-	15	-	-	80	80	-	-	-
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	-	15	-	-	80	80	-	-	-
Social benefits	-	15	-	-	80	80	-	-	-
Other transfers to households									
Payments for capital assets	-	84	-	111	-	-	115	120	125
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	-	-	-	111	-	-	115	120	125
Transport equipment									
Other machinery and equipment	-	-	-	111	-	-	115	120	125
Heritage assets									
Specialised military assets									
Biological assets	-	84	-	-	-	-	-	-	-
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 418	2 543	1 858	3 804	3 855	3 855	3 728	2 938	3 071

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						2013/14	2014/15	2015/16
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	-	12 866	1 063	1 112
Total Rehabilitation, renovations and refurbishments									-	24 750	-	12 866	1 063	1 112
Maintenance and repairs														
1.	Maintenance and repairs to palaces	Zululand	Palaces	7	Ongoing	Ongoing	Equitable share	Programme 2	-	11 195	-	500	500	530
Total Maintenance and repairs									-	11 195	-	500	500	530
Infrastructure transfers - current									-	-	-	-	-	-
Infrastructure transfers - capital									-	-	-	-	-	-
Total Infrastructure									-	35 945	-	13 366	1 563	1 642

Table 10.G: Financial summary for the Royal Trust

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	-	81	55	-	-	-	-
Interest, dividends and rent on land	-	81	55	-	-	-	-
Transfers received*	-	6 980	12 000	12 000	20 393	22 393	23 415
Sale of capital assets	-	-	-	-	-	-	-
Total revenue	-	7 062	12 055	12 000	20 393	22 393	23 415
Expenses							
Current expense	-	6 664	13 426	12 000	19 424	21 858	22 855
Compensation of employees	-	1 143	2 311	2 289	8 953	9 045	9 458
Use of goods and services	-	5 370	10 390	8 062	8 722	11 192	11 703
Depreciation	-	13	429	1 342	1 437	1 290	1 349
Interest, dividends and rent on land	-	138	296	307	312	331	346
Rent on land	-	138	296	307	312	331	346
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	-	6 664	13 426	12 000	19 424	21 858	22 855
Surplus / (Deficit)	-	397	(1 370)	-	969	535	560
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	-	13	467	402	1 575	1 343	1 404
Adjustments for:							
Depreciation	-	13	429	182	1 437	1 290	1 349
Interest	-	-	39	219	139	53	55
Operating surplus / (deficit) before changes in working capital	-	411	(903)	402	2 545	1 878	1 963
Changes in working capital	-	271	2 007	(680)	(1 282)	(635)	(664)
(Decrease) / increase in accounts payable	-	330	2 419	(596)	(1 676)	(729)	(762)
Decrease / (increase) in accounts receivable	-	(60)	(860)	216	(86)	40	42
(Decrease) / increase in provisions	-	-	448	(300)	480	54	56
Cash flow from operating activities	-	681	1 104	(278)	1 262	1 243	1 299
Transfers from government	-	-	-	-	20 393	22 393	23 415
Cash flow from investing activities	-	(529)	(4 219)	(52)	(1 786)	(1 173)	(1 226)
Acquisition of Assets	-	(529)	(4 006)	(52)	(1 786)	(1 173)	(1 226)
Non-residential buildings	-	-	-	-	(500)	(159)	(166)
Computer equipment	-	-	(178)	(6)	(86)	(46)	(48)
Furniture and office equipment	-	(529)	(275)	(19)	(135)	(92)	(96)
Other machinery and equipment	-	-	-	-	(434)	(192)	(201)
Transport assets	-	-	(3 480)	-	(600)	(669)	(700)
Computer software	-	-	(74)	(27)	(31)	(14)	(15)
Other flows from investing activities	-	-	(213)	-	-	-	-
Cash flow from financing activities	-	-	3 311	-	764	-	-
Other	-	-	3 311	-	764	-	-
Net increase / (decrease) in cash and cash equivalents	-	152	196	(330)	241	70	74
Balance sheet data							
Carrying value of assets	-	516	4 094	2 792	3 594	3 567	3 730
Non-residential buildings	-	-	-	-	500	637	666
Computer equipment	-	-	114	76	184	118	123
Furniture and office equipment	-	516	645	552	759	634	663
Other machinery and equipment	-	-	-	-	383	386	404
Specialised military assets	-	-	-	-	-	-	-
Transport assets	-	-	3 287	2 127	1 689	1 754	1 834
Computer software	-	-	48	37	79	38	40
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	-	153	349	18	259	329	333
Bank	-	153	347	18	259	329	333
Cash on Hand	-	-	2	-	-	-	-
Receivables and prepayments	-	60	1 132	795	166	328	343
Trade receivables	-	-	-	-	130	328	343
Other receivables	-	60	286	-	36	-	-
Prepaid expenses	-	-	846	95	-	-	-
Accrued income	-	-	-	700	-	-	-
Inventory	-	-	-	-	-	-	-
Total assets	-	728	5 574	3 606	4 019	4 224	4 405
Capital and reserves	-	292	(1 078)	(1 078)	(109)	426	451
Share capital and premium	-	-	-	-	-	-	-
Accumulated reserves	-	(105)	292	(1 078)	(1 078)	(109)	(109)
Surplus / (Deficit)	-	397	(1 370)	-	969	535	560
Borrowings	-	-	3 350	2 355	1 904	1 663	1 569
1<5 Years	-	-	3 350	2 355	1 904	1 663	1 569
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	-	436	2 855	2 134	1 701	1 484	1 399
Trade payables	-	436	2 459	2 134	1 701	1 484	1 399
Deferred income	-	-	-	-	-	-	-
Provisions	-	-	448	195	523	652	615
Funds managed (e.g. Poverty Alleviation Fund)	-	-	-	-	-	-	-
Contingent liabilities	-	-	-	-	-	(1)	371
Total equity and liabilities	-	728	5 574	3 606	4 019	4 224	4 405

*Note: Some of the amounts reflected as Transfers received do not equal the amounts reflected in Table 10.7, as portion of the transfers is reflected against other Balance Sheet items.

Table 10.H: Personnel summary for Royal Trust

Audited Outcome				Revised Estimate	Medium-term Estimates		
R thousand	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Details of personnel numbers, compensation of employees and unit cost							
A. Permanent and full-time-contract employees							
Personnel cost (R thousand)	-	1 143	2 311	589	-	-	-
Personnel numbers (head count)	-	2	6	2	-	-	-
Unit cost	-	572	385	295	-	-	-
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	-	-	-	1 508	-	-	-
Personnel numbers (head count)	-	-	-	4	-	-	-
Unit cost	-	-	-	377	-	-	-
C. Interns							
Personnel cost (R thousand)	-	-	-	192	-	-	-
Personnel numbers (head count)	-	-	-	2	-	-	-
Unit cost	-	-	-	96	-	-	-
Total for entity							
Personnel cost (R thousand)	-	1 143	2 311	2 289	-	-	-
Personnel numbers (head count)	-	2	6	8	-	-	-
Unit cost	-	572	385	286	-	-	-
Details of personnel numbers according to salary level							
Salary Level							
Board Members							
Executive Management							
Senior Management							
Middle Management							
Professionals							
Semi-skilled							
Very low skilled							
Total	-	-	-	-	-	-	-

*Note: The transfer of staff from the department to the Royal Trust is still being finalised, and hence no figures are provided over the MTEF at this stage.

VOTE 11

Co-operative Governance and Traditional Affairs

Operational budget	R 1 246 043 776
MEC remuneration	R 1 652 224
Total amount to be appropriated	R 1 247 696 000
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 of Co-operative Governance and Traditional Affairs (COGTA) 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 goals of the department for 2013/14 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 businesses and unions).
- Improve co-operative governance between provincial and local spheres for effective service delivery.
- Improve participation of traditional institutions in 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 mandate of the department highlights co-operative governance, which is essential for integrated development, with the department focussing on the following functions:

- Co-ordination both vertically and horizontally, and doing away with the silo approach across KZN.
- 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 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 (Sections 154 and 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)
- Inter-Governmental 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 of the 2012/13 financial year

Section 2 provides a review of 2012/13, 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.

Local governance

The Municipal Demarcation Board (MDB) used 2012/13 to pronounce the proposed changes in municipal boundaries in the province. In light of the work required in supporting the demarcation process, the department provided support to the MDB in conducting Municipal Capacity Assessments (MCAs) and provision of other related information required to make informed demarcation decisions. The department provided hands-on support to those municipalities which experienced technical difficulties in completing the MCA, as well as conducted technical assessments for Cabinet to consider in view of the proposed changes in the boundaries of the municipalities.

The department conducted assessments on the 61 municipal audit outcomes as part of the implementation of Operation Clean Audit. Municipalities received continuous support from the department, in conjunction with Provincial Treasury and the A-G. The focus area was to enhance the functionality of the audit committees and the GRAP 17 readiness. There was a series of indirect support provided to municipalities to achieve unqualified audit reports, including support of audit committees, Municipal Public Accounts Committee (MPAC) workshops, support of A-G programmes, financial assessments and recommendations to councils at the targeted municipalities. Furthermore, financial assessments were undertaken in eight municipalities, and four of the municipalities received unqualified audits. In addition, various successful interventions, such as the audit and financial support to municipalities, were provided to municipalities, which resulted in all 61 municipalities submitting their AFS to the A-G on time.

The Community Development Workers (CDWs) were provided with tools of trade such as vehicles, 3G cards, cell phones, laptops, etc., in order to improve their work and reporting. The role of the CDWs is to bridge the gap between government and the community, and strengthen integration and co-ordination of services provided by government and access to these services by communities. The CDWs were involved in war-rooms at ward level. In the wards where no war rooms were established, CDWs continued with their daily door-to-door activities.

Development and planning

The department initiated a planning project for the formalisation of 13 former R293 towns to ensure better planning and provision of infrastructure and town planning conducive to investment, thereby creating vibrant business activities to assist with the alleviation of poverty and providing employment opportunities. Using additional funding received during the 2012/13 Adjustments Estimate, the department covered a lot of ground work in planning for the formalisation process of the towns.

The department facilitated 23 new Corridor Development projects to attract private sector investment and to grow the economy in municipalities. With the Small Town Rehabilitation programme, 704 employment opportunities were created in municipalities and seven new towns were identified and approved for support in respect of the revitalisation of the PSEDs tertiary nodes. In line with Operation *Sukuma Sakhe* (OSS), 22 municipalities were identified for the creation of job opportunities through the Community Work Programme (CWP). As a result, a total of 12 157 job opportunities were created.

The department undertook an assessment of existing infrastructure in KZN to assess the state of infrastructure for the provision of basic services, in terms of catering for economic growth and household needs. In this regard, a number of projects were implemented throughout the province, with the key focus being on water reticulation and prevention of water losses through the refurbishment of aging infrastructure and pipelines. Hands-on support on project implementation was provided to the Water Services Authorities (WSAs) to plan better and implement projects more efficiently. The department worked together with the Department of Minerals and Energy and Eskom in identifying areas that were not electrified for eradication and ensuring access to electricity by communities who were previously neglected.

Disaster management

The Provincial Disaster Management Plan (PDMP) was developed, with inputs sourced from municipalities and other stakeholders for incorporation into the plan. In partnership with the 911 Fund from the United States of America (USA), an assessment on the state of readiness of KZN and district disaster management centres was conducted. The department received recommendations by independent assessors from the USA on areas requiring immediate attention and areas to address in the medium-to-long-term. The construction of the new Provincial Disaster Management Centre (PDMC) commenced and, once completed, will place the PDMC in a better position to respond to disasters, particularly in the provision of immediate relief to disaster victims. The department capacitated the District Disaster Management Centres (DDMCs) to ensure adequate readiness and ability to respond to disasters.

Traditional institutional management

The department supported 263 Traditional Councils (TCs) on the compilation and the maintenance of TC asset inventories. About 120 TCs were further supported on the implementation of financial practice notes. Through the provided support, the department improved the capacity of TCs to manage their finances and assets. An electronic financial management system (Pastel Evolution) was developed and implemented for ease of financial reporting by the TCs.

Furthermore, the department successfully managed the elections of the TCs. This enabled the smooth transition of TCs and their formalisation as per the KZN Traditional Leadership and Governance Act. With the incorporation of the traditional communities of Umzimkulu into KZN, the department supported TCs in Umzimkulu to regularise their trust accounts. The Umzimkulu TCs were further supported through the departmental task team in formalising them as per the KZN Traditional Leadership and Governance Act. The department conducted research on the background and status of headmen and traditional leaders of Umzimkulu, to ensure that their transition and formalisation is efficient.

Amakhosi were capacitated in traditional leadership, financial management, etc., through the Strategic Leadership course conducted in partnership with the University of KwaZulu-Natal (UKZN). *Amakhosi* and traditional council secretaries were trained on computer applications to improve the smooth running of administrative functions within TCs.

3. Outlook for the 2013/14 financial year

Section 3 looks at the key focus areas of 2013/14, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

Local governance

The department will continue to focus on supporting vulnerable priority municipalities in the implementation of the Municipal Turn-Around Strategies (MTAS) through their support plans. Operation Clean Audit still remains a key programme in ensuring all municipalities obtain clean audits by 2014.

The alignment of the IDPs to the budget and Performance Management System (PMS) processes remains a challenge in municipalities. The department will continue to support the improvement in the functionality of performance management systems at municipal level, and the alignment of the IDP to the budget and PMS processes.

In order to ensure that service delivery impacts at a community level, the functionality of ward committees and war-rooms has been prioritised. The recruitment of an additional 156 CDWs will be finalised to ensure visibility and support to the communities and government programmes on the ground.

Development and planning

Universal access to services remains a serious challenge in all municipalities in KZN. The department continues to support municipalities in the processes of infrastructure planning through the preparation of Universal Access Plans (UAPs), which form the basis for infrastructure implementation in the future. The department will also support infrastructure implementation, operation and maintenance and reticulation of basic services through the Massification programme and the Municipal Infrastructure Grant (MIG).

In order to provide an environment for job creation and enhancing economic growth opportunities, the department will support municipalities with densification in urban areas and the formalisation of settlements. This is further augmented by the department's Corridor Development and Small Town Rehabilitation programmes.

Another key focus area will be the roll-out of the Community Service Centres (CSCs), which act as service delivery conduits to all the people, especially in the rural areas. The CSCs are catalysts in the creation of new rural small towns, contributing to the improvement of socio-economic reforms within marginalised communities.

In light of climate change and the implications thereof, the department is focussed on support in respect of disaster management mitigation and reaction. The department will focus on the development of fire fighting capacity in the province, and support municipalities to meet the minimum requirements. The department will procure relief stock such as blankets, plastic sheeting, tents, as well as parcels with kitchen utensils for humanitarian purposes, and will roll-out a community awareness and capacity building programme for the promotion of an informed, alert and self-reliant society in respect of risk reduction.

Traditional institutional management

One of the main purposes of the department is to ensure that the Institution of Traditional Leadership in KZN is recognised, transformed and that there is an enabling environment for the development of traditional communities. To this end, the department supports traditional institutions in the form of capacity building, financial management and conflict resolution. The department will intensify capacity building programmes for the Institution of Traditional Leadership in order to ensure the functionality of all the structures within the institution, by enrolling more *Amakhosi* into accredited Leadership Development programmes. Section 81 of the KZN Traditional Leadership and Governance Act provides a platform for both the Institution of Traditional Leadership and municipalities to engage in a formalised environment on issues of service delivery, enabling traditional leaders to undertake their developmental role effectively.

4. Receipts and financing

4.1 Summary of receipts

Table 11.1 below indicates the sources of funding for Vote 11 for the period 2009/10 to 2015/16. 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Provincial allocation	1 092 420	1 061 903	1 140 995	1 208 003	1 208 003	1 208 003	1 245 296	1 302 573	1 355 607
Total receipts	1 092 420	1 061 903	1 140 995	1 208 003	1 208 003	1 208 003	1 245 296	1 302 573	1 355 607
Total payments	1 023 420	1 002 589	1 106 349	1 208 003	1 316 127	1 316 127	1 247 696	1 304 973	1 358 007
Surplus/(Deficit) before financing	69 000	59 314	34 646	-	(108 124)	(108 124)	(2 400)	(2 400)	(2 400)
Financing									
of which									
Provincial roll-overs	-	-	2 000	-	29 024	29 024	-	-	-
Provincial cash resources	1 498	-	13 000	-	79 100	79 100	2 400	2 400	2 400
Surplus/(deficit) after financing	70 498	59 314	49 646	-	-	-	-	-	-

Table 11.1 shows a generally steady growth of the department's budget over the period under review, with a decrease in 2010/11, mainly due to the discontinuation of the baseline for the soccer stadia funding, which related to the 2010 Soccer World Cup.

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, which can be ascribed to a pledge in terms of the Cabinet-approved Provincial Recovery Plan (R40 million), the moratorium on filling of non-critical vacant posts and cost-cutting (R15.498 million), as well as transfer payments (R15 million) relating to the Massification Programme, which were not made before year-end due to business plans that were not timeously concluded by the municipalities.

In 2010/11, the department under-spent by R59.314 million, 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. The balance of R21.527 million was in respect of cost-cutting, as well as non-filling of vacant posts due to the moratorium on the filling of non-critical vacant posts.

In 2011/12, the department received a roll-over of R2 million from 2010/11 for its co-ordination function to ensure that the 2010/11 disaster management funds were correctly utilised by implementing departments. In addition, an amount of R10 million was allocated in respect of the TC elections, and R3 million to put water, sanitation and electricity infrastructure in place at voting stations.

The department under-spent in 2011/12 by R49.646 million, of which R29.024 million was rolled over to 2012/13 relating to the construction of Traditional Administrative Centres (TACs) and *Imizi Yesizwe* (project where houses are built for *Amakhosi*), the installation of water purification plants, the payment of computer servers, re-holding of TC elections where necessary, as there were disputes (technical problems such as mis-spelled names on ballot papers) that occurred in the first TC elections, etc. The balance of R20.622 million relates to cost-cutting, as well as an internal moratorium on the filling of vacant posts due to the department's continual restructuring.

In the 2012/13 Adjusted Appropriation, the department received a roll-over of R29.024 million from 2011/12 for various departmental projects, as explained above. In addition, an amount of R79.100 million was allocated in respect of the following:

- uMsekeli Municipal Support Services pensioners' medical aid obligation.
- CDWs for the purchase of laptops, two minibuses and a double cab for each district to cater for travelling needs of CDWs in the districts.
- Councillor training on municipal structures and management throughout the province.
- Formalisation of 13 towns to uplift the towns for improved service delivery to take place.
- Improvement to various of disaster management centres' capabilities.
- Provision of water, sanitation and electricity services through the implementation of projects in respect of the Massification programme.
- Establishment of an animal pound in the Nongoma Municipality.

The above-mentioned funding was largely once-off in the 2012/13 Adjusted Appropriation, accounting for the drop in 2013/14.

Over the 2013/14 MTEF, the department was allocated funding in respect of the uMsekeli Municipal Support Services pensioners' medical aid obligation. The department's budget shows an increasing trend over the 2013/14 MTEF, although, at a lower rate, due to the baseline cuts.

4.2 Departmental receipts collection

Table 11.2 below reflects departmental receipts for the period 2009/10 to 2015/16. 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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	927	1 089	1 263	1 353	1 353	1 353	1 406	1 416	1 428
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	1 089	389	2 141	30	30	30	36	40	44
Sale of capital assets	2 498	2 229	-	620	620	620	800	800	800
Transactions in financial assets and liabilities	976	1 915	555	700	700	5 012	770	847	932
Total	5 490	5 622	3 959	2 703	2 703	7 015	3 012	3 103	3 204

The bulk of the revenue collection falls under the category *Sale of goods and services other than capital assets* in respect of commission received from monthly payroll deductions, such as insurance and garnishees, the sale of maps and publications, parking fees and rental for official accommodation received from staff.

The collection against *Interest, dividends and rent on land* relates to interest received on contractual staff debts. The substantial amount recovered 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 and beyond 2011/12 is in respect of the discontinuation of the PPDC. The category peaked in 2011/12 due to interest received on prepayments made to the Independent Development Trusts (IDT) for the construction of *Imizi Yesizwe*, as well as the construction of TACs in rural areas. The 2013/14 MTEF receipts are in respect of interest on contractual staff debts such as bursaries.

The collection against *Sale of capital assets* results from sale of redundant assets. No auction took place in 2011/12. The department is anticipating to receive R620 000 from this item in 2012/13 and R800 000 per year over the 2013/14 MTEF.

Transactions in financial assets and liabilities reflects a fluctuating trend over the period under review mainly due to the uncertainty of collection against this category. The category includes recoveries from staff debts such as bursary debts from previous financial years. In the 2012/13 Revised Estimate,

R3.312 million and R1 million was returned to the department by the Ezingoleni and Umzumbe Municipalities, respectively, in respect of failed projects (trade centre projects) in 2010/11. The amount of R1 million was re-allocated to the department in the 2012/13 Adjustments Estimate for the establishment of an animal pound by the Nongoma Municipality.

4.3 Donor funding

Tables 11.3 and 11.4 reflect donor funding received by the department for the period 2009/10 to 2015/16.

Table 11.3: Details of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Donor funding	8 679	2 043	570	-	452	452	-	-	-
Development Bank of SA	8 679	2 043	570	-	452	452	-	-	-
Total	8 679	2 043	570	-	452	452	-	-	-

Table 11.4: Details of payments and estimates of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Donor funding	8 679	1 473	118	-	452	452	-	-	-
Development Bank of SA	8 679	1 473	118	-	452	452	-	-	-
Total	8 679	1 473	118	-	452	452	-	-	-

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 Rates 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.

The amount of R570 000 in 2011/12 was a roll-over from 2010/11, and relates to unspent DBSA funds. The department obtained suitably qualified service providers to assist with the implementation of the MPRA at municipalities and the roll-out of the work was at an advanced stage at the end of 2010/11, and was fully implemented in the first quarter of 2011/12.

The balance of the funds was to be used for councillors and ward committees' training, which was planned from the third quarter of 2011/12 onward, as the training of councillors and ward committees could only commence after the TC elections had taken place. The funds could not be utilised as the TC elections needed to be re-held where necessary, as there were disputes that occurred in the first TC elections, as mentioned previously.

The amount of R118 000 was spent on the establishment of ward committees, and the balance of R452 000 in the 2012/13 Adjusted Appropriation was intended for the training of the councillors and ward committees in 2011/12, as explained above. This was finalised, and the department indicated that the training of councillors and ward committees will be finalised by 2012/13.

The department does not anticipate receiving donor funding over the 2013/14 MTEF period, as it has achieved the donor funding intended outputs of the implementation of the MPRA, and the public participation of ward committees.

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:

- Additional funding was not received for the carry-through costs of the 2012 wage agreement. However, the department provided for this through internal reprioritisation. Provision was also made for an inflationary wage adjustment of 6.3 per cent for 2013/14, 6.1 per cent for 2014/15 and 5.9 per cent for 2015/16, as well as an annual 1.5 per cent pay progression.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2013/14, will continue to be adhered to over the 2013/14 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 2013/14 MTEF, in line with the moratorium on the filling of non-critical vacant posts.

5.2 Additional allocations for the 2011/12 to 2013/14 MTEF

Table 11.5 below shows additional funding received by the department over the three MTEF periods: 2011/12, 2012/13 and 2013/14. 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 2011/12 and 2012/13 MTEF periods (i.e. for the financial year 2015/16) are based on the incremental percentage used in the 2013/14 MTEF.

Table 11.5: Summary of additional provincial allocations for the 2011/12 to 2013/14 MTEF

R thousand	2011/12	2012/13	2013/14	2014/15	2015/16
2011/12 MTEF period	8 544	3 246	1 138	1 206	1 262
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement	9 143	4 015	2 103	2 229	2 332
National Cabinet decision to cut provinces by 0.3%	(599)	(769)	(965)	(1 023)	(1 070)
2012/13 MTEF period		17 956	9 254	9 567	10 007
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement		5 956	6 254	6 567	6 869
Disaster Management		12 000	3 000	3 000	3 138
2013/14 MTEF period			(14 771)	(33 000)	(41 513)
Census data update and 1%, 2% and 3% baseline cuts			(17 171)	(35 400)	(43 913)
Carry-through uMsekeli Municipal Support Services pensioners' medical aid obligation			2 400	2 400	2 400
Total	8 544	21 202	(4 379)	(22 227)	(30 244)

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 effect of this was a slight reduction in the budget 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 PDMC in terms of Section 29 of the Disaster Management Act.

In the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period. Also in the 2013/14 MTEF, additional funding was allocated for the uMsekeli Municipal Support Services pensioners' medical aid obligation.

The department effected the above-mentioned baseline cuts against the *Compensation of employees'* budget only, against all four programmes. This was possible as the department was able to identify sufficient savings from *Compensation of employees* due to the slow rate of filling of vacant posts in 2012/13 and in previous years, as well as the moratorium on the filling of non-critical vacant posts over the 2013/14 MTEF.

5.3 Summary by programme and economic classification

The services rendered by the department are categorised under four programmes, which are aligned to the uniform budget and programme structure of the Co-operative Governance and Traditional Affairs sector, as illustrated in Table 11.6 below.

Tables 11.6 and 11.7 provide a summary of the vote's payments and budgeted estimates over the seven-year period, by programme and economic classification, respectively.

Table 11.6: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	175 765	182 707	249 299	229 729	284 388	284 388	245 922	263 426	273 808
2. Local Governance	172 691	183 568	166 716	177 112	178 175	178 175	193 190	203 931	209 010
3. Development and Planning	518 483	476 780	451 194	552 098	633 817	633 817	581 377	595 004	622 806
4. Traditional Institutional Management	156 481	159 534	239 140	249 064	219 747	219 747	227 207	242 612	252 383
Total	1 023 420	1 002 589	1 106 349	1 208 003	1 316 127	1 316 127	1 247 696	1 304 973	1 358 007

Note: Programme 1 includes MEC remuneration: Salary: R1 652 224

Table 11.7: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	558 780	586 678	712 234	1 152 655	894 373	894 373	1 205 926	1 264 599	1 316 818
Compensation of employees	263 517	293 722	343 521	449 340	427 269	427 269	478 510	512 955	535 445
Goods and services	295 263	292 956	368 713	703 315	467 104	467 104	727 416	751 644	781 373
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	445 213	398 590	357 371	17 480	365 853	365 853	10 462	13 706	13 783
Provinces and municipalities	438 911	394 926	348 281	15 140	352 347	352 347	6 251	8 861	9 471
Departmental agencies and accounts	2 800	-	1 700	-	1 000	1 000	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	558	558	-	-	-
Non-profit institutions	-	-	-	-	100	100	-	-	-
Households	3 502	3 664	7 390	2 340	11 848	11 848	4 211	4 845	4 312
Payments for capital assets	18 134	16 456	36 569	37 868	55 901	55 901	31 308	26 668	27 406
Buildings and other fixed structures	7 980	11 985	22 625	26 948	20 080	20 080	20 250	20 750	21 337
Machinery and equipment	10 138	4 461	13 914	10 920	31 702	31 702	11 058	5 918	6 069
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	16	10	30	-	4 119	4 119	-	-	-
Payments for financial assets	1 293	865	175	-	-	-	-	-	-
Total	1 023 420	1 002 589	1 106 349	1 208 003	1 316 127	1 316 127	1 247 696	1 304 973	1 358 007

The tables above include reprioritisation of the budget at programme and economic classification level over the 2013/14 MTEF. Despite the above-mentioned baseline cuts, the budget over the period under review reflects steady growth. The slight decrease in 2010/11 was mainly due to the discontinuation of the baseline for the soccer stadia funding (Moses Mabhida Stadium). The decline from the 2012/13 Adjusted Appropriation to 2013/14 is due to the substantial additional once-off funding, as well as the roll-over of funds from 2011/12 allocated in the 2012/13 Adjustments Estimate, as detailed in Section 4.1.

In Programme 1: Administration, the expenditure reflects steady growth from 2009/10 to 2010/11 mainly due to the filling of vacant posts, above-budget wage agreements, as well as the capacitation of staff in line with the structure. The substantial increase in 2011/12 relates to additional liability claims by the Government Employees Pension Fund (GEPF) for officials retiring prior to the pensionable age (both early retirement and voluntary severance packages), as well as the communication and consultation for departmental projects, such as the installation of *Amakhosi*, the Local Economic Development (LED) summit, etc., hence the reduction in the 2012/13 Main Appropriation. The increase in the 2012/13 Adjusted Appropriation relates to funds rolled over in respect of computer servers, funds reprioritised from Programmes 2, 3 and 4 for recruitment and selection costs to fill critical vacant posts, vehicle maintenance, among others. Also, additional funds were allocated for the purchase of tools of trade for the CDWs, and for the payment of the uMsekeli Municipal Support Services pensioners' medical aid

obligation. The increase over the MTEF in comparison to the 2012/13 Main Appropriation is mainly to cater for the filling of vacant posts, while taking into account the moratorium on the filling of non-critical posts, as well as additional funding allocated in respect of the uMsekeli Municipal Support Services pensioners' medical aid obligation.

In Programme 2: Local Governance, the low growth in 2011/12 was mainly due to the non-filling of vacant posts due to an internal moratorium because of the department's continual restructuring. Also, delays such as longer than anticipated tender processes in the municipal audit queries project and the special interventions, contributed to the low expenditure. The slight increase in the 2012/13 Adjusted Appropriation can be attributed to additional funds allocated for the establishment of an animal pound in the Nongoma Municipality, and for Councillor training on municipal structures and management. The growth over the 2013/14 MTEF is in respect of projects such as audit support to municipalities, financial administration in municipalities and OSS.

The low growth in 2010/11 and 2011/12 against Programme 3: Development and Planning was due to the slower than anticipated filling of vacant posts, as well as the reprioritisation of funding for the Corridor Development and the 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 substantial increase in the 2012/13 Adjusted Appropriation relates to funds rolled over for the construction of three TACs by the IDT, and the installation of water purification plants. In addition, the department was allocated substantial funding for the improvement of disaster management centres' capabilities, the formalisation of 13 towns and for projects relating to the Massification programme. The increase in allocation over the 2013/14 MTEF in comparison to the 2012/13 Main Appropriation is in respect of the planned filling of vacant posts, (which will take into account the moratorium on the filling of non-critical vacant posts), Corridor Development and the Small Town Rehabilitation programmes and the establishment of the PDMC.

With regard to Programme 4: Traditional Institutional Management, the substantial increase in 2011/12 relates to the salary adjustments of *Amakhosi*, the induction of new TC and Local House members, etc. The decrease in the 2012/13 Adjusted Appropriation mainly relates to funds reprioritised from this programme due to the slow start in the construction of *Imizi Yesizwe*. Also contributing to the decrease was the cancellation of the *Ondlunkulu* project, which is a structured co-operative programme for the wives of *Amakhosi*, due to other departments, such as Arts and Culture, Land Reform and Agriculture, Environmental Affairs and Rural Development, being involved with a similar project, as well as the cancellation of the Community Development Project which did not adequately address job creation, poverty reduction and enhancement of community livelihood. The decrease in 2013/14 and 2014/15 compared to the 2012/13 Adjusted Appropriation is due to funds shifted from this programme to Programme 3 within the same economic categories due to a decision to move a portion of the budget in respect of rural connectivity projects such as the construction of TACs, MPCCs, etc., as they are better placed under Programme 3, due to the nature of their functions. The historical figures have been adjusted for comparative purposes. The increase in 2015/16 is mainly to cater for the filling of vacant posts (taking into account the moratorium on the filling of non-critical vacant posts), and the increase in infrastructure support (including the construction of *Imizi Yesizwe*), office equipment/furniture for TACs and renovations and maintenance of existing infrastructure.

Compensation of employees reflects a substantial increase, especially from 2011/12 onward, due to above-budget wage agreements, as well as the carry-through costs of the third phase (which is the last phase) of OSD for technicians such as land surveyors, engineers and legal staff. The first and second phases of the OSD were implemented in July 2009/10 and 2010/11, respectively. The decrease in the 2012/13 Adjusted Appropriation is due to the non-filling of vacant posts. The department has appointed recruitment agencies to assist with filling these vacant posts and accelerate the recruitment process, hence the increase in allocation over the MTEF, taking into account the moratorium on the filling of non-critical vacant posts. The increase also includes the carry-through costs of the third phase of the OSD, as well as provision for the annual wage agreements. It should be noted that the department effected the baseline cuts against this category only.

Goods and services reflects a fluctuating trend over the period under review. The slight decrease in 2010/11 relates mainly to cost-cutting, the disaster management toolkits that were ordered for the TC election preparations but not delivered before year-end, as well as road shows relating to voter registration that did not occur due to the postponement of the TC elections. The significant increase in 2011/12 relates to the implementation of projects such as audit and financial support to municipalities, Councillor training on municipal structures and management, among others. The department budgets for programmes such as the Massification, Corridor Development, LED, Disaster Management and Small Town Rehabilitation under this category during the budget process. The department then undertakes an annual exercise which will indicate which municipalities 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* during the Adjustments Estimate. This explains the high amount in the 2012/13 Main Appropriation, as well as the increases over the MTEF period, and the decrease in the 2012/13 Adjusted Appropriation. This also explains the fluctuating trend against *Transfers and subsidies to: Provinces and municipalities* over the same period. The amounts shifted from this category in the 2012/13 Adjustments Estimate were mitigated by funds rolled over for the installation of the water purification plant, as well as for the TC elections. Furthermore, additional funds were allocated for the improvement of the disaster management centres' capabilities and the formalisation of 13 towns, as well as for Councillor training on municipal structures and management.

With regard to *Transfers and subsidies to: Provinces and municipalities*, there is a correlation between this category and *Goods and services*, as explained above. The discontinuation of the soccer stadia funding in 2009/10 accounts for the decrease in 2010/11 and 2011/12. The amounts in the 2012/13 Main Appropriation and over the 2013/14 MTEF relate to projects such as the Development Planning Shared Services, community participation in IDPs, operational support to TSCs, etc., undertaken by municipalities. The amounts against this category also provide for the payment of motor vehicle licences.

The amount reflected against *Transfers and subsidies to: Departmental agencies and accounts* in 2009/10 was in respect of the operations of the PPDC, which were discontinued in that year. The amounts in 2011/12 and in the 2012/13 Adjusted Appropriation relate to transfers to the public entities, Agri-business Development Agency (ADA) toward various LED projects, and the KZN Tourism Authority (TKZN) for the erection of tourism signage.

With regard to *Transfers and subsidies to: Public corporations and private enterprises*, the amount in the 2012/13 Adjusted Appropriation relates to donations to the South African Planning Institute (SAPI) in respect of the Planning Africa Conference (PAC), and to the KZN Top Business Portfolio for the update of promotional DVDs to showcase successful growth in the province.

The amount against *Transfers and subsidies to: Non-profit institutions* in the 2012/13 Adjusted Appropriation is in respect of a donation to Sakhisizwe (who undertakes the co-ordination, managing and organising of various traditional music in various forms and crafts) for the heritage month celebration.

Transfers and subsidies to: Households fluctuates over the period due to the payment of voluntary severance packages, staff exit costs and bursaries to students. The substantial increase in the 2012/13 Adjusted Appropriation is to cater for leave gratuities, early retirement and voluntary severance packages to supernumerary staff, as well as additional funds allocated for the payment of the uMsekeli Municipal Support Services pensioners' medical aid obligation, which is continued over the 2013/14 MTEF.

The expenditure against *Buildings and other fixed structures* in 2009/10 relates to the purchase of a building for the PDMC in the uMgungundlovu District (in Mkondeni). The 2010/11 expenditure relates to the rehabilitation of *Thusong* Service Centres (TSCs). The increase in 2011/12 relates to the construction of TACs and *Imizi Yesizwe*. The decrease in the 2012/13 Adjusted Appropriation is mainly due to the slow progress in the construction of TACs and *Imizi Yesizwe*, as explained previously. The decrease was mitigated by funds rolled over for the completion of TACs and *Imizi Yesizwe*. The amounts over the MTEF include allocations for the construction of TACs, MPCC and *Imizi Yesizwe*, etc.

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 decrease in 2010/11 can be

attributed to computer servers and vehicles ordered but not delivered before year-end, and hence the increase in 2011/12 when the invoices were paid. The substantial increase in the 2012/13 Adjusted Appropriation relates to funds for the purchase of tools of trade for CDWs, roll-over funds for the payment of computer servers ordered but not delivered before year-end, as well as the purchase of computer equipment. These additional allocations are once-off, and hence the decrease over the MTEF. The decrease in 2014/15 and 2015/16 can be ascribed to the department not anticipating any major purchases such as vehicles and computer servers, at this stage. This will be reviewed in future MTEFs.

Spending in 2009/10, 2010/11 and 2011/12 against *Software and other intangible assets* was in respect of once-off computer software packages (system hosting servers, Blackberry Enterprise Services software, etc.). The allocation in the 2012/13 Adjusted Appropriation is in respect of a once-off purchase of the Pastel Evolution software for the traditional levies and trust account.

The amounts from 2009/10 to 2011/12 against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

5.4 Summary of expenditure by district municipal area

Table 11.8 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.

Table 11.8: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15	2015/16
eThekweni	19 656	10 080	8 671	11 074	28 737
Ugu	24 627	4 898	5 815	8 920	4 619
uMgungundlovu	211 330	493 402	506 493	498 961	498 192
Uthukela	56 321	4 639	4 266	9 820	5 286
Umkhanyakude	24 947	9 925	7 361	4 420	5 286
Amajuba	13 875	11 326	5 810	5 620	5 286
Zululand	48 888	6 573	12 260	6 520	6 719
uThungulu	24 685	14 922	5 010	6 020	6 319
Ilembe	43 769	8 249	4 966	6 220	5 886
Sisonke	39 621	5 423	4 466	11 820	5 886
Sisonke	71 073	7 177	10 145	9 409	11 775
Total	578 792	576 614	575 263	578 804	583 991

The spending is notably high against uMgungundlovu due to the bulk of the funding allocated for Corridor Development, Massification and the Small Town Rehabilitation programmes being implemented by the department's 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.

There is a steady increase in the districts due to the PGDP and PGDS initiatives, which are gradually being implemented. The spread across districts reflects construction, 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. The high spending in most municipalities in 2011/12 relates to the Corridor Development, Massification and the Small Town Rehabilitation programmes being implemented.

5.5 Summary of conditional grant payments and estimates – Nil

5.6 Summary of infrastructure payments and estimates

Table 11.9 below summarises the infrastructure expenditure and estimates relating to the department. With regard to the infrastructure expenditure and budget, this category reflects a fluctuating trend from 2009/10 to the 2012/13 Main Appropriation, and a stable trend thereafter.

Table 11.9: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
New and replacement assets	7 980	7 764	3 782	12 250	15 382	15 382	13 250	14 250	14 512
Existing infrastructure assets	313	4 613	12 843	14 698	4 698	4 698	7 000	6 500	6 825
Upgrades and additions	-	4 221	12 843	14 698	4 698	4 698	7 000	6 500	6 825
Rehabilitation, renovations and refurbishments	313	392	-	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-	-	-	-
Infrastructure transfers	149 963	-	6 000	-	-	-	-	-	-
Current	149 963	-	-	-	-	-	-	-	-
Capital	-	-	6 000	-	-	-	-	-	-
Capital infrastructure	7 980	11 985	22 625	26 948	20 080	20 080	20 250	20 750	21 337
Current infrastructure	150 276	392	-	-	-	-	-	-	-
Total	158 256	12 377	22 625	26 948	20 080	20 080	20 250	20 750	21 337

New and replacement assets reflects the provision for the construction of TACs and *Imizi Yesizwe*. The decrease in 2011/12 was due to the slow progress in the construction of the TACs and the houses for *Amakhosi* before year-end, which is attributed to the longer than anticipated local labour negotiations with the *Amakhosi* and the council, as well as the longer than anticipated consultations with the *Amakhosi* with regard to the approval of plans and designs, respectively. The increase in the 2012/13 Adjusted Appropriation relates to funds rolled over in respect of the construction of these TACs and houses for the *Amakhosi*. The roll-over amount was substantially mitigated by funds reprioritised from this category during the 2012/13 Adjustments Estimate due to the slow progress in the construction of TACs and the houses for *Amakhosi*. The projections over the MTEF reflect the continued provision for these projects.

Rehabilitation, renovations and refurbishments reflects the refurbishing of existing TACs, TSCs and MPCCs by contractors. The high expenditure in 2011/12 was due to more work undertaken by IDT in refurbishing the centres. The department reprioritised funds away from this category in the 2012/13 Adjusted Appropriation due to the slow progress in respect of the refurbishment of existing TACs and TSCs, to other categories to offset spending pressures such as recruitment and selection, maintenance and repairs of various departmental buildings, etc. The MTEF allocations cater for the rehabilitation, renovations and refurbishments of TACs and TSCs.

The expenditure against *Maintenance and repairs* in 2009/10 and 2010/11 was in respect of the maintenance of TACs and TSCs in terms of the Rural Connectivity programme, in order to provide support to the community and traditional institutions. The department no longer allocates funds to this category from 2011/12 onward 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 2009/10 was in respect of the provision for soccer stadia for the 2010 Soccer 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 2011/12 was in respect of transfer payments to municipalities for the construction of TSCs. The department reprioritised funds away from this category from 2012/13 onward, as it plans to undertake the construction of these centres itself.

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 11.10 below summarises the transfer payments to public entities that are listed in terms of Schedule 3 of the PFMA. It should be noted that these public entities do not fall under the auspices of the department. The department is only using them as implementing agents.

Table 11.10: 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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
PPDC	2 800	-	-	-	-	-	-	-	-
ADA	-	-	1 700	-	-	-	-	-	-
TKZN	-	-	-	-	1 000	1 000	-	-	-
Total	2 800	-	1 700	-	1 000	1 000	-	-	-

The department transferred funds to the PPDC in 2009/10, which ceased in 2009/10 due to the implementation of the Planning and Development Act (PDA) during the year.

The department made a once-off transfer in 2011/12 to ADA in respect of a communal vegetable farming project at KwaSani, and an agri-processing facility at Middlerus in Mpofana.

The once-off amount reflected in the 2012/13 Adjusted Appropriation relates to a transfer to TKZN for the erection of tourism signage.

5.9 Transfers to other entities

Table 11.11 reflects a summary of transfers to other entities.

Table 11.11: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
KZN Top Business Portfolio	2.1 Municipal Administration	-	-	-	-	158	158	-	-	-
SAPI	3.1 Spatial Planning	-	-	-	-	400	400	-	-	-
Sakhisizwe	4.1 Traditional Institutional Administration	-	-	-	-	100	100	-	-	-
Total		-	-	-	-	658	658	-	-	-

The department made once-off donations in the 2012/13 Adjusted Appropriation to the KZN Top Business Portfolio with regard to the update of promotional DVDs to showcase successful growth in the province, SAPI in respect of the PAC and Sakhisizwe for the heritage month celebration.

5.10 Transfers to local government

Table 11.12 details the transfers to local government, summarised according to categories A, B and C. Table 11.13 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*.

The expenditure and budget against transfers to local government reflects a fluctuating trend over the period under review. As previously explained, the bulk of the transfer payments such as the Corridor Development, Massification and the Small Town Rehabilitation programmes are usually budgeted for under *Goods and services* during the budget process and are reclassified as *Transfers and subsidies to: Provinces and municipalities* in the Adjustments Estimate. In the 2013/14 MTEF, the department again budgeted for the majority of the municipal projects against *Goods and services*, with the exception of some transfers, shown in Table 11.13. The department may again reclassify the funds in the 2013/14 Adjustments Estimate, if the annual exercise proves that municipalities have the required capacity to implement the projects themselves.

Table 11.12: Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Category A	51 000	21 800	6 925	-	-	-	-	-	-
Category B	109 222	143 459	169 020	6 000	207 506	207 506	2 000	3 000	3 000
Category C	278 581	229 554	172 216	8 900	102 178	102 178	2 000	3 600	2 200
Unallocated/unclassified	-	-	-	-	42 500	42 500	2 000	2 000	4 000
Total	438 803	394 813	348 161	14 900	352 184	352 184	6 000	8 600	9 200

Table 11.13: 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		
		2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
						2012/13				
Mun Govt and Fin Experts: Shared Deployment	2.1 Mun. Admin.	-	5 800	5 600	-	-	-	-	-	-
Implementation of Pound Act	2.1 Mun. Admin.	-	12 000	-	-	1 000	1 000	-	-	-
Inter-Governmental Relations	2.1 Mun. Admin.	1 000	4 170	-	-	-	-	-	-	-
Municipal Governance	2.1 Mun. Admin.	3 000	-	-	-	-	-	-	-	-
Provincial Interventions	2.1 Mun. Admin.	-	1 300	-	-	-	-	-	-	-
Umzimkulu Support	2.1 Mun. Admin.	56 008	36 873	25 320	-	-	-	-	-	-
Uthukela Water	2.1 Mun. Admin.	2 000	-	-	-	-	-	-	-	-
Provincial Mgt. Assistance Programme	2.2 Mun. Finance	6 400	-	-	-	-	-	-	-	-
Public Part. Citizen Satisfaction Survey	2.3 Public Participation	-	-	-	-	2 260	2 260	-	-	-
Schemes Support Programme	3.1 Spatial Planning	-	-	2 250	-	-	-	-	-	-
MIG and MIS Grant	3.1 Spatial Planning	-	-	-	-	74	74	-	-	-
Town Settlement Formalisation Support	3.2 Land Use Mgt.	-	800	1 000	-	-	-	-	-	-
Corridor Development	3.3 LED	118 132	114 068	96 447	-	97 600	97 600	-	-	-
Municipal LED	3.3 LED	-	6 400	12 080	-	14 100	14 100	-	-	-
Small Town Rehabilitation	3.3 LED	55 000	92 769	74 220	-	106 170	106 170	-	-	-
Construction of TSCs	3.3 LED	-	-	6 000	-	-	-	-	-	-
Operational Support for TSCs	3.3 LED	-	148	5 000	2 000	2 000	2 000	2 000	2 000	4 000
Provisional Security (MPCCs)	3.3 LED	-	-	4 500	-	-	-	-	-	-
Urban Development Framework	3.3 LED	-	3 758	-	-	-	-	-	-	-
Massification Programme	3.4 Mun. Infra.	30 500	101 000	102 033	-	103 240	103 240	-	-	-
Infra provision for soccer stadia	3.4 Mun. Infra.	149 963	-	-	-	-	-	-	-	-
Disaster Management	3.5 Disaster Mgt.	6 000	11 500	3 000	-	17 740	17 740	-	-	-
Community participation in IDPs	3.6 IDP Co-ordination	-	-	-	2 000	2 000	2 000	2 000	3 000	3 000
Development Planning Shared Services	3.6 IDP Co-ordination	10 800	4 227	5 461	2 000	2 000	2 000	2 000	3 600	2 200
District Growth and Development Summit	3.6 IDP Co-ordination	-	-	-	4 000	4 000	4 000	-	-	-
Community Development Projects	4.3 RDF	-	-	5 250	4 900	-	-	-	-	-
Total		438 803	394 813	348 161	14 900	352 184	352 184	6 000	8 600	9 200

The decrease in 2010/11 and 2011/12 in comparison to 2009/10 was largely due to the discontinuation of soccer stadia funding in 2009/10. As previously explained, the increase in the 2012/13 Adjusted Appropriation was due to funds shifted from *Goods and services* for various Corridor Development, Massification and Small Town Rehabilitation programmes. The MTEF allocations are in respect of the Development Planning Shared Services, the community participation in IDPs, and the operational support to TSCs, undertaken by municipalities.

Transfers to local government includes funds in respect of motor vehicle licences. These funds will not be transferred to any municipality and, hence, the amounts are not reflected in Table 11.13.

5.11 Transfers and subsidies

Table 11.14 below is a summary of transfers and subsidies expenditure and estimates at an item level for each programme of the department. The category shows a fluctuating trend over the seven-year period. As previously explained, this relates mainly to the department budgeting for projects such as the Corridor Development, Massification and the Small Town Rehabilitation programmes under *Goods and services* during the budget process and these are reclassified as *Provinces and municipalities* in the Adjustments Estimate. The high expenditure in 2009/10 includes transfers to various municipalities for the construction of the soccer stadia relating to the 2010 Soccer World Cup.

The amounts against *Households* in all four programmes cater for the payment of leave gratuities, early retirement, as well as severance packages. Programme 1 also reflects the uMsekeli Municipal Support Services pensioners' medical aid obligation, as well as bursaries to students not employed by the department. This category is difficult to forecast, accounting for the fluctuations from 2009/10 onward.

Transfers and subsidies under Programme 1 fluctuates over the seven years, largely due to the nature of transfers. For example, *Provinces and municipalities* relates to the payment of motor vehicle licences.

Transfers and subsidies under Programme 2 fluctuates over the seven-year period due to the following:

- *Provinces and municipalities* relates to various municipal projects such as the support to Umzimkulu, implementation of the Pound Act, municipal governance, etc.
- *Public corporations and private enterprises* reflects a donation to the KZN Top Business Portfolio with regard to the update of promotional DVDs to showcase successful growth in the province.

Table 11.14: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	1 978	2 029	6 658	1 446	8 489	8 489	4 002	4 046	4 011
Provinces and municipalities	108	113	120	240	163	163	251	261	271
Motor vehicle licences	108	113	120	240	163	163	251	261	271
Households	1 870	1 916	6 538	1 206	8 326	8 326	3 751	3 785	3 740
Other (Bursaries, claims against the state)	1 128	1 208	2 389	1 102	1 102	1 102	1 200	1 200	1 255
Social benefits - Post retirement benefits	742	708	4 149	104	7 224	7 224	2 551	2 585	2 485
2. Local Governance	68 904	60 599	31 348	750	5 216	5 216	100	650	158
Provinces and municipalities	68 408	60 143	30 920	-	3 260	3 260	-	-	-
Umzimkulu Support	56 008	36 873	25 320	-	-	-	-	-	-
Municipal Gov. and Fin. Experts	-	5 800	5 600	-	-	-	-	-	-
Implementation of Pounds Act	-	12 000	-	-	-	-	-	-	-
Inter-Governmental Relations	1 000	4 170	-	-	-	-	-	-	-
Municipal Governance	3 000	-	-	-	-	-	-	-	-
Provincial Interventions	-	1 300	-	-	-	-	-	-	-
Uthukela Water	2 000	-	-	-	-	-	-	-	-
Provincial Municipal Assistance Prog.	6 400	-	-	-	-	-	-	-	-
Pounds Act	-	-	-	-	1 000	1 000	-	-	-
Public Part. Citizen Satisfaction Survey	-	-	-	-	2 260	2 260	-	-	-
Public corporations and private enterprises	-	-	-	-	158	158	-	-	-
KZN Top Business Portfolio	-	-	-	-	158	158	-	-	-
Households	496	456	428	750	1 798	1 798	100	650	158
Other transfers to households	-	-	36	-	-	-	-	-	-
Social benefits - Post retirement benefits	496	456	392	750	1 798	1 798	100	650	158
3. Development and Planning	373 227	335 180	313 691	8 000	350 324	350 324	6 000	8 600	9 200
Provinces and municipalities	370 395	334 670	311 991	8 000	348 924	348 924	6 000	8 600	9 200
Small Town Rehabilitation	55 000	92 769	74 220	-	106 170	106 170	-	-	-
Corridor Development	118 132	114 068	96 447	-	97 600	97 600	-	-	-
Massification	30 500	101 000	102 033	-	103 240	103 240	-	-	-
LED	-	6 400	12 080	-	14 100	14 100	-	-	-
Operational Support for TSCs	-	148	5 000	-	2 000	2 000	2 000	2 000	4 000
Provisional Security (MPCCs)	-	-	4 500	-	-	-	-	-	-
Construction of TSCs	-	-	6 000	-	-	-	-	-	-
Development Planning Shared Services	10 800	4 227	5 461	-	2 000	2 000	2 000	3 600	2 200
Disaster Management	6 000	11 500	3 000	-	17 740	17 740	-	-	-
Town Settlement Formalisation Support	-	800	1 000	-	-	-	-	-	-
Community Participation in IDPs	-	-	-	-	2 000	2 000	2 000	3 000	3 000
District Growth Development Summit	-	-	-	8 000	4 000	4 000	-	-	-
Infra Provision for Soccer Stadia	149 963	-	-	-	-	-	-	-	-
MIG and MIS Grant	-	-	-	-	74	74	-	-	-
Urban Development Framework	-	3 758	-	-	-	-	-	-	-
Schemes Support Programme	-	-	2 250	-	-	-	-	-	-
Departmental agencies and accounts	2 800	-	1 700	-	1 000	1 000	-	-	-
PPDC	2 800	-	-	-	-	-	-	-	-
ADA	-	-	1 700	-	-	-	-	-	-
TKZN	-	-	-	-	1 000	1 000	-	-	-
Public corporations and private enterprises	-	-	-	-	400	400	-	-	-
SAPI	-	-	-	-	400	400	-	-	-
Households	32	510	-	-	-	-	-	-	-
Social benefits - Post retirement benefits	32	510	-	-	-	-	-	-	-
4. Traditional Institutional Management	1 104	782	5 674	7 284	1 824	1 824	360	410	414
Provinces and municipalities	-	-	5 250	6 900	-	-	-	-	-
Operational Support for TSCs	-	-	-	2 000	-	-	-	-	-
Community Development Project	-	-	5 250	4 900	-	-	-	-	-
Non-profit institutions	-	-	-	-	100	100	-	-	-
Sakhisizwe	-	-	-	-	100	100	-	-	-
Households	1 104	782	424	384	1 724	1 724	360	410	414
Social benefits - Post retirement benefits	1 104	782	424	384	1 724	1 724	360	410	414
Total	445 213	398 590	357 371	17 480	365 853	365 853	10 462	13 706	13 783

Transfers and subsidies under Programme 3 shows significant fluctuations due to the following:

- *Provinces and municipalities* represents municipal projects such as the Corridor Development, Massification and the Small Town Rehabilitation programmes, etc. The allocations over the MTEF are in respect of the Development Planning Shared Services, community participation in IDPs and operational support to TSCs.
- *Departmental agencies and accounts* relates to:
 - Funds transferred to the PPDC, which ceased in 2009/10 due to the implementation of the PDA.
 - A transfer to ADA for the Middlerus agri-processing facility at Mpofana and a communal vegetable farming project at KwaSani.
 - A transfer to TKZN for the erection of tourism signage.
- *Public corporations and private enterprises* relates to a donation to SAPI in respect of the PAC.

Transfers and subsidies under Programme 4 also fluctuates over the seven-year period due to:

- *Provinces and municipalities* represents the transfer of funds for the rural community development project, such as urban development frameworks, etc.
- *Non-profit institutions* relates to a donation to Sakhisizwe for the heritage month celebration.

6. Programme description

The services rendered by the department are categorised under four programmes. As mentioned earlier, the department's budget and programme structure for the 2013/14 MTEF comply with the uniform budget and programme structure for the sector. It should be noted that the department does not adhere to the sector specific performance indicators for the Co-operative Governance and Traditional Affairs sector. The department is liaising with national COGTA in this regard.

The payments and estimates for each programme are summarised in terms of economic classification. Details are given 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 11.15 and 11.16 below illustrate a summary of payments and estimates for the financial years 2009/10 to 2015/16 relating to Programme 1.

As shown in the tables, the expenditure and budget against Programme 1 reflects a fluctuating trend over the seven-year under review, with substantial increases from 2011/12 onward, and these are explained below.

Table 11.15: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Office of the MEC	19 527	20 545	17 232	20 933	20 139	20 139	22 556	23 969	25 407
Corporate Services	156 238	162 162	232 067	208 796	264 249	264 249	223 366	239 457	248 401
Total	175 765	182 707	249 299	229 729	284 388	284 388	245 922	263 426	273 808

Table 11.16: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	158 766	177 023	235 526	226 114	255 419	255 419	238 922	257 085	267 397
Compensation of employees	68 823	77 052	87 367	122 601	120 105	120 105	136 342	152 289	159 295
Goods and services	89 943	99 971	148 159	103 513	135 314	135 314	102 580	104 796	108 102
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 978	2 029	6 658	1 446	8 489	8 489	4 002	4 046	4 011
Provinces and municipalities	108	113	120	240	163	163	251	261	271
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 870	1 916	6 538	1 206	8 326	8 326	3 751	3 785	3 740
Payments for capital assets	14 741	2 996	7 011	2 169	20 480	20 480	2 998	2 295	2 400
Buildings and other fixed structures	7 980	-	-	-	-	-	-	-	-
Machinery and equipment	6 745	2 986	6 981	2 169	20 480	20 480	2 998	2 295	2 400
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	16	10	30	-	-	-	-	-	-
Payments for financial assets	280	659	104	-	-	-	-	-	-
Total	175 765	182 707	249 299	229 729	284 388	284 388	245 922	263 426	273 808

The decrease in the sub-programme: Office of the MEC in 2011/12 was due to cost-cutting on items such as administrative fees, communication costs, advertising, etc. The slight reduction in the 2012/13 Adjusted Appropriation is due to non-filling of posts. The increase over the MTEF period is due to the filling of posts, taking into account the moratorium on the filling of non-critical vacant posts, and the related increase in operational costs.

The sub-programme: Corporate Services reflects an increasing trend over the period under review. The substantial increase in 2011/12 was in respect of recruitment and selection costs incurred in an effort to fill vacant posts, the replacement of vehicles and computer servers, and for departmental projects (such as the LED summit). The increase in the 2012/13 Adjusted Appropriation is in respect of various once-off allocations including funds rolled over for computer servers. Funds were also reprioritised in respect of the above-mentioned recruitment and selection costs, vehicle maintenance, computer services and training costs, as well as maintenance and repairs of various departmental buildings. In addition, funds were allocated for the purchase of tools of trade for the CDWs and the payment of the uMsekeli Municipal Support Services pensioners' medical aid obligation. The increase over the 2013/14 MTEF is to cater for the filling of vacant posts (in line with the moratorium on the filling of non-critical vacant posts), and the uMsekeli Municipal Support Services pensioners' medical aid obligation.

Compensation of employees shows an increasing trend from 2010/11 onward mainly due to filling of posts, as well as annual salary increases. The slight decrease in the 2012/13 Adjusted Appropriation is due to non-filling of posts, as a result of the difficulty in finding suitable candidates. The increase over the 2013/14 MTEF is to cater for the filling of vacant posts in line with the moratorium on the filling of non-critical vacant posts, as well as annual salary increases.

Goods and services reflects an increasing trend from 2009/10 to 2011/12, and thereafter fluctuates. The substantial 2011/12 increase was to cater for the recruitment and selection processes, property payments, etc. The growth in the 2012/13 Adjusted Appropriation is in respect of recruitment and selection costs, vehicle maintenance, computer services and training costs, as well as maintenance and repairs of various departmental buildings. The slight decrease in 2013/14 in comparison to the 2012/13 Main Appropriation can be attributed to reprioritisation undertaken to *Compensation of employees* for the annual salary increments. The increase in the two outer years of the MTEF relates mainly to inflationary increases.

Transfers and subsidies to: Provinces and municipalities caters for motor vehicle licences.

The high amount against *Transfers and subsidies to: Households* in 2011/12 was in respect of the additional liability claims by the GEPE for officials retiring prior to the pensionable age, hence the decrease in the 2012/13 Main Appropriation. The increase in the 2012/13 Adjusted Appropriation is to cater for leave gratuities, early retirement and severance packages. The allocations over the 2013/14 MTEF are mainly due to additional funds for the uMsekeli Municipal Support Services pensioners' medical aid obligation, as well as the 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.

Machinery and equipment fluctuates over the period under review. The low 2010/11 amount was due to minimal acquisitions of furniture and computer equipment due to non-filling of vacant posts. The increase in 2011/12 relates to the replacement of vehicles and computer servers. The substantial growth in the 2012/13 Adjusted Appropriation is mainly due to additional funds allocated for the purchase of tools of trade for the CDWs, funds rolled over for computer servers ordered but not delivered before year-end, as well as funds reprioritised from other categories for the purchase of computer equipment that was under-budgeted for. These allocations are once-off, and hence the decrease in 2013/14. The MTEF allocations are linked to the filling of posts, and replacement of vehicles and computer equipment that are obsolete.

Spending against *Software and other intangible assets* was in respect of once-off computer software packages (system hosting servers, Blackberry Enterprise Services software, etc.) required.

The amounts from 2009/10 to 2011/12 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 conforms to the uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector as revised in 2012/13. 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.

Tables 11.17 and 11.18 below illustrate a summary of payments and estimates for 2009/10 to 2015/16 relating to Programme 2.

Programme 2 shows a fluctuating trend over the period under review, as explained below.

Table 11.17: Summary of payments and estimates - Programme 2: Local Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Municipal Administration	79 780	80 862	58 673	37 235	31 893	31 893	34 376	36 556	36 038
Municipal Finance	21 226	24 395	16 746	31 407	21 592	21 592	38 662	44 200	42 670
Public Participation	64 734	72 794	85 684	93 918	113 493	113 493	99 724	106 671	113 669
Capacity Development	774	618	1 311	3 250	2 545	2 545	11 750	7 161	6 162
Municipal Perf. Monitoring, Reporting and Evaluation	6 177	4 899	4 302	11 302	8 652	8 652	8 678	9 343	10 471
Total	172 691	183 568	166 716	177 112	178 175	178 175	193 190	203 931	209 010

Table 11.18: 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	102 862	122 583	134 790	174 956	170 941	170 941	191 925	202 726	208 305
Compensation of employees	75 985	86 476	102 203	118 828	122 970	122 970	124 253	132 481	134 272
Goods and services	26 877	36 107	32 587	56 128	47 971	47 971	67 672	70 245	74 033
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	68 904	60 599	31 348	750	5 216	5 216	100	650	158
Provinces and municipalities	68 408	60 143	30 920	-	3 260	3 260	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	158	158	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	496	456	428	750	1 798	1 798	100	650	158
Payments for capital assets	145	331	573	1 406	2 018	2 018	1 165	555	547
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	145	331	573	1 406	2 018	2 018	1 165	555	547
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	780	55	5	-	-	-	-	-	-
Total	172 691	183 568	166 716	177 112	178 175	178 175	193 190	203 931	209 010

The decrease against the sub-programme: Municipal Administration from 2011/12 onward mainly relates to the decrease in expenditure with regard to Umzimkulu support, due to the incorporation of the municipality into the province being largely on target, as well as non-filling of vacant posts. The decrease in the 2012/13 Adjusted Appropriation relates to the cancellation of the appointment of a panel of experts who were to undertake the implementation of the audit and financial support to municipalities as a result of tender appeals. The decrease was mitigated by additional funds allocated for the establishment of an animal pound in the Nongoma Municipality, and for Councillor training on municipal structures and management. The increase over the 2013/14 MTEF in comparison to the 2012/13 Adjusted Appropriation is mainly to cater for inflationary increases, as well as filling of vacant posts (while bearing in mind the moratorium on the filling of non-critical posts), as well as annual salary increases. The slight decrease in 2015/16 can be attributed to the decreased amounts in respect of early retirement as a result of the decrease in the number of R293 staff.

The sub-programme: Municipal Finance decreased in 2011/12 mainly due to the longer than anticipated tender processes in the municipal audit queries project and the special interventions project, the slow start to the asset management framework roll-out, as well as non-filling of vacant posts. The increase in the 2012/13 Main Appropriation was to cater for the anticipated filling of vacant posts, and associated operational expenditure, as well as the increase in the provision for projects such as Operation Clean Audit. The decrease in the 2012/13 Adjusted Appropriation relates to slow progress in the filling of posts, the cancellation of the appointment of a panel of experts who were to undertake the implementation of the MPRA project and the decrease in the number of forensic investigations undertaken in municipalities. The 2013/14 MTEF reflects the planned filling of posts and associated operational expenditure (which will take into account the moratorium on the filling of non-critical posts), as well as provision for projects such as forensic investigations, anti-corruption framework, Operation Clean Audit, provincial interventions and municipal audit queries raised by the A-G. The drop in 2015/16 can be ascribed to the completion of services in municipalities with regard to the above-mentioned projects.

The sub-programme: Public Participation reflects an increasing trend over the period. The increase in the 2012/13 Adjusted Appropriation is mainly due to once-off allocations for the employment of additional CDWs, the purchase of tools of trade for CDWs, the payment of leave gratuities, and early retirement and voluntary severance packages, hence the drop in 2013/14. The increase over the 2013/14 MTEF in comparison to the 2012/13 Main Appropriation relates to the planned filling of vacant posts, which is also aimed at providing support to OSS in addressing service delivery needs of the communities, particularly communities in remote and rural areas.

The functions of the sub-programme: Capacity Development are to ensure the development and implementation of a comprehensive capacity building strategy for municipalities. It should be noted that the sub-programme was introduced in 2012/13 in line with the budget and programme structure. The department largely adjusted the prior years (where possible) for comparative purposes. The slow progress in the filling of funded vacant posts accounts for the decrease in the 2012/13 Adjusted Appropriation. The high amount in 2013/14 can be attributed to capacitation of new council members and municipal officials, to bring them in line with requirements of their posts and functions, especially with regard to the upcoming 2014 general elections, hence the decreased allocations in the two outer years of the MTEF.

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 high amount in 2009/10 was in respect of the PDA Appeals Tribunal, as well as the spatial planning projects, hence the decrease in 2010/11 and 2011/12, as the PDA ceased in 2009/10. The increase in the 2012/13 Main Appropriation relates to the implementation of the Monitoring and Evaluation database system for municipalities. The decrease in the 2012/13 Adjusted Appropriation is due to the non-filling of posts. The allocations over the MTEF are to support municipalities to improve standards of service delivery and governance.

Compensation of employees reflects an increasing trend over the period under review due to the annual salary adjustments and the carry-through costs of the previously mentioned OSD. The increase in the 2012/13 Adjusted Appropriation relates to the employment of additional CDWs to undertake community development work in all districts. The increase over the 2013/14 MTEF is to cater for the planned filling of vacant posts (in line with the moratorium on the filling on non-critical vacant posts), as well as the annual salary increases.

Goods and services decreases in 2011/12 due to the longer than anticipated tender processes in the municipal audit queries project, as explained previously. The high amount in the 2012/13 Main Appropriation relates to various projects such as the Public Participation Citizen Satisfaction Survey, municipal governance, deployment of skilled professionals, etc. The decrease in the 2012/13 Adjusted Appropriation relates to funds reprioritised due to the cancellation of the appointment of a panel of experts who were to undertake the implementation of the MPRA, and the audit and financial support to municipalities as a result of tender appeals to other categories in respect of the Public Participation Citizen Satisfactory Survey, the employment of CDWs and a donation to the KZN Top Business Portfolio. The funds were moved to Programme 1 relating to recruitment and selection costs, as explained

previously. The reduction against *Goods and services* was mitigated by additional funding allocated for the Councillor training on municipal structures and management, as well as for the establishment of an animal pound in the Nongoma Municipality. The growth over the MTEF relates to the employment of CDWs in war rooms, community awareness programmes, etc.

The expenditure against *Transfers and subsidies to: Provinces and municipalities* from 2009/10 to 2011/12 was mainly in respect of Umzimkulu support. The decrease in 2011/12 was due to the reduction in expenditure with regard to the incorporation of the municipality into the province, as well as the Corridor Development, Massification and the Small Town Rehabilitation programmes that were not implemented before year-end due to the municipalities not submitting business plans timeously. The 2012/13 Adjusted Appropriation consists of funds shifted from *Goods and services* in respect of the Public Participation Citizen Satisfaction Survey, as well as additional funds allocated for the implementation of the Pound Act. There are no allocations against this category over the MTEF as the budget for the various municipal projects is allocated under *Goods and services*. As previously explained, the department budgets for projects against *Goods and services*, but shifts funds to *Transfers and subsidies to: Provinces and municipalities* in-year, after an annual departmental exercise indicates that the municipalities have the necessary capacity to deliver on the particular projects themselves.

The amount against *Transfers and subsidies to: Public corporations and private enterprises* in the 2012/13 Adjusted Appropriation was a donation to the KZN Top Business Portfolio with regard to the update of promotional DVDs to showcase successful growth in the province.

The fluctuation against *Transfers and subsidies to: Households* is mainly due to staff exit costs.

The fluctuation against *Machinery and equipment* from 2009/10 onward is linked to the filling of vacant posts and the related purchase of office and computer equipment. The increase in the 2012/13 Adjusted Appropriation is for the purchase of tools of trade for the CDWs. The allocation over the MTEF is linked to the filling of posts, as well as the replacement of vehicles and computer equipment.

The amounts from 2009/10 to 2011/12 against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 2: Local Governance

Table 11.19 illustrates the main service delivery measures pertaining to Programme 2: Local Governance. The performance indicator “new” in the 2012/13 Estimated performance illustrates that the indicator did not exist in 2012/13, and that it is a new indicator from 2013/14 onward. The department reviewed its service delivery measures for 2013/14, and hence the number of new targets reflected.

It should be noted that the department is not adhering to the sector performance indicators set by the Co-operative Governance and Traditional Affairs sector, and is liaising with national COGTA in this regard.

Table 11.19: Service delivery measures – Programme 2: Local Governance

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
2.1	Municipal Administration					
2.1.1	To enhance municipal governance by municipalities applying appropriate frameworks, policies and guidelines					
	• No. of municipalities supported on LGTAS	36 priority	23	24	24	
	• No. of district municipalities supported to implement appropriate frameworks, policies and guidelines	7	10	10	10	
	• No. of progs supported on strengthening of local govt. legislation	new	3	3	3	
	• No. of municipalities supported in terms of legal competency	new	15	15	15	
	• No. of procedural and policy frameworks developed to implement formal interventions	new	1	1	1	
	• No. municipalities supported to implement administrative policies, plans and frameworks	new	15	15	15	

Table 11.19: Service delivery measures – Programme 2: Local Governance

Outputs		Performance indicators		Estimated performance	Medium-term targets		
				2012/13	2013/14	2014/15	2015/16
2.1.2	To promote effective co-operative governance to improve co-ordination and communication within 10 districts	<ul style="list-style-type: none">No. of municipalities supported with functional district IGR structures and systemsNo. of platforms established for inter-municipal co-operation (LG Summit, Munimec, Councillor Learning Network, International Municipal Relations, Web-Based Single Window of Co-ordination)	4 new	10 5	Review IGR 5	Review IGR 5	
2.1.3	To improve Councillor oversight in 61 municipalities	<ul style="list-style-type: none">No. of municipalities supported with functional oversight structures	new	15	15	15	
2.1.4	To enhance municipal governance by municipalities applying appropriate frameworks, policies and guidelines	<ul style="list-style-type: none">No. of formal councillor training progs conducted	new	2	2	2	
2.2	Municipal Finance						
2.2.1	Ensure sound financial management in all 61 municipalities in KZN	<ul style="list-style-type: none">No. of municipalities that are supported to achieve unqualified reportsNo. of municipalities that are supported to submit their AFS timeouslyNo. of identified municipalities supported to fully implement simplified revenue plansNo. of municipalities supported with expenditure managementNo. of frameworks developed to address unauthorised and fruitless expenditureNo. of municipalities supported to implement legal compliance frameworkNo. of CFO forums convened to support 61 municipalities	20 5 3 3 new new new	20 5 15 10 1 20 2	61 5 15 10 1 20 2	61 5 15 20 1 20 2	
2.2.2	To monitor and report on municipal legislative compliance in all 61 municipalities	<ul style="list-style-type: none">No. of reports submitted on state of municipal finances in terms of Section 131 of MFMANo. of reports submitted on state of municipal finances in terms of Section 80 of the MPRA	1 1	1 1	1 1	1 1	
2.2.3	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 implementation of anti-corruption/fraud prevention strategies/plans	15	15	15	15	
2.3	Public Participation						
2.3.1	Provision of support to municipal governance structures to improve community participation and accessibility	<ul style="list-style-type: none">No. of municipalities supported with maintenance of functional ward committeesNo. of municipalities supported with development of community participation plansNo. of municipalities supported with establishment of functional war roomsNo. of procedural frameworks implemented to accommodate community awareness and dissatisfaction	51 61 new new	25 25 50 1	25 25 50 1	51 51 50 1	
2.4	Municipal Performance Monitoring, Reporting and Evaluation						
2.4.1	Establishment and support of 61 functional municipal Organisational Performance Management Systems (OPMS) to report on progress with implementing Municipal IDP	<ul style="list-style-type: none">No. of municipalities supported to develop functional PMSNo. of municipalities supported to develop and submit annual performance reports in terms of Sec 46 of the MSANo. of consolidated annual municipal performance reports preparedNo. of Municipal Excellence Awards held	10 10 1 1	20 20 1 1	61 31 1 1	61 31 1 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 conforms to the uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector.

This programme consists of six sub-programmes in the 2013/14 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 11.20 and 11.21 below illustrate a summary of payments and estimates for 2009/10 to 2015/16 relating to Programme 3. This programme reflects a fluctuating trend over the seven-year period.

Table 11.20: Summary of payments and estimates - Programme 3: Development and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Spatial Planning	10 544	18 445	20 665	39 137	26 406	26 406	39 649	40 391	42 149
Land Use Management	13 623	15 740	14 267	21 580	20 963	20 963	23 903	23 816	24 080
Local Economic Development	236 913	252 564	244 788	270 603	327 678	327 678	301 449	312 812	331 145
Municipal Infrastructure	214 436	130 060	118 371	145 266	159 738	159 738	147 587	155 591	162 658
Disaster Management	22 336	47 802	40 081	51 443	81 806	81 806	47 664	38 481	40 250
IDP Co-ordination	15 032	10 756	13 022	24 069	17 226	17 226	21 125	23 913	22 524
PPDC	5 599	1 413	-	-	-	-	-	-	-
Total	518 483	476 780	451 194	552 098	633 817	633 817	581 377	595 004	622 806

Table 11.21: 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	142 866	140 607	135 632	543 213	267 145	267 145	568 642	580 181	607 026
Compensation of employees	33 523	39 698	48 022	76 864	57 951	57 951	87 561	88 428	89 949
Goods and services	109 343	100 909	87 610	466 349	209 194	209 194	481 081	491 753	517 077
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	373 227	335 180	313 691	8 000	350 324	350 324	6 000	8 600	9 200
Provinces and municipalities	370 395	334 670	311 991	8 000	348 924	348 924	6 000	8 600	9 200
Departmental agencies and accounts	2 800	-	1 700	-	1 000	1 000	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	400	400	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	32	510	-	-	-	-	-	-	-
Payments for capital assets	2 362	888	1 871	885	16 348	16 348	6 735	6 223	6 580
Buildings and other fixed structures	-	392	475	-	12 250	12 250	5 250	5 250	5 512
Machinery and equipment	2 362	496	1 396	885	4 098	4 098	1 485	973	1 068
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	28	105	-	-	-	-	-	-	-
Total	518 483	476 780	451 194	552 098	633 817	633 817	581 377	595 004	622 806

The increase in the sub-programme: Spatial Planning from 2010/11 onward was in respect of filling vacant posts. The 2012/13 Adjusted Appropriation decreases due to the fact that the rate of filling vacant posts was slower than anticipated, as well as the delays in the implementation of the Urban and Spatial Development Framework projects. The MTEF reflects an increase in line with plans to fill vacant posts in terms of the new organisational structure (bearing in mind the moratorium of the filling of non-critical vacant posts) and to cater for projects such as the Schemes Support (such as housing scheme in support of home-ownership) and Spatial Development Framework Support in municipalities.

The sub-programme: Land Use Management shows an increase in 2010/11 in respect of a transfer of functions from the PPDC to the department during this period. The decrease in 2011/12 was mainly due to the decreased amounts in respect of the appeals board relating to land appeals (which is dependent on the number of appeals), the slow implementation of the town settlement project due to non-submission of business plans by the municipalities, as well as non-filling of posts. The slight decrease in the 2012/13 Adjusted Appropriation relates to the non-filling of posts. The reduction was mitigated by the additional allocation received for the formalisation of 13 towns. The allocation over the 2013/14 MTEF makes provision for the filling of posts in line with the moratorium of the filling of non-critical posts, and for projects such as the Town Settlement Formalisation Support, etc.

The sub-programme: Local Economic Development shows an increase in 2010/11 relating to the Small Town Rehabilitation and the Corridor Development programmes. A low growth in 2011/12 was mainly as a result of non-filling of vacant posts, and this led to delays in the implementation of projects such as the Shared Service Support, IDP Support to Weak Municipalities, etc. The substantial increase in the 2012/13 Adjusted Appropriation was due to the roll-over of funds for the construction of three TACs by IDT, resulting from the longer than anticipated local labour negotiations with *Amakhosi*. The department also shifted funds from Programme 4 to this sub-programme in respect of rural connectivity projects such as

the TACs, MPCCs, etc., as they are better placed here, as previously explained. The previous years' figures were adjusted for comparative purposes. Funds were also reprioritised to this sub-programme, mainly for the operational support for TSCs, provisional security at MPCCs, etc. The increase over the 2013/14 MTEF relates to the Small Town Rehabilitation and Corridor Development programmes.

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 2011/12 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 in the 2012/13 Adjusted Appropriation relates to the roll-over funding received for the installation of water purification plants in various municipalities. Also, additional funds were received for projects in respect of the Massification programme. The increase was mitigated by funds reprioritised due to the non-filling of vacant posts. The allocations over the 2013/14 MTEF can be attributed to the anticipated filling of posts in line with the moratorium on the filling of non-critical posts, as well as funding for the operation and maintenance programme of existing and new municipal infrastructure and the Massification programme.

The high expenditure in 2010/11 under the sub-programme: Disaster Management was largely due to the establishment and operation of the PDMC. The high amount in 2010/11 in comparison to 2011/12 was mainly due to expenditure (such as blankets, tents, etc.) on disasters that occurred in 2010/11, as well as the payment of acting allowances to staff. The department had to appoint staff in acting positions in the Development Administration unit, as it is still in the process of recruiting permanent staff in those senior positions. The substantial increase in the 2012/13 Adjusted Appropriation relates to funds reprioritised to this sub-programme in respect of the roll-out of community capacity building and awareness campaigns relating to disaster management, as well as once-off additional funding allocated for improving disaster management centres' capabilities. The 2012/13 amount is higher than the 2013/14 MTEF, as it includes a once-off allocation for the establishment of a fully operational PDMC.

The significant decrease in 2010/11 against the sub-programme: IDP Co-ordination was mainly due to the decrease in expenditure relating to the shared services project in municipalities (which is dependent on the number of municipalities needing the services at a particular time), as well as the non-filling of posts. The increase in the 2012/13 Main Appropriation and 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 reduction in the 2012/13 Adjusted Appropriation relates to funds reprioritised to the sub-programme: Disaster Management due to the non-filling of vacant posts.

The sub-programme: PPDC was discontinued in 2010/11 with the implementation of the PDA, hence no further allocations from 2011/12.

The substantial increase in *Compensation of employees* in the 2012/13 Main Appropriation was to cater for the planned filling of vacant posts, which did not happen, hence the decrease in the 2012/13 Adjusted Appropriation. The 2013/14 MTEF reflects a substantial increase for the filling of vacant posts in terms of the new organisational structure (which will take into account the moratorium on the filling of non-critical vacant posts), as well as the carry-through costs of the OSD for technical staff implemented in 2011/12.

The decrease in 2010/11 to 2011/12 against *Goods and services* was due to delays in the implementation of various projects such as the Shared Service Support, IDP Support to Weak Municipalities, Improvement to Operational Frameworks Systems, etc., as explained previously. The department budgets for projects such as the Corridor Development and the Small Town Rehabilitation programmes 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, and hence the high amount in the 2012/13 Main Appropriation and the subsequent reduction in the Adjusted Appropriation. The reduction in the 2012/13 Adjusted Appropriation was mitigated by additional funds allocated for improving disaster management centres' capabilities, as well as for the formalisation of 13 towns. The 2013/14 MTEF allocations cater for various projects and will be shifted to *Transfers and subsidies to: Provinces and municipalities* during the Adjustments Estimate.

With regard to *Transfers and subsidies to: Provinces and municipalities*, the decrease in 2010/11 and 2011/12 was due to delays in the implementation of business plans for various projects, such as the Small Town Rehabilitation programme, by the municipalities. The substantial increase in the 2012/13 Adjusted Appropriation relates to funds shifted from *Goods and services* for various projects. Also, additional funding was received in respect of the Massification programme (for the provision of electricity, water and sanitation in various municipalities). The allocations over the MTEF relate to operational support for TSCs, Development Planning Shared Services and community participation in IDPs.

The 2009/10 amount against *Transfers and subsidies to: Departmental agencies and accounts* relates to the PPDC allocation that ceased in 2010/11 due to the implementation of the PDA during that year. The 2011/12 expenditure relates to a transfer to ADA for the communal vegetable farming project at KwaSani, and for an agri-processing facility at Middlerus in Mpofana. The 2012/13 Adjusted Appropriation relates to a transfer to TKZN for the erection of tourism signage, as explained previously.

The amount against *Transfers and subsidies to: Public corporations and private enterprises* relates to a donation to SAPI in respect of the PAC.

Transfers and subsidies to: Households in 2009/10 and 2010/11 caters mainly for staff exit costs.

Buildings and other fixed structures makes provision for the construction of TACs. This category fluctuates over the seven-year period due to challenges experienced in the construction of TACs. This led the department to appoint IDT to assist with the construction of these centres. The amount in the 2012/13 Adjusted Appropriation relates mainly to the roll-over of funds from 2011/12 for the construction of TACs that were not completed before year-end due to longer than anticipated local labour negotiations with *Amakhosi*. The department also shifted funds to this category in this regard. However, these were mitigated by funds reprioritised from this category due to the slow start of the construction of TACs, as previously explained. The amounts over the MTEF are to cater for the construction of additional TACs.

The fluctuations against *Machinery and equipment* from 2009/10 onward are linked to the filling of vacant posts and the related purchase of office and computer equipment. The high amount in the 2012/13 Adjusted Appropriation is mainly due to the installation of lightning conductors at disaster management centres, as well as the purchase of office furniture and computer equipment for new appointees.

Payments for financial assets reflects the write-off of irrecoverable staff debts from 2009/10 to 2010/11.

Service delivery measures – Programme 3: Development and Planning

Table 11.22 below illustrates the main service delivery measures pertaining to Programme 3. The performance indicator “new” in the 2012/13 Estimated performance illustrates that the indicator did not exist in 2012/13, and that it is a new indicator from 2013/14 onward. The department reviewed its service delivery measures for 2013/14, and hence the substantial number of new targets reflected. It should be noted that the department is not adhering to the sector performance indicators set by the Co-operative Governance and Traditional Affairs sector, and is liaising with national COGTA in this regard.

Table 11.22: Service delivery measures – Programme 3: Development and Planning

Table 11.22: Service delivery measures – Programme 3: Development and Planning						
Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2012/13	2013/14	2014/15	2015/16
3.1	Spatial Planning					
3.1.1	To provide a provincial Spatial Development Framework (SDF) for improved and aligned municipal SDFs and Land Use Management Systems (LUMS), 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 SDFsNo. of municipalities supported with developing a densification frameworkNo. of reports produced i.r.o. SDF compliance (incl. alignment with PGDS)No. of municipalities supported to produce legally compliant schemesNo. of spatial planning initiatives undertakenNo. of reports produced i.r.o. provincial scheme compliance framework (incl. implementation of LUMS)	6	30	12	12
			2	2	2	2
			1	1	1	1
			6	25	12	12
			2	6	2	2
			1	1	1	1

Table 11.22: Service delivery measures – Programme 3: Development and Planning

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
3.2	Development Information Services					
3.2.1	To provide spatial information management support to province, dept., municipalities and traditional institutions to improve govt. services	No. of mobile GIS systems developed with information dashboards to support COGTA's internal and external functions	1	1	1	1
		No. of GIS progs implemented to support spatial analysis of priority capital investment projects for dept.	new	1	1	1
		No. of municipalities supported with spatial analysis of infrastructure and services backlogs (electricity, sanitation, water)	10 districts	10 districts	10 districts	10 districts,
			1 metro	1 metro	1 metro	1 metro
		No. of provincial and departmental initiatives supported with management of spatial information	5	5	5	5
		No. of Development Planning Shared Services supported	10	10	10	10
		No. of systems established to integrate provincial and municipal spatial data	new	1	1	1
3.3	Land Use Management					
3.3.1	To implement the PDA efficiently and effectively in KZN	No. of municipalities evaluated against LUM benchmark	new	51	51	51
		No. of municipalities supported by LUM Municipal Support Prog.	10	10	10	8
		No. of municipalities supported with formalisation of settlements	6	6	6	6
		No. of municipalities supported in implementation of Application Filing Management System (AFMS)	new	7	9	12
3.3.2	To implement and monitor effective implementation of Provincial Norms and Standards in development planning applications and approvals	No. of provincial norms and standards developed	new	1	1	1
3.4	Local Economic Development					
3.4.1	Create decent employment opportunities through municipal LED initiatives in support of Corridor Development Prog.	No. of catalytic projects (aligned to PGDP economic cluster priorities) packaged for implementation	new	10	15	15
		No. of strategic infrastructure projects facilitated for implementation in priority nodes and corridors	new	2	2	2
		No. of corridor sub-regional plans aligned to Strategic Infrastructure Progs (SIPS) developed	new	1	2	2
		No. of direct employment opportunities secured through corridor projects implementation	250	250	250	250
		No. of urban renewal framework plans supported for implementation	new	3	3	3
		No. of green initiative projects facilitated in response to climatic change	new	2	2	2
3.4.2	Support revitalisation of towns through nodal regeneration plans, rehabilitation of infrastructure and beautification of towns to enhance economic development	No. of macro regeneration plans developed for small town nodes to inform long term future growth	new	3	4	4
		No. of direct employment opportunities secured through small town rehabilitation projects implementation	200	200	200	200
		No. of rural nodes supported for revitalisation to attract investment and regenerate economy	new	6	6	6
		No. of projects facilitated to support further development of industrial and commercial sites	new	2	3	3
3.4.3	To provide LED capacity support and institutional development	No. of districts with functional LED Forums	10	10	10	10
		No. of LED capacity building progs rolled out	new	2	2	2
		No. of districts LED plans aligned to PGDP and PGDS	new	10	10	10
		No. of people trained in accredited LED progs	new	15	15	15
		No. of LED initiatives facilitated in partnership with Local Houses (LHs) of Traditional Leadership	new	2	3	4
		No. of provincial LED summits facilitated	5	1	1	1
		No. of LED summits facilitated in partnership with District Houses (DHs) of Traditional Leadership	new	4	4	4
3.4.4	To support municipalities with the establishment of CSCs within previously disadvantaged communities and ensure habitability of old CSCs	No. of Grade 1 level CSCs established in line with CSC Framework	1	2	2	2
		No. of Grade 2 level CSCs established in line with CSC framework	3	4	4	4
		No. of municipalities provided with CSC operational support to enable functionality	5	4	4	4
		No. of district CSC gap analysis reports developed	1 framework implemented	10	10	10
		No. of CSCs refurbished and maintained	22	20	20	20
		No. of employment opportunities created through the implementation of CSC prog.	190	200	160	480
3.4.5	To support rural development in KZN in line with national comprehensive rural development prog. and provincial integrated rural development strategy	No. of municipalities supported with implementation of Community Work Prog. (CWP) with inclusion of Traditional Leadership in at least 2 wards per municipality	29	51	51	51
		No. of work opportunities created through CWP also benefiting traditional communities	29 500	51 000	55 000	60 000
		No. of CWP site business plans developed	29	29	51	60
		No. of CWP reference committees established	29	29	51	60

Table 11.22: Service delivery measures – Programme 3: Development and Planning

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
3.4.6	Create decent employment opportunities, through implementation of EPWP, poverty alleviation and food security progs	<ul style="list-style-type: none"> No. of municipalities supported with successful implementation of Food for Waste (FFW) prog. 7 No. of work opportunities created through FFW prog. 700 No. of municipalities with approved EPWP policies new 11 No. of municipalities with signed EPWP protocol and incentive agreements new 61 No. of municipalities supported with reporting on EPWP work opportunities new 51 No. of EPWP job opportunities created through implementation of COGTA funded initiatives new 1 000 No. of municipalities reporting and accessing incentive grants for EPWP new 51 	7	7	7	7
3.5 Municipal Infrastructure						
3.5.1	To manage and co-ordinate municipal infrastructure development through facilitating municipal infrastructure investment planning, infrastructure development programme implementation and appropriate operation and maintenance in 61 municipalities	<ul style="list-style-type: none"> No. of water service authorities supported in development of UAPs 14 draft UAPs No. of WSAs supported in the quantification of backlogs in water provision new 13 No. of municipalities supported in developing infrastructure implementation plans 20 No. of municipalities (WSAs) supported with operation and maintenance plans 24 No. of infrastructure development co-ordinating forums 3 No. of municipalities supported in implementation of LG MTAS 3 No. of municipalities supported on MIG implementation new 5 No. of municipalities supported on Massification prog. new 23 No. of shared services for infrastructure development 25 No. of capacity building progs implemented 12 	14 UAPs	14 UAPs	14 revised UAPs	annual review (report)
3.5.2	To monitor and evaluate municipal performance i.r.o. infrastructure development and delivery of basic services	<ul style="list-style-type: none"> No. of reports produced on infrastructure development and service delivery progress 1 No. of reports on water quality and waste water in terms of blue and green drop assessments 1 No. of municipalities evaluated against infrastructure benchmark new 30 	2	2	2	2
3.6 Disaster Management						
3.6.1	To co-ordinate and manage development and effective functioning of provincial disaster management institutions	<ul style="list-style-type: none"> No. of risk profile and trend analysis reports produced new 1 No. of provincial contingency plans developed (winter, summer, events, etc.) new 2 No. of Cabinet sub-committee meetings on disaster management facilitated for sector alignment new 4 No. of Provincial Disaster Management Advisory Forum meetings held for sector co-ordination new 4 No. of Joint Operations Committee meetings activated in response to predicated risks and incidents occurred (<i>ad hoc</i>) new 2 No. of District Disaster Management Advisory Forums supported for effective co-ordination of disaster management at local level new 11 	1	1	1	1
3.6.2	To develop and improve disaster management capacity of stakeholders in order to deal with disaster occurrences in the province	<ul style="list-style-type: none"> No. of buildings (Mkondeni) refurbished into a suitable PDMC 1 No. of vacant positions filled in line with structural demands (24hr call centre, fire services unit, etc.) new 45 No. of sector departmental Disaster Risk Management (DRM) plans facilitated new 7 No. of municipal DRM plans facilitated for alignment with IDPs new 11 No. of stakeholders DRM plans facilitated for alignment with provincial plan new 3 No. of municipalities supported with grant funding for the DDMCs new 3 No. of municipalities provided with technical support for operation ability of DDMCs (compliance: IGR structures and operations) new 11 No. of structures activated to mainstream DRM (CDWs, OSS, etc.) new 3 No. of municipalities facilitated to establish and operate DRM volunteers (each district) new 11 No. of weather intelligence and early warning systems developed new 1 No. of DRM public awareness campaigns conducted new 2 No. of disaster risk management public awareness campaigns new 2 No. of monthly incident reports consolidated and processed new 12 No. of municipalities supported with mobilisation of emergency relief measures new 11 No. of quarterly disaster rehabilitation reports facilitated new 4 No. of fire services capacity assessment reports compiled new 1 No. of fire fighters trained from municipalities new 30 No. of provincial annual reports submitted to NDMC new 1 No. of quarterly National Disaster Management Advisory Forum meetings attended by PDMC for alignment new 4 	ongoing	-	-	-

Table 11.22: Service delivery measures – Programme 3: Development and Planning

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
3.7 IDP Co-ordination						
3.7.1	To promote improved alignment through implementing a provincial IDP assessment framework and annual support and assessment plan to improve credibility rating of 61 municipal IDPs and improved service delivery	<ul style="list-style-type: none"> No. of provincial IDP management and support plan adopted No. of municipal IDPs supported with capacity building initiatives No. of sector depts supported with IDP capacity building initiatives No. of reports produced i.r.o. IDP credibility framework 	1 8 8 1	1 10 8 1	1 10 11 1	1 10 11 1
3.7.2	To build development planning capacity of municipalities to facilitate improved municipal strategic and spatial planning and performance management through establishing 10 District Wide Development Planning Shared Services	<ul style="list-style-type: none"> No. of districts supported to maintain planning capacity in the form of district Development Planning Shared Services No. of District Growth and Development Summits supported 	10 new	10 10	10 10	10 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 conforms to the uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector. The programme consists of four sub-programmes in the 2013/14 MTEF, in line with the sector specific budget format, namely: Traditional Institutional Administration, Traditional Resource Administration, Rural Development Facilitation and Traditional Land Administration. Tables 11.23 and 11.24 below illustrate a summary of payments and estimates for 2009/10 to 2015/16 relating to Programme 4.

Table 11.23: Summary of payments and estimates - Programme 4: Traditional Institutional Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Traditional Institutional Administration	85 898	86 532	129 974	96 849	119 040	119 040	94 326	101 868	107 189
Traditional Resource Administration	43 674	45 702	56 308	76 476	65 979	65 979	88 212	93 946	94 040
Rural Development Facilitation	16 119	14 121	36 636	54 588	17 149	17 149	23 829	25 125	28 550
Traditional Land Administration	10 790	13 179	16 222	21 151	17 579	17 579	20 840	21 673	22 604
Total	156 481	159 534	239 140	249 064	219 747	219 747	227 207	242 612	252 383

Table 11.24: 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	154 286	146 465	206 286	208 372	200 868	200 868	206 437	224 607	234 090
Compensation of employees	85 186	90 496	105 929	131 047	126 243	126 243	130 354	139 757	151 929
Goods and services	69 100	55 969	100 357	77 325	74 625	74 625	76 083	84 850	82 161
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 104	782	5 674	7 284	1 824	1 824	360	410	414
Provinces and municipalities	-	-	5 250	6 900	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	100	100	-	-	-
Households	1 104	782	424	384	1 724	1 724	360	410	414
Payments for capital assets	886	12 241	27 114	33 408	17 055	17 055	20 410	17 595	17 879
Buildings and other fixed structures	-	11 593	22 150	26 948	7 830	7 830	15 000	15 500	15 825
Machinery and equipment	886	648	4 964	6 460	5 106	5 106	5 410	2 095	2 054
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	4 119	4 119	-	-	-
Payments for financial assets	205	46	66	-	-	-	-	-	-
Total	156 481	159 534	239 140	249 064	219 747	219 747	227 207	242 612	252 383

Programme 4 shows a fluctuating trend over the period under review.

The sub-programme: Traditional Institutional Administration shows a substantial increase in 2011/12 due to the establishment costs of the Provincial Committee on Traditional Leadership Disputes and Claims Commission to deal with distortions and misrepresentation of *Ubukhosi* (kingship) in the province, hence the decrease in 2012/13. The increase in the 2012/13 Adjusted Appropriation relates to funds reprioritised from other programmes mainly to cater for the purchase of the Pastel Evolution software for the traditional levies and trust account, as well as for the payment of leave gratuities, early retirement and severance packages. In addition, funds rolled over to re-hold the TC elections in 2013 contributed to the increase. The Independent Electoral Commission (IEC) needed to re-hold the TC elections where necessary, as there were disputes (technical problems such as mis-spelled names on ballot papers) that occurred in the first TC elections. The additional allocations were once-off, hence the decrease in 2013/14. The increase from 2014/15 onward in comparison to the 2012/13 Adjusted Appropriation is mainly due to inflationary increments.

The sub-programme: Traditional Resource Administration reflects a steady increase over the period under review. The growth in the 2012/13 Main Appropriation is in respect of the construction of *Imizi Yesizwe* (houses for *Amakhosi*). The decrease in the 2012/13 Adjusted Appropriation was due to funds reprioritised to the sub-programme: Traditional Institutional Administration, as explained above. The decrease was mitigated by funds rolled over for the construction of four *Imizi Yesizwe* by IDT. The project commenced late in 2012/13 due to longer than anticipated consultations with the *Amakhosi* with regard to the approval of plans and designs, such as changing tiled roofs to thatched roofs and installing solar power as there is no Eskom supply of electricity in some areas. The allocation over the MTEF is for the construction of *Imizi Yesizwe*, rehabilitation of TACs, establishment of a training college for *Amakhosi*, capacity building for *Amakhosi*, etc.

The sub-programme: Rural Development Facilitation decreases in 2010/11 due to a number of TSCs that were completed in 2009/10. The substantial increase in 2011/12 relates to the establishment of TSCs, as well as the filling of vacant posts, which continued in the 2012/13 Main Appropriation. The decrease in the 2012/13 Adjusted Appropriation is mainly due to funds reprioritised to Programme 1 for vehicle and office maintenance, computer services and training costs, as well as funds shifted from this sub-programme to Programme 3 within the same economic categories in respect of rural connectivity projects such as the TACs, MPCCs, etc., as they are better placed under Programme 3. The previous years' figures have been restated for comparative purposes. The decrease over the MTEF compared to the 2012/13 Main Appropriation is largely due to the completion of TSCs, many of which are in the close-out phase.

The sub-programme: Traditional Land Administration shows a steady increase over the seven years. The decrease in the 2012/13 Adjusted Appropriation was due to the cancellation of the Community Development Project by the department, as the project did not adequately address job creation and poverty reduction. The increase over the MTEF in comparison to the 2012/13 Adjusted Appropriation is for the filling of posts, in line with the moratorium on the filling of non-critical vacant posts.

Compensation of employees reflects a steady increase from 2009/10 due to the annual salary adjustments, as well as the carry-through costs of OSD, etc. The decrease in the 2012/13 Adjusted Appropriation was due to the slow filling of posts. The increase over the MTEF is in respect of the filling of posts in line with the moratorium on the filling of non-critical posts, as well as inflationary increases.

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 relating to the construction of *Imizi Yesizwe*. The substantial increase in 2011/12 was due to a once-off allocation for the induction of new TCs and local house members, the provision of tools of trade for the House of Traditional Leaders, and hence the decrease in the 2012/13 Main Appropriation. The further decrease in the Adjusted Appropriation is due to the cancellation of the *Ondlunkulu* project due to other departments being involved with a similar project. This reduction was mitigated by funds rolled over to re-hold TC elections, as there were disputes that occurred in the first TC elections. The increase over the MTEF relates to inflationary increments. The slight decrease in 2015/16 can be attributed to reprioritisation to *Compensation of employees* in line with the new organisational structure.

The amount in 2011/12 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, as well as for the operational support of TSCs and provisional security at MPCCs. The amount in the 2012/13 Main Appropriation was in respect of the Community Development Project. However, this was reprioritised in the Adjustments Estimate due to the cancellation of the project by the department, as it did not adequately address job creation, poverty reduction and enhancement of community livelihood. The allocations over the MTEF against this category will be reviewed in future MTEFs.

The amount in the 2012/13 Adjusted Appropriation against *Transfers and subsidies to: Non-profit institutions* relates to a donation to Sakhisizwe for the heritage month celebration.

The fluctuations against *Transfers and subsidies to: Households* is mainly a result of staff exit.

There was no spending against *Buildings and other fixed structures* in 2009/10 due to the discontinuation of the *Imizi Yesizwe*. The project resumed in 2010/11, hence the amounts reflected in that year. The high amount in 2011/12 can be attributed to the increase in the number of houses built. The substantial decrease in the 2012/13 Adjusted Appropriation was due to the slow start in the construction of *Imizi Yesizwe*, as previously explained. The allocations over the MTEF cater for additional houses, as well as the rehabilitation of TACs.

The fluctuations against *Machinery and equipment* from 2009/10 onward are mainly linked to the filling of vacant posts and the related purchase of office and computer equipment, vehicles, etc. The decrease in the 2012/13 Adjusted Appropriation relates to furniture and equipment for TACs that was not purchased due to non-completion of TACs. The high amount in 2013/14 compared to 2014/15 and 2015/16 cater for the anticipated purchase of additional vehicles, office and computer equipment. The department will review the allocations in future MTEFs.

The amount against *Software and other intangible assets* in the 2012/13 Adjusted Appropriation is for the purchase of the Pastel Evolution software for the traditional levies and trust account.

Payments for financial assets relates to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 4: Traditional Institutional Management

Table 11.25 below illustrates the main service delivery measures pertaining to Programme 4.

The performance indicator “new” in the 2012/13 Estimated performance illustrates that the indicator did not exist in 2012/13, and that it is a new indicator from 2013/14 onward. The department reviewed its service delivery measures for 2013/14, and hence the number of new targets reflected. It should be noted that the department is not adhering to the sector performance indicators set by the Co-operative Governance and Traditional Affairs sector. The department is liaising with national COGTA in this regard.

Table 11.25: Service delivery measures – Programme 4: Traditional Institutional Management

Outputs		Performance indicators		Estimated performance	Medium-term targets			
				2012/13	2013/14	2014/15	2015/16	
4.1.	Traditional Institutional Administration							
4.1.1	To implement financial management tools aimed at improving financial management of 300 traditional institutions (incl. Umzimkulu)	•	No. of TACs with updated movable asset registers	267	257	257	257	
		•	No. of consolidated financial statement for TCs	1	1	1	1	
4.1.2	To implement financial practice notes in traditional institutions	•	No. of TCs supported to implement financial management practice notes	267	267	267	267	
4.1.3	To enhance traditional institutional governance by supporting traditional institutions in the application of appropriate legislation, policies and frameworks	•	No. of Governance manuals implemented	new	1	1	1	
		•	No. of <i>Amakhosi</i> installed	6	7	7	7	
		•	No. of <i>Amakhosi</i> recognised	10	10	10	10	
		•	No. of dispute resolution and conflict management framework implemented	1 framework finalised and implemented	1 framework implemented	1 framework implemented	1 framework implemented	

Table 11.25: Service delivery measures – Programme 4: Traditional Institutional Management

Outputs		Performance indicators		Estimated performance	Medium-term targets			
				2012/13	2013/14	2014/15	2015/16	
4.2. Traditional Resource Administration								
4.2.1	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 <i>Amakhosi</i>No. of capacity building progs implemented for PH and LHNo. of capacity building progs implemented for TCsNo. of research initiatives undertaken for establishment of a traditional learning institution	1 11 LH and 1 PH new new	1 1 1 1	1 1 1 1	1 1 1 1		
4.2.2	To enhance functionality of PH, LH and TCs	<ul style="list-style-type: none">No. of <i>Imizi Yesizwe</i> constructed	8	5	5	5		
4.2.3	To ensure habitability of TACs through construction and rehabilitation	<ul style="list-style-type: none">No. of TACs refurbished and maintained	22	20	20	20		
4.3. Rural Development Facilitation								
4.3.1	Formalise and strengthen synergistic partnerships in 11 District Houses within the province	<ul style="list-style-type: none">No. of municipalities with <i>Amakhosi</i> participating in terms of Section 81 of Municipal Structures Act	20	41	61	61		
4.3.2	To support rural development in KZN in line with national Comprehensive Rural Development Prog. and Provincial Integrated Rural Development Strategy	<ul style="list-style-type: none">No. of development initiatives supported in traditional communitiesNo. of PHs and LHs supported to promote social cohesion	new new	3 12 (1 PH and 11 LH)	15 12 (1 PH and 11 LH)	20 12 (1 PH and 11 LH)		
4.4. Traditional Land Administration								
4.4.1	To develop and implement a land utilisation capacity building prog. for TCs	<ul style="list-style-type: none">No. of capacity building progs undertaken to support TCs with land allocation processesNo. of <i>Izizwe</i> supported with alignment of land allocation processes to municipal LUMS	new 263	1 286	1 296	1 296		
4.4.2	To develop and maintain a database of <i>Ubukhosi</i> and <i>Izinduna</i> in terms of provincial directives	<ul style="list-style-type: none">No. of land rights applications processedNo. of <i>Izizwe</i> (collective term for <i>Amakhosi</i> including landless <i>Amakhosi</i>) with <i>Izigodi</i> (<i>Amakhosi</i> with piece of land which he/she governs and can be separated into <i>Izigodi</i> which is administered by <i>Izinduna</i>) surveyedNo. of <i>Izizwe</i> covered in collection of land utilisation information toward development of a database	2 000 56 250	2 000 40 280	2 000 35 296	2 000 35 296		

7. Other programme information

7.1 Personnel numbers and costs

Table 11.26 below illustrates the personnel estimates pertaining to the department at a programme level.

Table 11.26: Personnel numbers and costs per programme

	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	As at 31 March 2016
Personnel numbers							
1. Administration	389	401	415	480	516	521	521
2. Local Governance	448	441	479	563	573	590	590
3. Development and Planning	88	120	160	257	268	273	274
4. Traditional Institutional Management	244	241	278	373	379	379	381
Total	1 169	1 203	1 332	1 673	1 736	1 763	1 766
Total personnel cost (R thousand)	263 517	293 722	343 521	427 269	478 510	512 955	535 445
Unit cost (R thousand)	225	244	258	255	276	291	303

The personnel numbers reflect an increase from 31 March 2011 onward, which is largely attributed to the planned filling of vacant posts. The department appointed employment agencies to accelerate the recruitment process, while bearing in mind the moratorium on the filling of non-critical posts.

There is a general increase in the total personnel cost over the period 31 March 2010 to 31 March 2016, which relates to the anticipated filling of posts according to the new organisational structure, the implementation of OSD for technical staff and annual salary increases.

Table 11.27 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 such as the Small Town Rehabilitation programme.

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 from the 2012/13 Adjusted Appropriation, as it is anticipated that vacant posts will be filled, which is not likely, considering the slow pace of filling of vacant posts. The decrease in the 2012/13 Adjusted Appropriation can be attributed to the reprioritisation undertaken, as previously explained. The lower unit cost can be attributed to the fact it excludes performance awards, staff employed at entry notches, etc.

The substantial decrease in 2014/15 and 2015/16 against contract workers relates to the anticipation that most vacant posts will be filled, and the use of contract appointments will therefore be minimised.

Table 11.27: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Total for department									
Personnel numbers (head count)	1 169	1 203	1 332	1 561	1 673	1 673	1 736	1 763	1 766
Personnel cost (R thousand)	263 517	293 722	343 521	449 340	427 269	427 269	478 510	512 955	535 445
Human resources component									
Personnel numbers (head count)	42	147	127	109	109	109	117	117	117
Personnel cost (R thousand)	7 944	8 620	19 234	19 862	19 862	19 862	20 958	25 286	25 620
Head count as % of total for department	3.59	12.22	9.53	6.98	6.52	6.52	6.74	6.64	6.63
Personnel cost as % of total for department	3.01	2.93	5.60	4.42	4.65	4.65	4.38	4.93	4.78
Finance component									
Personnel numbers (head count)	71	92	93	108	108	108	108	108	108
Personnel cost (R thousand)	15 382	19 728	20 812	28 763	28 619	28 619	29 535	30 558	31 968
Head count as % of total for department	6.07	7.65	6.98	6.92	6.46	6.46	6.22	6.13	6.12
Personnel cost as % of total for department	5.84	6.72	6.06	6.40	6.70	6.70	6.17	5.96	5.97
Full time workers									
Personnel numbers (head count)	1 126	1 116	1 269	1 530	1 592	1 592	1 673	1 745	1 749
Personnel cost (R thousand)	259 423	284 244	331 320	441 059	409 736	409 736	465 290	505 952	528 724
Head count as % of total for department	96.32	92.77	95.27	98.01	95.16	95.16	96.37	98.98	99.04
Personnel cost as % of total for department	98.45	96.77	96.45	98.16	95.90	95.90	97.24	98.63	98.74
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	63	31	81	81	63	18	17
Personnel cost (R thousand)	4 094	9 478	12 201	8 281	17 533	17 533	13 220	7 003	6 721
Head count as % of total for department	4	7	5	2	5	5	4	1	1
Personnel cost as % of total for department	2	3	4	2	4	4	3	1	1

7.2 Training

Tables 11.28 and 11.29 below reflect departmental training expenditure pertaining to the department per programme for the period under review. 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.

Table 11.28: Payments and estimates on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
1. Administration	2 055	2 249	882	600	1 600	1 600	750	750	750
2. Local Governance	-	-	-	-	8	8	-	-	-
Total	2 055	2 249	882	600	1 608	1 608	750	750	750

Expenditure on training increased in 2010/11, as more capacity building programmes were implemented in the department. The decrease in 2011/12 was 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 increase in the 2012/13 Adjusted Appropriation is due to the training needs of additional staff employed during this period. The decrease over the 2013/14 MTEF relates to the reprioritisation of the budget due to a review of the staff training needs. The budgeted amounts over the 2013/15 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. According to the department, funds are allocated during the Adjustments Estimate toward this, when savings are realised due to non-filling of posts.

The amount against Programme 2: Local Governance in the 2012/13 Adjusted Appropriation is in respect of specific training required for four officials hosted by the South African Institute of Chartered Accountants (SAICA) pertaining to this programme. As a result, the unit was requested to make payments in this regard.

Table 11.29 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 11.29: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Number of staff	1 169	1 203	1 332	1 561	1 673	1 673	1 736	1 763	1 766
Number of personnel trained	531	563	629	351	629	629	660	660	660
of which									
Male	214	237	224	186	224	224	235	235	235
Female	317	326	405	165	405	405	425	425	425
Number of training opportunities	592	592	629	301	629	629	660	660	660
of which									
Tertiary	4	4	-	2	-	-	-	-	-
Workshops	12	12	31	10	31	31	32	32	32
Seminars	13	13	4	8	4	4	4	4	4
Other	563	563	594	281	594	594	624	624	624
Number of bursaries offered	53	53	101	140	80	80	80	80	80
External	16	16	34	38	20	20	20	20	20
Internal	37	37	67	102	60	60	60	60	60
Number of interns appointed	-	111	139	80	114	114	114	114	114
Number of learnerships appointed	13	13	-	-	-	-	-	-	-
Number of days spent on training	-	140	140	70	140	140	140	140	140

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	927	1 089	1 263	1 353	1 353	1 353	1 406	1 416	1 428
Sale of goods and services produced by dept. (excl. capital assets)	927	1 088	1 251	1 353	1 353	1 351	1 406	1 416	1 428
Sales by market establishments									
Administrative fees									
Other sales	927	1 088	1 251	1 353	1 353	1 351	1 406	1 416	1 428
of which									
Rent for parking	71	72	87	95	95	103	106	116	128
Housing rent recoveries	596	737	878	900	900	931	800	800	800
Transport of officers									
Other	260	279	286	358	358	317	500	500	500
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	1	12	-	-	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	1 089	389	2 141	30	30	30	36	40	44
Interest	1 089	389	2 141	30	30	30	36	40	44
Dividends									
Rent on land									
Sale of capital assets	2 498	2 229	-	620	620	620	800	800	800
Land and subsoil assets									
Other capital assets	2 498	2 229	-	620	620	620	800	800	800
Transactions in financial assets and liabilities	976	1 915	555	700	700	5 012	770	847	932
Total	5 490	5 622	3 959	2 703	2 703	7 015	3 012	3 103	3 204

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	558 780	586 678	712 234	1 152 655	894 373	894 373	1 205 926	1 264 599	1 316 818
Compensation of employees	263 517	293 722	343 521	449 340	427 269	427 269	478 510	512 955	535 445
Salaries and wages	230 364	257 931	303 279	394 949	378 186	378 186	417 218	446 463	466 040
Social contributions	33 153	35 791	40 242	54 391	49 083	49 083	61 292	66 492	69 405
Goods and services	295 263	292 956	368 713	703 315	467 104	467 104	727 416	751 644	781 373
of which									
Administrative fees	4 484	939	192	2	1 097	1 097	202	212	220
Advertising	7 037	4 690	11 655	3 478	8 515	8 515	4 461	2 889	3 183
Assets <R5000	3 643	9 355	5 507	8 205	4 865	4 865	6 312	5 413	5 558
Audit cost: External	5 133	4 913	5 716	5 374	5 334	5 334	5 894	6 722	7 000
Bursaries (employees)	665	618	714	700	700	700	800	900	1 000
Catering: Departmental activities	3 960	1 777	2 282	2 016	5 866	5 866	2 053	2 116	2 125
Communication	5 159	6 193	6 946	6 007	11 396	11 396	6 795	7 108	7 359
Computer services	5 967	11 832	14 453	9 974	12 279	12 279	10 205	10 810	11 361
Cons/prof: Business & advisory services	148 351	133 096	120 295	525 774	232 243	232 243	531 506	546 612	569 368
Cons/prof: Infrastructure & planning	4	-	-	500	-	-	500	500	200
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	4 672	5 302	7 292	3 200	4 123	4 123	3 310	3 320	3 100
Contractors	6 853	11 005	58 765	12 169	25 399	25 399	32 035	29 292	29 401
Agency & support/outsourced services	7 288	4 106	6 669	5 335	3 861	3 861	5 356	7 223	7 644
Entertainment	9	14	4	40	31	31	10	11	15
Fleet services (incl. GMT)	5 941	4 958	7 245	5 920	9 110	9 110	6 127	6 250	6 538
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	115	150	267	329	429	429	439	458	480
Inventory: Fuel, oil and gas	2	1	44	2	9	9	2	2	2
Inventory: Learner and teacher supp material	67	5	20	24	8	8	15	15	15
Inventory: Materials and supplies	114	80	129	69	145	145	89	84	89
Inventory: Medical supplies	216	-	-	1	-	-	21	23	25
Inventory: Medicine	-	235	154	256	284	284	150	150	150
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	469	393	1 057	855	912	912	959	973	1 045
Inventory: Stationery and printing	4 014	3 879	8 049	6 977	8 586	8 586	5 892	6 154	9 514
Operating leases	13 201	17 288	18 792	20 707	21 393	21 393	23 075	24 038	25 307
Property payments	8 653	10 525	17 785	14 690	26 618	26 618	12 359	16 337	14 032
Transport provided: Departmental activity	822	114	387	300	308	308	215	225	247
Travel and subsistence	31 780	29 802	39 887	39 629	50 074	50 074	45 682	47 893	50 715
Training and development	2 055	2 249	882	600	1 608	1 608	750	750	750
Operating expenditure	21 040	27 094	29 176	28 770	27 199	27 199	20 352	23 647	23 533
Venues and facilities	3 549	2 343	4 349	1 412	4 696	4 696	1 850	1 517	1 397
Rental and hiring	-	-	-	-	16	16	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	445 213	398 590	357 371	17 480	365 853	365 853	10 462	13 706	13 783
Provinces and municipalities	438 911	394 926	348 281	15 140	352 347	352 347	6 251	8 861	9 471
Provinces	108	113	120	240	163	163	251	261	271
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	108	113	120	240	163	163	251	261	271
Municipalities	438 803	394 813	348 161	14 900	352 184	352 184	6 000	8 600	9 200
Municipal agencies and funds	438 803	394 813	348 161	14 900	352 184	352 184	6 000	8 600	9 200
Departmental agencies and accounts	2 800	-	1 700	-	1 000	1 000	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	2 800	-	1 700	-	1 000	1 000	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	558	558	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	558	558	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	558	558	-	-	-
Non-profit institutions	-	-	-	-	100	100	-	-	-
Households	3 502	3 664	7 390	2 340	11 848	11 848	4 211	4 845	4 312
Social benefits	2 374	2 456	4 965	1 238	8 510	8 510	3 011	3 645	3 057
Other transfers to households	1 128	1 208	2 425	1 102	3 338	3 338	1 200	1 200	1 255
Payments for capital assets	18 134	16 456	36 569	37 868	55 901	55 901	31 308	26 668	27 406
Buildings and other fixed structures	7 980	11 985	22 625	26 948	20 080	20 080	20 250	20 750	21 337
Buildings	7 980	11 985	22 625	26 948	20 080	20 080	20 250	20 750	21 337
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10 138	4 461	13 914	10 920	31 702	31 702	11 058	5 918	6 069
Transport equipment	4 716	1 433	4 724	-	11 000	11 000	2 310	2 000	2 000
Other machinery and equipment	5 422	3 028	9 190	10 920	20 702	20 702	8 748	3 918	4 069
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	16	10	30	-	4 119	4 119	-	-	-
Payments for financial assets	1 293	865	175	-	-	-	-	-	-
Total	1 023 420	1 002 589	1 106 349	1 208 003	1 316 127	1 316 127	1 247 696	1 304 973	1 358 007

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	158 766	177 023	235 526	226 114	255 419	255 419	238 922	257 085	267 397
Compensation of employees	68 823	77 052	87 367	122 601	120 105	120 105	136 342	152 289	159 295
Salaries and wages	59 244	67 171	76 841	107 776	106 742	106 742	117 802	132 646	139 579
Social contributions	9 579	9 881	10 526	14 825	13 363	13 363	18 540	19 643	19 716
Goods and services	89 943	99 971	148 159	103 513	135 314	135 314	102 580	104 796	108 102
of which									
Administrative fees	4 481	312	-	-	10	10	-	-	-
Advertising	4 848	4 304	9 268	2 635	7 467	7 467	3 669	2 119	2 331
Assets <R5000	498	198	787	505	1 189	1 189	450	86	93
Audit cost: External	5 133	4 913	5 716	5 374	5 334	5 334	5 894	6 722	7 000
Bursaries (employees)	665	618	714	700	700	700	800	900	1 000
Catering: Departmental activities	311	260	332	194	172	172	128	131	158
Communication	3 703	4 243	4 431	3 584	4 543	4 543	3 979	4 252	4 403
Computer services	5 871	11 353	14 246	9 374	12 165	12 165	9 055	9 660	9 961
Cons/prof: Business & advisory services	19 830	25 075	25 912	20 184	11 074	11 074	4 400	3 254	3 200
Cons/prof: Infrastructure & planning	4	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	3 339	4 358	6 284	2 200	3 123	3 123	2 310	2 320	2 100
Contractors	1 286	1 503	25 351	1 447	15 094	15 094	19 908	17 666	17 673
Agency & support/outsourced services	3 034	2 339	824	3 356	437	437	356	365	375
Entertainment	6	14	-	30	-	-	-	-	-
Fleet services (incl. GMT)	5 940	4 958	7 245	5 920	9 110	9 110	6 127	6 250	6 538
Housing									
Inventory: Food and food supplies	72	87	131	151	176	176	206	210	215
Inventory: Fuel, oil and gas	2	1	1	2	5	5	2	2	2
Inventory: Learner and teacher supp material	23	-	13	15	3	3	12	12	12
Inventory: Materials and supplies	92	43	82	40	85	85	70	65	69
Inventory: Medical supplies	217	-	-	1	-	-	1	1	1
Inventory: Medicine	-	234	154	255	284	284	150	150	150
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	292	322	513	427	495	495	590	600	605
Inventory: Stationery and printing	2 834	2 899	6 055	4 384	5 220	5 220	3 249	3 365	6 394
Operating leases	8 849	10 055	11 130	16 735	17 545	17 545	18 688	19 450	20 417
Property payments	6 644	7 513	14 677	13 537	25 529	25 529	11 950	15 982	13 687
Transport provided: Departmental activity	445	8	-	-	-	-	-	-	-
Travel and subsistence	8 412	11 138	11 754	9 992	12 023	12 023	9 406	9 789	10 355
Training and development	2 055	2 249	882	600	1 600	1 600	750	750	750
Operating expenditure	446	880	1 607	1 619	1 284	1 284	390	655	573
Venues and facilities	611	94	50	252	631	631	40	40	40
Rental and hiring	-	-	-	-	16	16	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	1 978	2 029	6 658	1 446	8 489	8 489	4 002	4 046	4 011
Provinces and municipalities	108	113	120	240	163	163	251	261	271
Provinces	108	113	120	240	163	163	251	261	271
Provincial Revenue Funds									
Provincial agencies and funds	108	113	120	240	163	163	251	261	271
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	1 870	1 916	6 538	1 206	8 326	8 326	3 751	3 785	3 740
Social benefits	742	708	4 149	104	4 988	4 988	2 551	2 585	2 485
Other transfers to households	1 128	1 208	2 389	1 102	3 338	3 338	1 200	1 200	1 255
Payments for capital assets	14 741	2 996	7 011	2 169	20 480	20 480	2 998	2 295	2 400
Buildings and other fixed structures	7 980	-	-	-	-	-	-	-	-
Buildings	7 980	-	-	-	-	-	-	-	-
Other fixed structures									
Machinery and equipment	6 745	2 986	6 981	2 169	20 480	20 480	2 998	2 295	2 400
Transport equipment	4 716	1 433	4 724	-	11 000	11 000	2 310	2 000	2 000
Other machinery and equipment	2 029	1 553	2 257	2 169	9 480	9 480	688	295	400
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	16	10	30	-	-	-	-	-	-
Payments for financial assets	280	659	104	-	-	-	-	-	-
Total	175 765	182 707	249 299	229 729	284 388	284 388	245 922	263 426	273 808

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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	102 862	122 583	134 790	174 956	170 941	170 941	191 925	202 726	208 305
Compensation of employees	75 985	86 476	102 203	118 828	122 970	122 970	124 253	132 481	134 272
Salaries and wages	63 324	72 226	86 337	100 247	104 260	104 260	103 794	109 558	111 241
Social contributions	12 661	14 250	15 866	18 581	18 710	18 710	20 459	22 923	23 031
Goods and services	26 877	36 107	32 587	56 128	47 971	47 971	67 672	70 245	74 033
of which									
Administrative fees									
Advertising	70	147	282	493	424	424	469	495	522
Assets <R5000	10	12	183	380	579	579	259	256	162
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	194	408	735	75	4 024	4 024	-	-	-
Communication	187	129	810	260	4 267	4 267	441	453	480
Computer services	1	-	1	-	70	70	-	-	-
Cons/prof: Business & advisory services	20 085	29 150	15 146	44 421	23 482	23 482	55 126	57 163	61 011
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	160	72	490	59	60	60	37	42	44
Agency & support/outsourced services	71	29	3 607	-	2 926	2 926	-	-	-
Entertainment	-	-	2	-	1	1	-	-	-
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	7	7	15	31	36	36	39	42	44
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	15	4	7	6	-	-	-	-	-
Inventory: Materials and supplies	-	-	12	17	3	3	10	10	10
Inventory: Medical supplies	(1)	-	-	-	-	-	-	-	-
Inventory: Medicine	-	1	-	1	-	-	-	-	-
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	2	3	-	-	183	183	-	-	-
Inventory: Stationery and printing	207	248	554	662	1 377	1 377	805	831	884
Operating leases	274	381	463	433	1 011	1 011	509	544	576
Property payments	45	10	-	-	-	-	-	-	-
Transport provided: Departmental activity	317	106	375	300	308	308	215	225	247
Travel and subsistence	3 537	3 296	6 315	6 246	6 478	6 478	7 256	7 613	7 546
Training and development	-	-	-	-	8	8	-	-	-
Operating expenditure	385	722	1 525	1 994	1 069	1 069	1 406	1 494	1 465
Venues and facilities	1 311	1 382	2 065	750	1 665	1 665	1 100	1 077	1 042
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	68 904	60 599	31 348	750	5 216	5 216	100	650	158
Provinces and municipalities	68 408	60 143	30 920	-	3 260	3 260	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	68 408	60 143	30 920	-	3 260	3 260	-	-	-
Municipalities	68 408	60 143	30 920	-	3 260	3 260	-	-	-
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	-	-	-	-	158	158	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	158	158	-	-	-
Subsidies on production									
Other transfers	-	-	-	-	158	158	-	-	-
Non-profit institutions									
Households	496	456	428	750	1 798	1 798	100	650	158
Social benefits	496	456	392	750	1 798	1 798	100	650	158
Other transfers to households	-	-	36	-	-	-	-	-	-
Payments for capital assets	145	331	573	1 406	2 018	2 018	1 165	555	547
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	145	331	573	1 406	2 018	2 018	1 165	555	547
Transport equipment									
Other machinery and equipment	145	331	573	1 406	2 018	2 018	1 165	555	547
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	780	55	5	-	-	-	-	-	-
Total	172 691	183 568	166 716	177 112	178 175	178 175	193 190	203 931	209 010

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	142 866	140 720	135 632	543 213	267 145	267 145	568 642	580 181	607 026
Compensation of employees	33 523	39 698	48 022	76 864	57 951	57 951	87 561	88 428	89 949
Salaries and wages	29 311	35 225	42 765	68 168	51 495	51 495	77 221	77 207	77 315
Social contributions	4 212	4 473	5 257	8 696	6 456	6 456	10 340	11 221	12 634
Goods and services	109 343	101 022	87 610	466 349	209 194	209 194	481 081	491 753	517 077
of which									
Administrative fees	3	591	191	2	1 087	1 087	202	212	220
Advertising	980	210	418	300	290	290	323	275	330
Assets <R5000	2 655	8 923	4 032	7 013	1 205	1 205	4 404	4 426	4 654
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	265	288	261	187	292	292	208	121	125
Communication	246	536	289	510	396	396	584	620	638
Computer services	68	441	176	-	13	13	-	-	-
Cons/prof: Business & advisory services	92 697	74 716	63 301	444 279	190 358	190 358	456 560	466 000	489 731
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	35	264	-	-	-	-	-	-	-
Contractors	265	3 505	4 716	96	671	671	27	27	27
Agency & support/outsourced services	4 011	1 578	2 025	1 979	498	498	5 000	6 858	7 269
Entertainment	-	-	2	-	20	20	-	-	-
Fleet services (incl. GMT)									
Housing									
Inventory: Food and food supplies	29	29	56	64	78	78	83	88	89
Inventory: Fuel, oil and gas	-	-	43	-	4	4	-	-	-
Inventory: Learner and teacher supp material	29	1	-	3	5	5	3	3	3
Inventory: Materials and supplies	3	8	12	3	-	-	6	6	7
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	12	6	224	208	23	23	71	75	79
Inventory: Stationery and printing	681	355	791	1 125	1 135	1 135	922	1 099	1 274
Operating leases	645	709	832	1 081	1 125	1 125	1 209	1 251	1 256
Property payments	647	1 169	366	733	858	858	209	222	204
Transport provided: Departmental activity	60	-	12	-	-	-	-	-	-
Travel and subsistence	5 338	5 297	6 387	7 013	8 410	8 410	9 821	9 413	10 205
Training and development									
Operating expenditure	126	1 558	2 069	1 413	687	687	859	707	701
Venues and facilities	548	838	1 407	340	2 039	2 039	590	350	265
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	373 227	335 067	313 691	8 000	350 324	350 324	6 000	8 600	9 200
Provinces and municipalities	370 395	334 557	311 991	8 000	348 924	348 924	6 000	8 600	9 200
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	370 395	334 557	311 991	8 000	348 924	348 924	6 000	8 600	9 200
Municipalities	370 395	334 557	311 991	8 000	348 924	348 924	6 000	8 600	9 200
Municipal agencies and funds									
Departmental agencies and accounts	2 800	-	1 700	-	1 000	1 000	-	-	-
Social security funds									
Entities receiving funds	2 800	-	1 700	-	1 000	1 000	-	-	-
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	400	400	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	400	400	-	-	-
Subsidies on production									
Other transfers	-	-	-	-	400	400	-	-	-
Non-profit institutions									
Households	32	510	-	-	-	-	-	-	-
Social benefits	32	510	-	-	-	-	-	-	-
Other transfers to households									
Payments for capital assets	2 362	888	1 871	885	16 348	16 348	6 735	6 223	6 580
Buildings and other fixed structures	-	392	475	-	12 250	12 250	5 250	5 250	5 512
Buildings	-	392	475	-	12 250	12 250	5 250	5 250	5 512
Other fixed structures									
Machinery and equipment	2 362	496	1 396	885	4 098	4 098	1 485	973	1 068
Transport equipment									
Other machinery and equipment	2 362	496	1 396	885	4 098	4 098	1 485	973	1 068
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	28	105	-	-	-	-	-	-	-
Total	518 483	476 780	451 194	552 098	633 817	633 817	581 377	595 004	622 806

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		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	154 286	146 465	206 286	208 372	200 868	200 868	206 437	224 607	234 090
Compensation of employees	85 186	90 496	105 929	131 047	126 243	126 243	130 354	139 757	151 929
Salaries and wages	78 485	83 309	97 336	118 758	115 689	115 689	118 401	127 052	137 905
Social contributions	6 701	7 187	8 593	12 289	10 554	10 554	11 953	12 705	14 024
Goods and services	69 100	55 969	100 357	77 325	74 625	74 625	76 083	84 850	82 161
of which									
Administrative fees	-	36	1	-	-	-	-	-	-
Advertising	1 139	29	1 687	50	334	334	-	-	-
Assets <R5000	480	222	505	307	1 892	1 892	1 199	645	649
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	3 190	821	954	1 560	1 378	1 378	1 717	1 864	1 842
Communication	1 023	1 285	1 416	1 653	2 190	2 190	1 791	1 783	1 838
Computer services	27	38	30	600	31	31	1 150	1 150	1 400
Cons/prof: Business & advisory services	15 739	4 155	15 936	16 890	7 329	7 329	15 420	20 195	15 426
Cons/prof: Infrastructure & planning	-	-	-	500	-	-	500	500	200
Cons/prof: Laboratory services									
Cons/prof: Legal cost	1 298	680	1 008	1 000	1 000	1 000	1 000	1 000	1 000
Contractors	5 142	5 925	28 208	10 567	9 574	9 574	12 063	11 557	11 657
Agency & support/outsourced services	172	160	213	-	-	-	-	-	-
Entertainment	3	-	-	10	10	10	10	11	15
Fleet services (incl. GMT)	1	-	-	-	-	-	-	-	-
Housing									
Inventory: Food and food supplies	7	27	65	83	139	139	111	118	132
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	19	29	23	9	57	57	3	3	3
Inventory: Medical supplies	-	-	-	-	-	-	20	22	24
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	163	62	320	220	211	211	298	298	361
Inventory: Stationery and printing	292	377	649	806	854	854	916	859	962
Operating leases	3 433	6 143	6 367	2 458	1 712	1 712	2 669	2 793	3 058
Property payments	1 317	1 833	2 742	420	231	231	200	133	141
Transport provided: Departmental activity									
Travel and subsistence	14 493	10 071	15 431	16 378	23 163	23 163	19 199	21 078	22 609
Training and development									
Operating expenditure	20 083	23 934	23 975	23 744	24 159	24 159	17 697	20 791	20 794
Venues and facilities	1 079	142	827	70	361	361	120	50	50
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	1 104	782	5 674	7 284	1 824	1 824	360	410	414
Provinces and municipalities	-	-	5 250	6 900	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	5 250	6 900	-	-	-	-	-
Municipalities	-	-	5 250	6 900	-	-	-	-	-
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	-	-	-	-	100	100	-	-	-
Households	1 104	782	424	384	1 724	1 724	360	410	414
Social benefits	1 104	782	424	384	1 724	1 724	360	410	414
Other transfers to households									
Payments for capital assets	886	12 241	27 114	33 408	17 055	17 055	20 410	17 595	17 879
Buildings and other fixed structures	-	11 593	22 150	26 948	7 830	7 830	15 000	15 500	15 825
Buildings	-	11 593	22 150	26 948	7 830	7 830	15 000	15 500	15 825
Other fixed structures									
Machinery and equipment	886	648	4 964	6 460	5 106	5 106	5 410	2 095	2 054
Transport equipment									
Other machinery and equipment	886	648	4 964	6 460	5 106	5 106	5 410	2 095	2 054
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	-	-	-	4 119	4 119	-	-	-
Payments for financial assets	205	46	66	-	-	-	-	-	-
Total	156 481	159 534	239 140	249 064	219 747	219 747	227 207	242 612	252 383

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						2013/14	2014/15	2015/16
R thousand														
New and replacement assets														
1.	Imizi Yesizwe	Various	Houses for Amakhosi	Several	01 Apr 2007	Ongoing	Equitable share	Programme 4	-	-	36 950	8 000	9 000	9 000
2.	New Traditional Administrative Centre	Zululand	New construction	1	01 Apr 2013	31 Mar 2014	Equitable share	Programme 3	-	5 250	2 852	5 250	-	-
3.	New Traditional Administrative Centre	uMgungundlovu DM	New construction	1	01 Apr 2014	31 Mar 2015	Equitable share	Programme 3	-	5 250	-	-	5 250	-
4.	New Traditional Administrative Centre	uMgungundlovu DM	New construction	1	01 Apr 2015	31 Mar 2016	Equitable share	Programme 3	-	5 512	-	-	-	5 512
Total New and replacement assets									-	16 012	39 802	13 250	14 250	14 512
Upgrades and additions														
Rehabilitation, renovations and refurbishments														
1.	Rehabilitation of various TACs	Province wide	Rehab of existing TACs	20	01 Apr 2013	31 Mar 2014	Equitable share	Programme 4	-	11 000	16 467	7 000	-	-
2.	Rehabilitation of various TACs	Province wide	Rehab of existing TACs	20	01 Apr 2014	31 Mar 2015	Equitable share	Programme 4	-	11 000	-	-	6 500	-
3.	Rehabilitation of various TACs	Province wide	Rehab of existing TACs	20	01 Apr 2015	31 Mar 2016	Equitable share	Programme 4	-	11 000	-	-	-	6 825
Total Rehabilitation, renovations and refurbishments									-	33 000	16 467	7 000	6 500	6 825
Maintenance and repairs														
Infrastructure transfers - current														
Infrastructure transfers - capital														
Total Infrastructure									-	49 012	56 269	20 250	20 750	21 337

Table 11.H: Summary of transfers to local government

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
A KZN2000 eThekweni	51 000	21 800	6 925	-	-	-	-	-	-
Total: Ugu Municipalities	61 725	66 468	22 585	2 000	16 730	16 730	1 200	300	300
B KZN211 Vulamehlo	750	725	900	-	-	-	-	300	-
B KZN212 Umdoni	3 000	1 000	9 080	-	1 000	1 000	-	-	-
B KZN213 Umzumbe	-	1 000	1 000	-	-	-	-	-	300
B KZN214 uMuziwabantu	11 500	4 225	1 000	-	5 000	5 000	200	-	-
B KZN215 Ezinqoleni	100	5 752	-	200	200	200	-	-	-
B KZN216 Hibiscus Coast	-	1 000	1 000	-	9 000	9 000	-	-	-
C DC21 Ugu District Municipality	46 375	52 766	9 605	1 800	1 530	1 530	1 000	-	-
Total: uMgungundlovu Municipalities	61 334	44 017	37 527	600	45 005	45 005	1 200	300	300
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	300
B KZN222 uMngeni	3 000	5 900	-	-	-	-	-	-	-
B KZN223 Mpofana	-	725	900	-	600	600	-	300	-
B KZN224 Impendle	-	1 500	11 300	-	5 400	5 400	200	-	-
B KZN225 Msunduzi	5 000	14 900	300	-	25 500	25 500	-	-	-
B KZN226 Mkhambathini	-	1 000	-	-	-	-	-	-	-
B KZN227 Richmond	8 830	10 448	-	200	1 200	1 200	-	-	-
C DC22 uMgungundlovu District Municipality	44 504	9 544	25 027	400	12 305	12 305	1 000	-	-
Total: Uthukela Municipalities	16 250	21 183	50 447	900	54 334	54 334	200	300	300
B KZN232 Emnambithi/Ladysmith	14 100	9 701	18 000	500	15 500	15 500	-	-	-
B KZN233 Indaka	750	925	-	-	-	-	-	300	-
B KZN234 Umtshezi	-	-	7 220	-	9 200	9 200	-	-	300
B KZN235 Okhahlamba	500	6 600	1 167	-	10 900	10 900	-	-	-
B KZN236 Imbabazane	-	-	-	-	400	400	200	-	-
C DC23 Uthukela District Municipality	900	3 957	24 060	400	18 334	18 334	-	-	-
Total: Umzinyathi Municipalities	17 308	25 930	22 533	1 550	8 350	8 350	200	300	300
B KZN241 Endumeni	-	1 150	-	-	-	-	-	-	300
B KZN242 Nqutu	600	9 000	6 167	-	3 000	3 000	200	-	-
B KZN244 Msinga	9 970	3 156	2 667	1 150	1 150	1 150	-	-	-
B KZN245 Umvoti	-	-	1 167	-	1 000	1 000	-	300	-
C DC24 Umzinyathi District Municipality	6 738	12 624	12 532	400	3 200	3 200	-	-	-
Total: Amajuba Municipalities	28 667	7 804	11 550	600	26 120	26 120	200	1 500	300
B KZN252 Newcastle	20 000	2 134	9 920	-	6 446	6 446	-	300	-
B KZN253 eMadlangeni	550	2 550	-	-	-	-	200	-	-
B KZN254 Dannhauser	-	-	-	200	10 200	10 200	-	-	300
C DC25 Amajuba District Municipality	8 117	3 120	1 630	400	9 474	9 474	-	1 200	-
Total: Zululand Municipalities	14 787	22 286	37 020	2 050	40 705	40 705	200	300	300
B KZN261 eDumbe	600	-	-	1 150	1 150	1 150	-	-	-
B KZN262 uPhongolo	500	1 725	3 600	-	12 100	12 100	200	-	-
B KZN263 Abaqulusi	500	-	9 600	500	13 590	13 590	-	-	300
B KZN265 Nongoma	200	-	-	-	1 000	1 000	-	300	-
B KZN266 Ulundi	450	-	750	-	-	-	-	-	-
C DC26 Zululand District Municipality	12 537	20 561	23 070	400	12 865	12 865	-	-	-
Total: Umkhanyakude Municipalities	17 337	53 869	20 405	3 100	17 840	17 840	200	300	1 400
B KZN271 Umhlabuyalingana	-	7 500	1 000	200	200	200	-	-	-
B KZN272 Jozini	600	7 300	-	-	4 500	4 500	-	-	-
B KZN273 The Big 5 False Bay	-	-	-	-	-	-	200	-	-
B KZN274 Hlabisa	-	7 000	1 000	-	-	-	-	300	-
B KZN275 Mtubatuba	2 300	10 660	-	-	-	-	-	-	300
C DC27 Umkhanyakude District Municipality	14 437	21 409	18 405	2 900	13 140	13 140	-	-	1 100
Total: uThungulu Municipalities	50 457	14 336	37 263	1 100	33 600	33 600	200	1 500	300
B KZN281 Umfolozi	6 057	2 000	4 250	200	1 800	1 800	-	-	-
B KZN282 uMhlathuze	1 000	3 758	-	-	7 500	7 500	-	-	-
B KZN283 Ntambanana	-	-	1 167	500	3 000	3 000	-	300	-
B KZN284 uMlalazi	-	1 000	500	-	-	-	200	-	-
B KZN285 Mthonjaneni	400	-	14 000	-	12 600	12 600	-	-	-
B KZN286 Nkandla	4 500	6 800	7 500	-	-	-	-	-	300
C DC28 uThungulu District Municipality	38 500	778	9 846	400	8 700	8 700	-	1 200	-
Total: Ilembe Municipalities	55 380	61 104	36 170	1 900	28 330	28 330	200	1 500	300
B KZN291 Mandeni	1 000	-	-	-	3 000	3 000	200	-	-
B KZN292 KwaDukuza	-	-	1 665	-	11 000	11 000	-	300	-
B KZN293 Ndwedwe	-	725	2 000	300	4 700	4 700	-	-	-
B KZN294 Mapumulo	400	1 700	13 000	200	200	200	-	-	300
C DC29 Ilembe District Municipality	53 980	58 679	19 505	1 400	9 430	9 430	-	1 200	-
Total: Sisonke Municipalities	64 558	56 016	65 736	1 100	38 670	38 670	200	300	1 400
B KZN431 Ingwe	-	400	10 000	-	-	-	-	300	-
B KZN432 Kwa Sani	-	1 000	9 930	-	-	-	-	-	300
B KZN433 Greater Kokstad	-	1 500	6 200	200	200	200	-	-	-
B KZN434 Ubuhlebezwe	5 800	6 000	6 720	-	16 400	16 400	-	-	-
B KZN435 Umzimkulu	6 265	1 000	4 350	500	8 870	8 870	200	-	-
C DC43 Sisonke District Municipality	52 493	46 116	28 536	400	13 200	13 200	-	-	1 100
Unallocated	-	-	-	-	42 500	42 500	2 000	2 000	4 000
Total	438 803	394 813	348 161	14 900	352 184	352 184	6 000	8 600	9 200

Table 11.I: Transfers to local government - Massification programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
A KZN2000 eThekweni	-	5 000	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	39 697	7 850	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	39 697	7 850	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	8 127	4 118	-	1 905	1 905	-	-	-
C DC22 uMgungundlovu District Municipality	-	8 127	4 118	-	1 905	1 905	-	-	-
Total: Uthukela Municipalities	-	3 540	17 760	-	12 934	12 934	-	-	-
C DC23 Uthukela District Municipality	-	3 540	17 760	-	12 934	12 934	-	-	-
Total: Umzinyathi Municipalities	-	11 907	11 513	-	1 000	1 000	-	-	-
C DC24 Umzinyathi District Municipality	-	11 907	11 513	-	1 000	1 000	-	-	-
Total: Amajuba Municipalities	-	3 112	9 050	-	8 946	8 946	-	-	-
B KZN252 Newcastle	-	1 134	7 420	-	4 946	4 946	-	-	-
C DC25 Amajuba District Municipality	-	1 978	1 630	-	4 000	4 000	-	-	-
Total: Zululand Municipalities	-	3 670	11 870	-	12 155	12 155	-	-	-
B KZN263 Abaqulusi	-	-	3 600	-	6 190	6 190	-	-	-
C DC26 Zululand District Municipality	-	3 670	8 270	-	5 965	5 965	-	-	-
Total: Umkhanyakude Municipalities	-	1 792	15 956	-	3 000	3 000	-	-	-
C DC27 Umkhanyakude District Municipality	-	1 792	15 956	-	3 000	3 000	-	-	-
Total: uThungulu Municipalities	-	361	8 717	-	8 000	8 000	-	-	-
C DC28 uThungulu District Municipality	-	361	8 717	-	8 000	8 000	-	-	-
Total: Ilembe Municipalities	30 500	20 231	13 705	-	-	-	-	-	-
C DC29 Ilembe District Municipality	30 500	20 231	13 705	-	-	-	-	-	-
Total: Sisonke Municipalities	-	3 563	1 494	-	12 800	12 800	-	-	-
C DC43 Sisonke District Municipality	-	3 563	1 494	-	12 800	12 800	-	-	-
Unallocated	-	-	-	-	42 500	42 500	-	-	-
Total	30 500	101 000	102 033	-	103 240	103 240	-	-	-

Table 11.J: Transfers to local government - Development Planning Shared Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
A KZN2000 eThekweni	1 425	-	955	-	-	-	1 000	-	-
Total: Ugu Municipalities	1 425	-	955	-	-	-	1 000	-	-
C DC21 Ugu District Municipality	1 425	-	955	-	-	-	1 000	-	-
Total: uMgungundlovu Municipalities	2 054	-	909	-	-	-	1 000	-	-
C DC22 uMgungundlovu District Municipality	2 054	-	909	-	-	-	1 000	-	-
Total: Uthukela Municipalities	400	-	2 400	-	-	-	-	-	-
C DC23 Uthukela District Municipality	400	-	2 400	-	-	-	-	-	-
Total: Umzinyathi Municipalities	1 138	-	219	950	950	950	-	-	-
B KZN244 Msinga	-	-	-	950	950	950	-	-	-
C DC24 Umzinyathi District Municipality	1 138	-	219	-	-	-	-	-	-
Total: Amajuba Municipalities	654	-	-	-	-	-	-	1 200	-
C DC25 Amajuba District Municipality	654	-	-	-	-	-	-	1 200	-
Total: Zululand Municipalities	637	1 474	-	950	950	950	-	-	-
B KZN261 eDumbe	-	-	-	950	950	950	-	-	-
C DC26 Zululand District Municipality	637	1 474	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	637	-	649	-	-	-	-	-	1 100
C DC27 Umkhanyakude District Municipality	637	-	649	-	-	-	-	-	1 100
Total: uThungulu Municipalities	500	-	329	-	-	-	-	1 200	-
C DC28 uThungulu District Municipality	500	-	329	-	-	-	-	1 200	-
Total: Ilembe Municipalities	1 605	1 215	-	100	100	100	-	1 200	-
B KZN293 Ndwedwe	-	-	-	100	100	100	-	-	-
C DC29 Ilembe District Municipality	1 605	1 215	-	-	-	-	-	1 200	-
Total: Sisonke Municipalities	1 750	1 538	-	-	-	-	-	-	1 100
C DC43 Sisonke District Municipality	1 750	1 538	-	-	-	-	-	-	1 100
Unallocated	-	-	-	-	-	-	-	-	-
Total	10 800	4 227	5 461	2 000	2 000	2 000	2 000	3 600	2 200

Table 11.K: Transfers to local government - Small Town Rehabilitation programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni									
Total: Ugu Municipalities	11 500	8 852	1 000	-	5 000	5 000	-	-	-
B KZN214 uMuziwabantu	11 500	3 500	1 000	-	5 000	5 000	-	-	-
B KZN215 Ezingqoleni	-	5 352	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	8 830	10 300	6 300	-	6 600	6 600	-	-	-
B KZN223 Mpofana	-	-	-	-	600	600	-	-	-
B KZN224 Impendle	-	-	6 300	-	5 000	5 000	-	-	-
B KZN227 Richmond	8 830	10 300	-	-	1 000	1 000	-	-	-
Total: Uthukela Municipalities	14 100	15 001	23 220	-	27 100	27 100	-	-	-
B KZN232 Emnambithi/Ladysmith	14 100	9 401	16 000	-	7 000	7 000	-	-	-
B KZN234 Umtshezi	-	-	7 220	-	9 200	9 200	-	-	-
B KZN235 Okhahlamba	-	5 600	-	-	10 900	10 900	-	-	-
Total: Umzinyathi Municipalities	9 970	11 706	3 000	-	-	-	-	-	-
B KZN242 Nqutu	-	9 000	3 000	-	-	-	-	-	-
B KZN244 Msinga	9 970	2 706	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	2 550	-	-	10 000	10 000	-	-	-
B KZN253 eMadlangeni	-	2 550	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	10 000	10 000	-	-	-
Total: Zululand Municipalities	-	-	-	-	10 400	10 400	-	-	-
B KZN262 uPhongolo	-	-	-	-	3 000	3 000	-	-	-
B KZN263 Abaqulusi	-	-	-	-	7 400	7 400	-	-	-
Total: Umkhanyakude Municipalities	600	29 160	1 000	-	3 500	3 500	-	-	-
B KZN271 Umhlabuyalingana	-	6 500	1 000	-	-	-	-	-	-
B KZN272 Jozini	600	6 300	-	-	3 500	3 500	-	-	-
B KZN274 Hlabisa	-	7 000	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	9 360	-	-	-	-	-	-	-
Total: uThungulu Municipalities	4 500	6 800	14 000	-	13 200	13 200	-	-	-
B KZN281 Umfolozi	-	-	-	-	600	600	-	-	-
B KZN285 Mthonjaneni	-	-	10 000	-	12 600	12 600	-	-	-
B KZN286 Nkandla	4 500	6 800	4 000	-	-	-	-	-	-
Total: Ilembe Municipalities	-	2 400	4 000	-	7 000	7 000	-	-	-
B KZN291 Mandeni	-	-	-	-	3 000	3 000	-	-	-
B KZN293 Ndwedwe	-	-	-	-	4 000	4 000	-	-	-
B KZN294 Maphumulo	-	1 700	4 000	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	700	-	-	-	-	-	-	-
Total: Sisonke Municipalities	5 500	6 000	21 700	-	23 370	23 370	-	-	-
B KZN432 Kwa Sani	-	-	4 430	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	6 200	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	5 500	6 000	6 720	-	14 500	14 500	-	-	-
B KZN435 Umzimkulu	-	-	4 350	-	8 870	8 870	-	-	-
Unallocated									
Total	55 000	92 769	74 220	-	106 170	106 170	-	-	-

Table 11.L: Transfers to local government - Uthukela Water

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
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.M: Transfers to local government - Corridor Development programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni	1 000	16 800	4 425	-	-	-	-	-	-
Total: Ugu Municipalities	12 700	10 152	10 000	-	10 000	10 000	-	-	-
B KZN212 Umdoni	-	-	8 000	-	1 000	1 000	-	-	-
B KZN213 Umzumbe	-	-	1 000	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	-	1 000	-	9 000	9 000	-	-	-
C DC21 Ugu District Municipality	12 700	10 152	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	20 200	21 400	26 200	-	35 500	35 500	-	-	-
B KZN222 uMngeni	3 000	5 500	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	900	-	-	-	-	-	-
B KZN224 Impendle	-	1 500	5 000	-	-	-	-	-	-
B KZN225 Msunduzi	5 000	14 400	300	-	25 500	25 500	-	-	-
C DC22 uMgungundlovu District Municipality	12 200	-	20 000	-	10 000	10 000	-	-	-
Total: Uthukela Municipalities	-	-	-	-	6 500	6 500	-	-	-
B KZN232 Emnambithi/Ladysmith	-	-	-	-	6 500	6 500	-	-	-
Total: Umzinyathi Municipalities	5 600	300	2 000	-	3 000	3 000	-	-	-
B KZN242 Nqutu	-	-	2 000	-	3 000	3 000	-	-	-
C DC24 Umzinyathi District Municipality	5 600	300	-	-	-	-	-	-	-
Total: Amajuba Municipalities	20 000	-	1 000	-	1 500	1 500	-	-	-
B KZN252 Newcastle	18 000	-	1 000	-	1 500	1 500	-	-	-
C DC25 Amajuba District Municipality	2 000	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	11 900	14 000	15 600	-	12 200	12 200	-	-	-
B KZN262 uPhongolo	-	-	3 600	-	5 700	5 700	-	-	-
C DC26 Zululand District Municipality	11 900	14 000	12 000	-	6 500	6 500	-	-	-
Total: Umkhanyakude Municipalities	14 400	18 000	2 000	-	-	-	-	-	-
B KZN274 Hlabisa	-	-	1 000	-	-	-	-	-	-
B KZN275 Mtubatuba	1 700	1 300	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	12 700	16 700	1 000	-	-	-	-	-	-
Total: uThungulu Municipalities	10 457	2 000	4 000	-	10 500	10 500	-	-	-
B KZN281 Umfolozi	5 457	2 000	3 500	-	-	-	-	-	-
B KZN282 uMhlathuze	1 000	-	-	-	7 500	7 500	-	-	-
B KZN283 Ntambanana	-	-	-	-	3 000	3 000	-	-	-
B KZN284 uMlalazi	-	-	500	-	-	-	-	-	-
C DC28 uThungulu District Municipality	4 000	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	21 875	29 916	14 500	-	18 400	18 400	-	-	-
B KZN292 KwaDukuza	-	-	-	-	11 000	11 000	-	-	-
B KZN293 Ndwedwe	-	-	2 000	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	9 000	-	-	-	-	-	-
C DC29 Ilembe District Municipality	21 875	29 916	3 500	-	7 400	7 400	-	-	-
Total: Sisonke Municipalities	-	1 500	16 722	-	-	-	-	-	-
B KZN431 Ingwe	-	-	10 000	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	5 000	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	1 500	1 722	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	118 132	114 068	96 447	-	97 600	97 600	-	-	-

Table 11.N: Transfers to local government - Provisional security (MPCCs)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	667	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	667	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	2 001	-	-	-	-	-	-
B KZN242 Nqutu	-	-	667	-	-	-	-	-	-
B KZN244 Msinga	-	-	667	-	-	-	-	-	-
B KZN245 Umvoti	-	-	667	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	250	-	-	-	-	-	-
B KZN266 Ulundi	-	-	250	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	917	-	-	-	-	-	-
B KZN283 Ntambanana	-	-	667	-	-	-	-	-	-
B KZN286 Nkandla	-	-	250	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	665	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	665	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	-	4 500	-	-	-	-	-	-

Table 11.0: Transfers to local government - Community participation in IDPs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	200	200	200	200	300	300
B KZN211 Vulamehlo	-	-	-	-	-	-	-	300	-
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	300
B KZN214 uMuziwabantu	-	-	-	-	-	-	200	-	-
B KZN215 Ezinqoleni	-	-	-	200	200	200	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	200	200	200	200	300	300
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	300
B KZN223 Mpofana	-	-	-	-	-	-	-	300	-
B KZN224 Impendle	-	-	-	-	-	-	200	-	-
B KZN227 Richmond	-	-	-	200	200	200	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	200	300	300
B KZN233 Indaka	-	-	-	-	-	-	-	300	-
B KZN234 Umtshezi	-	-	-	-	-	-	-	-	300
B KZN236 Imbabazane	-	-	-	-	-	-	200	-	-
Total: Umzinyathi Municipalities	-	-	-	200	200	200	200	300	300
B KZN241 Endumeni	-	-	-	-	-	-	-	-	300
B KZN242 Nqutu	-	-	-	-	-	-	200	-	-
B KZN244 Msinga	-	-	-	200	200	200	-	-	-
B KZN245 Umvoti	-	-	-	-	-	-	-	300	-
Total: Amajuba Municipalities	-	-	-	200	200	200	200	300	300
B KZN252 Newcastle	-	-	-	-	-	-	-	300	-
B KZN253 eMadlangeni	-	-	-	-	-	-	200	-	-
B KZN254 Dannhauser	-	-	-	200	200	200	-	-	300
Total: Zululand Municipalities	-	-	-	200	200	200	200	300	300
B KZN261 eDumbe	-	-	-	200	200	200	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	200	-	-
B KZN263 Abaqulusi	-	-	-	-	-	-	-	-	300
B KZN265 Nongoma	-	-	-	-	-	-	-	300	-
Total: Umkhanyakude Municipalities	-	-	-	200	200	200	200	300	300
B KZN271 Umhlabyalingana	-	-	-	200	200	200	-	-	-
B KZN273 The Big 5 False Bay	-	-	-	-	-	-	200	-	-
B KZN274 Hlabisa	-	-	-	-	-	-	-	300	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	300
Total: uThungulu Municipalities	-	-	-	200	200	200	200	300	300
B KZN281 Umfolozi	-	-	-	200	200	200	-	-	-
B KZN283 Ntambanana	-	-	-	-	-	-	-	300	-
B KZN284 uMlalazi	-	-	-	-	-	-	200	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	300
Total: Ilembe Municipalities	-	-	-	400	400	400	200	300	300
B KZN291 Mandeni	-	-	-	-	-	-	200	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	300	-
B KZN293 Ndwedwe	-	-	-	200	200	200	-	-	-
B KZN294 Maphumulo	-	-	-	200	200	200	-	-	300
Total: Sisonke Municipalities	-	-	-	200	200	200	200	300	300
B KZN431 Ingwe	-	-	-	-	-	-	-	300	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	300
B KZN433 Greater Kokstad	-	-	-	200	200	200	-	-	-
B KZN435 Umzimkulu	-	-	-	-	-	-	200	-	-
Unallocated									
Total	-	-	-	2 000	2 000	2 000	2 000	3 000	3 000

Table 11.P: Transfers to local government - Disaster Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
A KZN2000 eThekweni									
Total: Ugu Municipalities	5 000	2 500	-	-	-	-	-	-	-
B KZN212 Umdoni	3 000	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	2 000	2 500	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	1 500	-	5 000	5 000	-	-	-
C DC23 Uthukela District Municipality	-	-	1 500	-	5 000	5 000	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	1 500	-	5 000	5 000	-	-	-
B KZN252 Newcastle	-	-	1 500	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	5 000	5 000	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	2 500	-	-	7 740	7 740	-	-	-
C DC27 Umkhanyakude District Municipality	-	2 500	-	-	7 740	7 740	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
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	6 000	11 500	3 000	-	17 740	17 740	-	-	-

Table 11.Q: Transfers to local government - Operational support for *Thusong* Service Centres

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	1 000	-	-	-	-	-	-
B KZN211 Vulamehlo	-	-	500	-	-	-	-	-	-
B KZN212 Umdoni	-	-	500	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	148	-	-	400	400	-	-	-
B KZN224 Impendle	-	-	-	-	400	400	-	-	-
B KZN227 Richmond	-	148	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	500	500	400	400	-	-	-
B KZN232 Emnambithi/Ladysmith	-	-	-	500	-	-	-	-	-
B KZN235 Okhahlamba	-	-	500	-	-	-	-	-	-
B KZN236 Imbabazane	-	-	-	-	400	400	-	-	-
Total: Umzinyathi Municipalities	-	-	1 500	-	-	-	-	-	-
B KZN242 Nqutu	-	-	500	-	-	-	-	-	-
B KZN244 Msinga	-	-	500	-	-	-	-	-	-
B KZN245 Umvoti	-	-	500	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	500	500	400	400	-	-	-
B KZN262 uPhongolo	-	-	-	-	400	400	-	-	-
B KZN263 Abaqulusi	-	-	-	500	-	-	-	-	-
B KZN266 Ulundi	-	-	500	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	1 000	500	-	-	-	-	-
B KZN283 Ntambanana	-	-	500	500	-	-	-	-	-
B KZN286 Nkandla	-	-	500	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	500	-	400	400	-	-	-
B KZN292 KwaDukuza	-	-	500	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	400	400	-	-	-
Total: Sisonke Municipalities	-	-	-	500	400	400	-	-	-
B KZN434 Ubuhlebezwe	-	-	-	-	400	400	-	-	-
B KZN435 Umzimkulu	-	-	-	500	-	-	-	-	-
Unallocated	-	-	-	-	-	-	2 000	2 000	4 000
Total	-	148	5 000	2 000	2 000	2 000	2 000	2 000	4 000

Table 11.R: Transfers to local government - Implementation of Pound Act

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
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	-	-	1 000	1 000	-	-	-
B KZN262 uPhongolo	-	1 000	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	1 000	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	-	-	1 000	1 000	-	-	-

Table 11.S: Transfers to local government - Municipal Local Economic Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
A KZN2000 eThekweni	-	-	2 000	-	-	-	-	-	-
Total: Ugu Municipalities	-	1 400	980	-	-	-	-	-	-
B KZN211 Vulamehlo	-	-	400	-	-	-	-	-	-
B KZN212 Umdoni	-	-	580	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	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	-	2 000	2 000	-	-	-
B KZN232 Emnambithi/Ladysmith	-	300	2 000	-	2 000	2 000	-	-	-
B KZN233 Indaka	-	200	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	600	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	300	-	-	2 800	2 800	-	-	-
B KZN244 Msinga	-	300	-	-	-	-	-	-	-
B KZN245 Umvoti	-	-	-	-	1 000	1 000	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	1 800	1 800	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	1 000	2 000	-	3 000	3 000	-	-	-
B KZN262 uPhongolo	-	-	-	-	3 000	3 000	-	-	-
C DC26 Zululand District Municipality	-	1 000	2 000	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	1 000	-	-	3 000	3 000	-	-	-
B KZN271 Umhlabuyalingana	-	1 000	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	1 000	1 000	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	-	2 000	2 000	-	-	-
Total: uThungulu Municipalities	-	-	4 000	-	1 300	1 300	-	-	-
B KZN281 Umfolozi	-	-	-	-	1 000	1 000	-	-	-
B KZN285 Mthonjaneni	-	-	4 000	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	300	300	-	-	-
Total: Ilembe Municipalities	-	400	500	-	500	500	-	-	-
C DC29 Ilembe District Municipality	-	400	500	-	500	500	-	-	-
Total: Sisonke Municipalities	-	900	-	-	1 500	1 500	-	-	-
B KZN431 Ingwe	-	400	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	500	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	-	-	-	-	1 500	1 500	-	-	-
Unallocated									
Total	-	6 400	12 080	-	14 100	14 100	-	-	-

Table 11.T: Transfers to local government - Community Development Projects

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	1 400	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	1 400	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	1 000	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	1 000	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	1 500	-	-	-	-	-	-
B KZN244 Msinga	-	-	1 500	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	2 500	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	2 500	-	-	-	-	-
Total: uThungulu Municipalities	-	-	2 750	-	-	-	-	-	-
B KZN286 Nkandla	-	-	2 750	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	1 000	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	1 000	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	-	-	5 250	4 900	-	-	-	-	-

Table 11.U: Transfers to local government - District Growth Development Summit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	400	400	400	-	-	-
C DC21 Ugu District Municipality	-	-	-	400	400	400	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	400	400	400	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	400	400	400	-	-	-
Total: Uthukela Municipalities	-	-	-	400	400	400	-	-	-
C DC23 Uthukela District Municipality	-	-	-	400	400	400	-	-	-
Total: Umzinyathi Municipalities	-	-	-	400	400	400	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	400	400	400	-	-	-
Total: Amajuba Municipalities	-	-	-	400	400	400	-	-	-
C DC25 Amajuba District Municipality	-	-	-	400	400	400	-	-	-
Total: Zululand Municipalities	-	-	-	400	400	400	-	-	-
C DC26 Zululand District Municipality	-	-	-	400	400	400	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	400	400	400	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	400	400	400	-	-	-
Total: uThungulu Municipalities	-	-	-	400	400	400	-	-	-
C DC28 uThungulu District Municipality	-	-	-	400	400	400	-	-	-
Total: Ilembe Municipalities	-	-	-	400	400	400	-	-	-
C DC29 Ilembe District Municipality	-	-	-	400	400	400	-	-	-
Total: Sisonke Municipalities	-	-	-	400	400	400	-	-	-
C DC43 Sisonke District Municipality	-	-	-	400	400	400	-	-	-
Unallocated									
Total	-	-	-	4 000	4 000	4 000	-	-	-

Table 11.V: Transfers to local government - Public Participation Citizen Satisfaction Survey

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	-	1 130	1 130	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	1 130	1 130	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	1 130	1 130	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	1 130	1 130	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	-	-	-	-	2 260	2 260	-	-	-

Table 11.W: Transfers to local government - MIG and MIS grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	74	74	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	74	74	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	-	-	-	-	74	74	-	-	-

Table 11.X: Transfers to local government - Provincial Management Assistance Programme (MAP)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni									
Total: Ugu Municipalities	850	-	-	-	-	-	-	-	-
B KZN211 Vulamehlo	750	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	100	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	1 250	-	-	-	-	-	-	-	-
B KZN233 Indaka	750	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	500	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	550	-	-	-	-	-	-	-	-
B KZN253 eMadlangeni	550	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	2 250	-	-	-	-	-	-	-	-
B KZN261 eDumbe	600	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	500	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	500	-	-	-	-	-	-	-	-
B KZN265 Nongoma	200	-	-	-	-	-	-	-	-
B KZN266 Ulundi	450	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	400	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	400	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	800	-	-	-	-	-	-	-	-
B KZN291 Mandeni	400	-	-	-	-	-	-	-	-
B KZN294 Mapumulo	400	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	300	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	300	-	-	-	-	-	-	-	-
Unallocated									
Total	6 400	-	-	-	-	-	-	-	-

Table 11.Y: Transfers to local government - Infrastructure provision for soccer stadia

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni	50 000	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	30 250	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	30 250	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	30 250	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	30 250	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	5 463	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	5 463	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	34 000	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	34 000	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	149 963	-	-	-	-	-	-	-	-

Table 11.Z: Transfers to local government - Municipal Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	600	-	-	-	-	-	-	-	-
B KZN242 Nqutu	600	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	1 200	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Unallocated									
Total	3 000	-	-	-	-	-	-	-	-

Table 11.(i): Transfers to local government - Construction of *Thusong* Service Centres

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	6 000	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	6 000	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	-	-	6 000	-	-	-	-	-	-

Table 11.(ii): Transfers to local government - Schemes Support Programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni	-	-	500	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	750	-	-	-	-	-	-
B KZN281 Umfolozi	-	-	750	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	500	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	500	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	500	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	500	-	-	-	-	-	-
Unallocated									
Total	-	-	2 250	-	-	-	-	-	-

Table 11.(iii): Transfers to local government - Umzimkulu Support

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
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	56 008	36 873	25 320	-	-	-	-	-	-
B KZN435 Umzimkulu	6 265	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	49 743	36 873	25 320	-	-	-	-	-	-
Unallocated									
Total	56 008	36 873	25 320	-	-	-	-	-	-

Table 11.(iv) Transfers to local government - Inter-Governmental Relations

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	417	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	417	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	417	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	417	-	-	-	-	-	-	-
Total: Uthukela Municipalities	500	417	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	500	417	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	417	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	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	-	417	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	417	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	417	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	417	-	-	-	-	-	-	-
Unallocated									
Total	1 000	4 170	-	-	-	-	-	-	-

Table 11.(v): Transfers to local government - Provincial Interventions

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	1 000	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	1 000	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	300	-	-	-	-	-	-	-
B KZN241 Endumeni	-	150	-	-	-	-	-	-	-
B KZN244 Msinga	-	150	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	-	1 300	-	-	-	-	-	-	-

Table 11.(vi): Transfers to local government - Mun Govt. and Admin Experts: Shared Deployment

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni									
Total: Ugu Municipalities	-	1 450	800	-	-	-	-	-	-
B KZN211 Vulamehlo	-	725	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	725	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	800	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	725	-	-	-	-	-	-	-
B KZN223 Mpofana	-	725	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	725	800	-	-	-	-	-	-
B KZN233 Indaka	-	725	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	800	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	800	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	-	800	-	-	-	-	-	-
Total: Amajuba Municipalities	-	725	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	725	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	725	800	-	-	-	-	-	-
B KZN262 uPhongolo	-	725	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	800	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	800	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	800	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	800	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	800	-	-	-	-	-	-
Total: Ilembe Municipalities	-	725	800	-	-	-	-	-	-
B KZN293 Ndwedwe	-	725	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	800	-	-	-	-	-	-
Total: Sisonke Municipalities	-	725	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	725	-	-	-	-	-	-	-
Unallocated									
Total	-	5 800	5 600	-	-	-	-	-	-

Table 11.(vii): Transfers to local government - Urban Development Framework

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
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.(viii): Transfers to local government - Town Settlement Formalisation Support

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
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	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	800	1 000	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
Unallocated									
Total	-	800	1 000	-	-	-	-	-	-

VOTE 12

Transport

Operational budget	R 8 064 682 776
MEC remuneration	R 1 652 224
Total amount to be appropriated	R 8 066 335 000
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 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 2012/13 financial year

Section 2 provides a review of 2012/13, 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

The department continued to strive to ensure that the gains made in the reduction of crashes and fatalities on KZN's roads are maximised under the theme, "Deepening People's Activism Against Road Carnage and Transgressions". The department's Red Spot Team, which is a special task team that targets identified high accident areas around KZN through high visibility of traffic officers, road blocks, vehicle inspections, etc., continued to focus on the reduction of accidents in these areas. During 2012/13, the department implemented wellness clinics along the N3 in collaboration with the N3 Toll Concession (N3TC), and also increased the number of school crossing patrol employees by 79 (from 101 employees).

S'hamba sonke

S'hamba sonke (moving together) is a programme introduced in 2011/12 and continued in 2012/13. The programme entailed road upgrades and maintenance of the KZN secondary road network. This programme was aimed at creating jobs for emerging contractors across KZN, and was implemented in the following five key areas:

- The rehabilitation of key arterial routes in support of the rural economy through labour intensive methods 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.
- Established the Road Asset Management System (RAMS) and introduced the “Know Your Network Programme”, whereby regional engineers in KZN can monitor road conditions daily.

Transport infrastructure

In 2012/13, the department continued 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, which comprises the upgrading of 14 kilometres of gravel road to blacktop standards, was completed.
- 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, located between Ulundi and Empangeni, entails the upgrading of 95 kilometres of gravel road to a blacktop surface. Approximately 44 kilometres have been completed to date, with a further 8 kilometres to be completed by the end of March 2013. The remaining 43 kilometres will be completed by 2014/15.
 - Main Road P230, located from Empangeni to Eshowe, entails the upgrading of 31.3 kilometres of gravel road to a blacktop surface and the construction of one underpass road. Approximately 18.2 kilometres have been completed and the balance of 13.1 kilometres will be completed over the 2013/14 MTEF.

Operation KuShunquthuli

Operation *KuShunquthuli* focuses on transport infrastructure development in rural areas, which are the areas of emphasis for service delivery. The department continued with key projects that will be a stimulus in linking rural communities to the provincial hubs of activity. Some of the projects over the 2012/13 MTEF include the following:

- Main Road P127, located from Impendle to Himeville, entails the upgrading of 55 kilometres of gravel road to a blacktop surface, of which 22 kilometres have been completed to date.
- Main Road P73, located between Sipofu and Ixopo, entails the upgrading of 75 kilometres of gravel road to blacktop standards, of which 27 kilometres have been completed to date, and a further 12 kilometres will be completed by the end of March 2013. The balance of 36 kilometres will be completed by 2014/15.

Roads for rural development

This programme consists of the following major projects, among others:

- Main Road P58, located between Diemount Store and Ezinqoleni, comprises the upgrade of 26 kilometres to blacktop standards, of which 13.4 kilometres have been completed to date.
- Main Road P732, located between Ezinqoleni and Bushy Valley, consists of the upgrading of 19 kilometres of gravel road to blacktop standards, of which 13 kilometres have been completed to date.

Learner Transport

The department provided learner transport services to 203 schools and 25 725 learners in 2012/13. This is an increase from the planned 171 schools and 13 000 children anticipated to receive learner transport services in 2012/13.

Expanded Public Works Programme (EPWP)

The department continued to expand community-based labour-intensive road construction and maintenance programmes, which are aligned with the objectives of EPWP. The department created 4 802 417 person days of employment, equating to 57 474 jobs created over the 2012/13 MTEF.

3. Outlook for the 2013/14 financial year

Section 3 looks at the key focus areas of 2013/14, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

Road safety

The department will continue to place greater emphasis on road safety education and intends to increase public participation and road safety awareness through mass awareness campaigns and media interventions. The department also intends to construct 13 pedestrian bridges per annum, with the intention to increase pedestrian safety and shift road safety to go beyond traffic regulation and enforcement, and toward a people-centred approach that deals with accident prevention. The pedestrian bridge programme will continue to be implemented with the aim of ensuring that communities have access to schools, health facilities and amenities. The department has constructed 46 pedestrian bridges from 2008/09 to 2012/13, and will continue with this construction over the 2013/14 MTEF. The department plans to construct the following access roads in 2013/14:

- Access road to the Maheleni High School in the Vulamehlo Municipality, comprising of 16.5 kilometres of gravel road.
- Access road to the Moyamuhle Primary School in the Ilembe Municipality, consisting of 8 kilometres of gravel road.

Transport infrastructure

In 2013/14, the department will undertake rehabilitation of the provincial road network to improve and prolong the lifespan of the network. Some of the major projects that will be undertaken include:

- Main Road P47, located between Eshowe and Melmoth, comprising of the rehabilitation of 50 kilometres of blacktop.
- Main Road P1-1(M13), located between Hillcrest and Pinetown, consisting of the upgrading of 15 kilometres of blacktop.
- Main Road P6, located between New Hanover and Greytown, comprising of the rehabilitation of 40 kilometres of blacktop.
- Main Road P34, located between Bloodriver and Vryheid, consisting of the rehabilitation of 30 kilometres of blacktop.

Public transport infrastructure

The department intends to construct two public transport facilities, which include public transport shelters within the Estcourt and Emondlo areas.

Expanded Public Works Programme

The department will continue to expand the community-based labour-intensive road construction and maintenance programmes, aligned with the objectives of the EPWP principles. Over the 2013/14 MTEF, the department is committed to creating over 5 439 920 days of employment, equating to 58 840 jobs created, of which 38 980 are for women, 8 200 for youth and 15 are for people living with disabilities. The department received funding in 2013/14 in respect of the EPWP Integrated Grant for Provinces to be utilised for the creation of EPWP job opportunities. The department will continue with the development of a Broad-Based Black Economic Empowerment (B-BBEE) road construction and maintenance industry, through the provision of accredited business skills training for the *Vukuzakhe* contractors.

Learner Transport

The department will continue to provide learner transport services in KZN over the 2013/14 MTEF. The department received learner transport funding from the Department of Education (DOE) over the 2013/14

MTEF to continue with the service. The funds received are sufficient for the continuation of the current service, meaning that 203 schools and 25 725 learners will continue to benefit from this programme.

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 2009/10 to 2015/16. 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 creating job opportunities through EPWP projects.

Table 12.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Provincial allocation	3 601 075	3 811 715	4 470 772	5 045 133	5 045 133	5 045 133	5 446 603	6 204 064	6 457 353
Conditional grants	1 570 723	2 040 505	2 157 272	2 373 740	2 373 740	2 373 740	2 619 732	2 646 943	3 104 476
Sani Pass Road grant	34 347	-	-	-	-	-	-	-	-
Transport Disaster Management grant	-	-	29 736	-	-	-	-	-	-
Public Transport Operations grant	587 396	714 587	773 473	808 279	808 279	808 279	852 325	895 350	936 536
EPWP Integrated Grant for Provinces	83 900	153 130	117 415	64 290	64 290	64 290	88 487	-	-
Provincial Roads Maintenance grant	865 080	958 390	1 236 648	1 501 171	1 501 171	1 501 171	1 678 920	1 751 593	2 167 940
Provincial Disaster Relief grant	-	214 398	-	-	-	-	-	-	-
Total receipts	5 171 798	5 852 220	6 628 044	7 418 873	7 418 873	7 418 873	8 066 335	8 851 007	9 561 829
Total payments	5 164 996	5 958 923	6 639 855	7 418 873	7 643 794	7 708 535	8 066 335	8 851 007	9 561 829
Surplus/(Deficit) before financing	6 802	(106 703)	(11 811)	-	(224 921)	(289 662)	-	-	-
Financing									
of which									
Provincial roll-overs	-	432	-	-	-	-	-	-	-
Provincial cash resources	-	100 000	-	-	224 921	224 921	-	-	-
Surplus/(deficit) after financing	6 802	(6 271)	(11 811)	-	-	(64 741)	-	-	-

The department received various conditional grants over the period including the Sani Pass Road grant, the Public Transport Operations grant (PTOG), the EPWP Integrated Grant for Provinces, the Provincial Roads Maintenance grant and disaster grants relating to various disasters that have occurred in KZN, such as the flood disaster in the South Coast area.

The under-spending 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 PTOG 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. The department then had to finance the difference of R5.854 million between the amount reduced (R60 million) and the actual under-spending (R54.146 million) from its equitable share. Hence, the department was unable to attain the full amount pledged.

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 from 2009/10 in respect of this grant for exceeding the 2009/10 EPWP targets.

The over-spending of R6.271 million in 2010/11 resulted largely from unforeseen repairs undertaken in respect of flood damaged roads in the Ladysmith area that occurred toward the end of 2010 and early 2011.

With regard to 2011/12, the department over-spent its allocation by R11.811 million, largely due to the ongoing costs of the reconstruction (betterment and re-gravelling) of roads, undertaken in respect of the

flood damage to the provincial road network that occurred mainly in the Ladysmith area in December 2010 and January 2011. In addition, the higher than anticipated rehabilitation of roads undertaken in line with a detailed technical analysis of the road conditions in KZN contributed to the over-expenditure.

In the 2012/13 Adjusted Appropriation, the department was allocated R19.921 million in respect of the EPWP Integrated Grant for Provinces. This was transferred to the Provincial Revenue Fund (PRF) in 2011/12, but only allocated in 2012/13 to be utilised for the creation of EPWP job opportunities. In addition, R205 million was allocated in respect of the rehabilitation and upgrade of various roads. This included the upgrade of 44.5 kilometres of gravel roads to blacktop roads and the construction of one pedestrian bridge. These amounts are reflected against provincial cash resources in Table 12.1.

As at the end of December 2012, the department is projecting to over-spend the 2012/13 allocation by R64.741 million entirely against the PTOG due to higher than anticipated claims on public transport subsidies relating to bus subsidies, as a result of increases in fuel prices and, hence, increased transportation costs. The department's contracts with the bus operators include an escalation clause linked to labour and fuel indices, among others. The department engaged with the National Department of Transport (NDOT) and the Provincial Treasury, who also liaised with National Treasury in this regard. National Treasury indicated that the PTOG is a Schedule 4 or supplementary grant, to provinces. These grant allocations to provinces are meant to supplement the funding or the function funded from provincial budgets. As such, any projected grant shortfall should be covered from the provincial budget of the department. National Treasury also indicated that NDOT is in the process of formulating a transformation plan to address future subsidy arrangements to be implemented in 2013/14.

The budget shows a steady increase over the 2013/14 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		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
				2012/13					
Tax receipts	997 227	1 083 507	1 231 524	1 250 000	1 250 000	1 316 604	1 343 000	1 420 000	1 510 000
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	997 227	1 083 507	1 231 524	1 250 000	1 250 000	1 316 604	1 343 000	1 420 000	1 510 000
Sale of goods and services other than capital assets	92 150	106 198	122 587	100 000	100 000	119 704	110 000	115 000	120 000
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	42 364	46 952	45 148	40 000	40 000	45 725	45 000	20 000	20 000
Interest, dividends and rent on land	90	42	350	150	150	265	150	150	150
Sale of capital assets	6 687	4 009	3 558	4 500	4 500	4 500	4 500	4 500	4 500
Transactions in financial assets and liabilities	944	5 271	6 315	1 200	1 200	4 107	1 250	1 300	1 300
Total	1 139 462	1 245 979	1 409 482	1 395 850	1 395 850	1 490 905	1 503 900	1 560 950	1 655 950

Table 12.2 shows a generally 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.

As reflected in Table 12.2, 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 due to the higher than anticipated applications for new and renewal of motor vehicle licences, as well as improved registration of classification of vehicles, such as abnormal loads and special vehicles. The high 2011/12 and the 2012/13 Revised Estimate amounts 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. Given that the province has the highest motor vehicle registration and licensing

fees, the growth over the MTEF is revised to 4 per cent in 2013/14, marginally increasing to 6 per cent for the two outer years. In addition to the growth rates mentioned, the projections in respect of *Motor vehicle licences* over the 2013/14 MTEF take into account changes in the vehicle population over time.

Under the category *Sale of goods and services other than capital assets*, there is a steady increase in the amount of revenue from 2009/10 to 2012/13 Revised Estimate due to the higher than anticipated collection in terms of applications for learners' licences and applications and renewal of drivers' licences. The increase over the MTEF can be ascribed to the increase in course fees for traffic officers, issue of permits, etc., as well as inflationary increments.

Fines, penalties and forfeits reflects the collection of traffic fines resulting from road traffic infringements. The steady increase from 2009/10 to 2012/13 Revised Estimate is attributable to improved recovery strategies and measures put in place for the collection of fines receivable (such as traffic fines, parking transgressions, etc.). The substantial decrease from 2014/15 onward can be attributed to the expected implementation of Administrative Adjudication of Road Traffic Offences (AARTO) where, after 30 days, a percentage of fines received will be recorded as departmental revenue. If the transgressor pays within the 30-day period, only 50 per cent of the fine is payable to the department, substantially reducing the revenue collected. This is an incentive to encourage transgressors to make timely payments.

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 fluctuating trend from 2009/10 to 2011/12 can be attributed to the difficulty in projecting with certainty the collection of these receipts, hence the flat trend over the MTEF.

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 2011/12 is due to improved revenue and debt collection strategies relating to recoveries from previous years. The high 2012/13 Revised Estimate is due to higher than expected debt recoveries.

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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Agency receipt	6 196	7 420	8 517	7 858	7 858	7 858	8 290	8 500	8 800
South African Road Agency Limited (SANRAL)	6 196	7 420	8 517	7 858	7 858	7 858	8 290	8 500	8 800
Total	6 196	7 420	8 517	7 858	7 858	7 858	8 290	8 500	8 800

Table 12.4: Details of payments and estimates of agency receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Agency receipt	6 794	7 420	8 517	7 858	7 858	7 858	8 290	8 500	8 800
South African Road Agency Limited (SANRAL)	6 794	7 420	8 517	7 858	7 858	7 858	8 290	8 500	8 800
Total	6 794	7 420	8 517	7 858	7 858	7 858	8 290	8 500	8 800

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 over the 2013/14 MTEF is due to inflationary increments.

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 expanded cost-cutting measures, as reissued by Provincial Treasury in 2013/14, will continue to be adhered to over the 2013/14 MTEF.
- Additional funding was not received for the carry-through costs of the 2012 wage agreement. However, the department provided for this through internal reprioritisation. Provision was made for an inflationary wage adjustment of 6.3 per cent for 2013/14, 6.1 per cent for 2014/15 and 5.9 per cent for 2015/16, as well as an annual 1.5 per cent pay progression.
- Provision has been made for the filling of vacant posts, while taking into account the moratorium on the filling of non-critical vacant posts.
- The incremental budgeting approach was used for the 2013/14 MTEF, as was the case in the 2012/13 MTEF.
- All inflation related increases are based on CPI projections.

5.2 Additional allocations for the 2011/12 to 2013/14 MTEF

Table 12.5 shows additional funding received by the department over the three MTEF periods: 2011/12, 2012/13 and 2013/14. 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 2011/12 and 2012/13 MTEF periods (i.e. for the financial year 2015/16) are based on the incremental percentage used in the 2013/14 MTEF.

Table 12.5: Summary of additional provincial allocations for the 2011/12 to 2013/14 MTEF

R thousand	2011/12	2012/13	2013/14	2014/15	2015/16
2011/12 MTEF period	307 972	505 522	672 959	713 318	746 131
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement	41 057	29 196	23 974	25 412	26 581
Provincial priorities - Maintenance of the provincial road network	269 250	479 452	653 022	692 203	724 044
National Cabinet decision to cut provinces by 0.3 per cent	(2 335)	(3 126)	(4 037)	(4 297)	(4 495)
2012/13 MTEF period		205 543	149 767	677 544	708 711
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement		14 716	15 451	16 224	16 970
Provincial priorities - Road maintenance backlog		84 746	134 316	661 320	691 741
Learner transport (portion moved from Education)		106 081	-	-	-
2013/14 MTEF period			51 435	(33 605)	(67 249)
Census data update and 1%, 2% and 3% baseline cuts			(73 380)	(165 035)	(204 725)
Learner transport (portion moved from Education)			124 815	131 430	137 476
Total	307 972	711 065	874 161	1 357 257	1 387 593

In 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.

Over 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, as well as funding in respect of learner transport suspended from Vote 5: Education in 2012/13 only.

In the 2013/14 MTEF, the department received further funding relating to learner transport, suspended from Vote 5: Education. Also in the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period.

The department effected the above-mentioned baseline cuts against its capital budget, which is housed under Programme 2: Transport Infrastructure, which is the main service delivery programme, and consists of nearly 75 per cent of the department's entire budget allocation. The department indicated that reduction in *Goods and services* would compromise service delivery initiatives such as road safety. However, the reduction in capital expenditure will be managed by rescheduling and prioritising projects to a future date. According to the department, these cuts will result in the reduction of the following:

- Kilometres of gravel roads upgraded to surfaced roads (3 kilometres in 2013/14, 7 kilometres in 2014/15 and 11 kilometres in 2015/16).
- Kilometres of gravel roads constructed (15 kilometres in 2013/14, 30 kilometres in 2014/15 and 45 kilometres in 2015/16)
- Number of people employed (160 in 2013/14, 360 in 2014/15 and 570 in 2015/16).
- Number of employment days created relating to construction work (10 080 in 2013/14, 22 680 in 2014/15 and 35 910 in 2015/16).

5.3 Summary by programme and economic classification

The services rendered by the department are categorised under five programmes, which are largely aligned to the uniform budget and programme structure of the Transport sector.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	427 401	362 581	204 483	261 977	243 337	243 337	260 532	261 829	261 669
2. Transport Infrastructure	3 529 273	4 252 323	4 948 311	5 398 753	5 722 314	5 722 314	5 981 398	6 663 308	7 250 218
3. Transport Operations	653 313	770 535	887 181	1 022 862	997 862	1 062 603	1 078 735	1 137 690	1 240 072
4. Transport Regulation	479 700	517 698	559 145	670 796	620 796	620 796	700 660	739 740	760 770
5. Community Based Programme	75 309	55 786	40 735	64 485	59 485	59 485	45 010	48 440	49 100
Total	5 164 996	5 958 923	6 639 855	7 418 873	7 643 794	7 708 535	8 066 335	8 851 007	9 561 829
Unauth. exp. (1 st charge) not available for spending	(185 492)	(185 666)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	4 979 504	5 773 257	6 639 855	7 418 873	7 643 794	7 708 535	8 066 335	8 851 007	9 561 829

Note: Programme 1 includes MEC remuneration: Salary: R1 652 224

Table 12.7: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Current payments	2 350 654	2 939 527	3 408 533	4 335 264	4 319 013	4 319 013	4 675 150	5 038 544	5 661 683
Compensation of employees	911 071	1 023 620	1 100 404	1 335 000	1 262 000	1 262 000	1 473 824	1 586 280	1 660 756
Goods and services	1 439 583	1 915 907	2 308 129	3 000 264	3 057 013	3 057 013	3 201 326	3 452 264	4 000 927
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	604 977	726 582	785 190	910 169	818 288	883 029	864 090	908 304	950 172
Provinces and municipalities	500	550	652	650	850	850	1 600	1 600	1 600
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	593 250	715 294	773 473	900 360	808 279	873 020	852 325	895 350	936 536
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	11 227	10 738	11 065	9 159	9 159	9 159	10 165	11 354	12 036
Payments for capital assets	2 023 788	2 107 096	2 445 913	2 173 440	2 506 440	2 506 440	2 527 095	2 904 159	2 949 974
Buildings and other fixed structures	1 994 001	2 058 342	2 374 923	2 108 750	2 411 750	2 411 750	2 425 650	2 793 933	2 821 380
Machinery and equipment	25 325	44 705	68 247	64 690	94 690	94 690	101 445	110 226	128 594
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	4 462	4 049	2 743	-	-	-	-	-	-
Payments for financial assets	185 577	185 718	219	-	53	53	-	-	-
Total	5 164 996	5 958 923	6 639 855	7 418 873	7 643 794	7 708 535	8 066 335	8 851 007	9 561 829
Unauth. exp. (1 st charge) not available for spending	(185 492)	(185 666)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	4 979 504	5 773 257	6 639 855	7 418 873	7 643 794	7 708 535	8 066 335	8 851 007	9 561 829

The amounts in 2009/10 and 2010/11 against *Unauthorised expenditure (1st charge) not available for spending*, resulted from the department's 2008/09 over-expenditure. The over-expenditure was mainly due to project cost increases, which arose 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 was liable for the repayment of the over-expenditure, which resulted in a first charge against its budget in 2009/10 and 2010/11. The first charge amounts are reflected under Programme 1: Administration, against *Payments for financial assets*, as reflected as a footnote in Tables 12.6 and 12.7 above.

Despite the first charge, as well as the above-mentioned budget cuts, the budget over the period under review reflects steady growth, as explained below.

In Programme 1: Administration, the high amounts in 2009/10 and 2010/11 relate to the above-mentioned first charge, hence the decrease thereafter. The decrease in the 2012/13 Adjusted Appropriation is due to the slower than anticipated filling of vacant posts. The department placed an internal moratorium on the filling of posts due to a review of the department's organisational structure in 2010/11 and 2011/12. The moratorium was lifted in February 2012, and the department is in the process of filling critical posts. The slight reduction over the 2013/14 MTEF relates mainly to reprioritisation undertaken to Programme 2 in respect of the maintenance of the provincial road network.

Programme 2: Transport Infrastructure reflects a steady increase over the seven-year period. The increase specifically relates to the department's investment in the provincial road network. The increase in the 2012/13 Adjusted Appropriation mainly relates to funds reprioritised from Programmes 1, 3, 4 and 5 to provide for the higher than anticipated capital expenditure, which resulted from the commencement of construction projects that were put on hold in 2011/12. This was due to the department undertaking internal project reprioritisation in that year to offset unbudgeted expenditure, which resulted from the reconstruction of roads damaged by floods in the Ladysmith area. Increased costs in construction materials, and the early commencement of the Main road P728 in Ugu and the Main road P700 between Ulundi and Empangeni due to good weather conditions, also resulted in spending pressures against this programme. In addition to the reprioritisation to this programme, amounts of R205 million and R19.921 million were allocated in the 2012/13 Adjusted Appropriation in respect of the rehabilitation and upgrade of various roads and the EPWP Integrated Grant for Provinces, respectively, as previously explained. The increase over the 2013/14 MTEF relates to additional funding in respect of the provincial road maintenance backlog, additional allocations in respect of the Provincial Roads Maintenance grant (which is particularly high in 2015/16) and the EPWP Integrated Grant for Provinces in 2013/14 only. It

should be noted that portion of the Provincial Roads Maintenance grant of R45.573 million in 2013/14 and R45.464 million in 2014/15 is earmarked for repairs relating to flood damage to roads in the province.

Programme 3: Transport Operations shows a steady increase over the period. This allocation mainly relates to the PTOG for the payment of bus subsidies to bus operators, as well as learner transport. The decrease in the 2012/13 Adjusted Appropriation relates to funds reprioritised to Programme 2 due to the slower than anticipated filling of vacant posts, as well as cost-cutting. The high 2012/13 Revised Estimate is in respect of the projected over-expenditure against the PTOG, due to the increase in fuel prices, which has resulted in higher than anticipated claims in respect of bus subsidies. The department engaged with NDOT and the Provincial Treasury, who also liaised with National Treasury in this regard, as explained previously. The increase over the 2013/14 MTEF mainly relates to additional funding in respect of learner transport services.

Programme 4: Transport Regulation reflects steady growth over the seven-year period. The growth relates to the investment in the computerised licence testing system and an increase in law enforcement and road safety campaigns. The increase in the 2012/13 Main Appropriation and over the 2013/14 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 2012/13 Adjusted Appropriation relates to funds reprioritised to Programme 2 due to cost-cutting, savings associated with the non-filling of funded vacant posts, as well as unanticipated delays with regard to the replacement of a damaged roof of the Motor Transport Services building and renovations to the Orthopaedic building. Both of these buildings are landmark buildings of historical significance, which cannot be altered without the approval of Amafa.

Programme 5: Community Based Programme reflects a fluctuating trend over the period under review. The decrease in 2010/11 was due to cost-cutting and funds reprioritised to Programme 2 to cater for the higher than anticipated 2009 and 2010 wage agreements. The further decrease in 2011/12 was due to funds reprioritised to Programme 2 to provide for the higher than anticipated rehabilitation of roads. The decrease in the 2012/13 Adjusted Appropriation is due to cost-cutting and the Rural Road Transport Forum (RRTF) workshop, as well as the *Zibambele* consultation sessions that were delayed. This is due to the department and the Department of Co-operative Governance and Traditional Affairs (COGTA) needing to amalgamate the training structure for the implementation of the Community Development Workers (CDWs) in order to avoid duplication of training, which took longer than anticipated. The funds were reprioritised to Programme 2 in respect of the higher than anticipated capital expenditure. The decrease over the MTEF relates to reprioritisation undertaken to Programme 2 in respect of the maintenance of the provincial road network due to greater emphasis on maintenance.

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 annual wage agreements. The decrease in the 2012/13 Adjusted Appropriation is due to the slow filling of posts. The savings were reprioritised to *Buildings and other fixed structures* in respect of higher than anticipated capital expenditure, as explained above. The increases over the 2013/14 MTEF are in respect of filling of vacant posts in line with the moratorium on the filling of non-critical posts, and the annual salary increments.

Goods and services reflects a steady increase over the period under review and includes road safety awareness campaigns conducted, as well as the maintenance of the provincial road network. The increase in the 2012/13 Adjusted Appropriation relates to funds in respect of learner transport shifted from *Transfers and subsidies to: Public corporations and private enterprises* where it was incorrectly placed during the preparation of the 2012/13 budget. The department received the funds from DOE in order to undertake part of the learner transport function, including the planning of routes and procurement of the required service providers. In addition, funds were allocated relating to the EPWP Integrated Grant for Provinces, as previously explained. The increase over the MTEF relates to additional funding in respect of learner transport, the Provincial Roads Maintenance grant (which is particularly high in 2015/16) and the EPWP Integrated Grants for Provinces (only in 2013/14 at this stage). Also, a portion of the Provincial Roads Maintenance grant is earmarked for repairs relating to flood damage to roads, as explained above.

The allocations against *Transfers and subsidies to: Provinces and municipalities* are in respect of the payment of motor vehicle licences. The increase in the 2012/13 Adjusted Appropriation and over the 2013/14 MTEF is in respect of motor vehicle licences for new vehicles and plant acquired.

The allocations against *Transfers and subsidies to: Public corporations and private enterprises* relate mainly to the PTOG. The high 2012/13 Main Appropriation includes funds in respect of the learner transport services that were incorrectly placed against this category. As previously explained, the funds were shifted to *Goods and services*, hence the decrease in the 2012/13 Adjusted Appropriation. The high 2012/13 Revised Estimate in comparison to the 2012/13 Adjusted Appropriation is in respect of the projected over-expenditure against the PTOG due to the increase in fuel prices, which has resulted in higher than anticipated claims in respect of bus subsidies. The increase over the MTEF relates mainly to inflationary increments, as well as additional funding allocated in respect of the grant in 2015/16 only.

Transfers and subsidies to: Households caters mainly for staff exit costs, which fluctuate over the period due to the difficulty in forecasting accurately for this category as a result of its uncertain nature.

The category *Buildings and other fixed structures* reflects a steady increase over the seven-year period due to the increase in construction work. The increase in the 2012/13 Adjusted Appropriation is due to funds reprioritised from *Compensation of employees* and *Goods and services* to cater for higher than anticipated capital expenditure, as explained in detail under Programme 2 above. In addition, funds were allocated in respect of rehabilitation and upgrade of various roads in 2012/13. The increase over the MTEF is attributed to inflationary increments.

Machinery and equipment reflects a substantial increase from 2010/11 onward, mainly due to the provision for the appointment of new staff, as well as the replacement of computer equipment, vehicles, etc., including the replacement of motor vehicles and aged plant such as graders and tractors. Funds have been reprioritised over the 2013/14 MTEF in this regard.

The amounts against *Software and other intangible assets* from 2009/10 to 2011/12 relate to the upgrade of computer software licences.

As previously explained, the amounts in 2009/10 and 2010/11 against *Payments for financial assets* relate to the first charge. The amounts in 2011/12 and the 2012/13 Adjusted Appropriation relate to claims (removal of vehicles) against the state, dishonoured cheques, salary over-payments, write-off of irrecoverable staff debts, etc. This category is not usually budgeted for due to its uncertain nature.

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		
	2011/12	2012/13	2013/14	2014/15	2015/16
eThekweni	762 058	985 504	990 825	1 107 530	1 178 807
Ugu	330 496	354 042	376 462	458 700	492 332
uMgungundlovu	895 231	882 515	840 524	942 117	993 292
Uthukela	520 408	735 388	798 213	903 273	925 191
Umkhanyathi	383 622	406 017	427 129	511 694	578 072
Amajuba	157 423	175 585	192 552	264 259	323 429
Zululand	669 518	598 570	628 226	738 899	806 497
Umkhanyakude	278 456	291 818	307 700	385 707	438 404
uThungulu	803 877	1 035 955	1 114 893	1 273 489	1 354 295
Ilembe	244 245	362 151	399 609	421 756	453 402
Sisonke	426 670	343 339	378 228	460 402	509 232
Total	5 472 004	6 170 884	6 454 361	7 467 826	8 052 953

The department reprioritised its budget to support the PGDP and PGDS, and service delivery is therefore fairly equitably distributed throughout the province.

The 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.

The expenditure reflected against the department's head office in uMgungundlovu was in respect of projects that cannot be easily split across the individual district municipalities.

The high 2012/13 expenditure against uThungulu is in respect of the upgrade of John Ross Highway and other ARRUP projects, which continue over the 2013/14 MTEF.

Zululand reflects spending on ARRUP projects, as well as other major projects such as the P235, P700, Main road P271 and Main road P303.

There is a significant increase in eThekweni in 2012/13 mainly due to the PTOG, as well as the construction of various roads such as the P577 (Duffs Road to KwaDabeka), the upgrading of access roads and pedestrian bridges.

The significant increase against Uthukela in 2012/13 relates to additional funds allocated for the construction of the District Road D2456. The increases over the MTEF relate to projects such as re-graveling, pedestrian bridges and access roads being undertaken in the area.

The increase in Ilembe in 2012/13 relates to additional funds in respect of the Main road P714. The increase over the MTEF is attributed to re-graveling, pedestrian bridges and access roads being undertaken in the area.

The spending against Sisonke was high in 2011/12 relating to projects in Umzimkulu to improve the area, as well as the upgrading of the P318 Sani Pass.

There is expenditure and funding across various municipalities in respect of learner transport services.

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 below 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	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
				2012/13					
Sani Pass Road grant	34 347	-	-	-	-	-	-	-	-
Transport Disaster Management grant	-	-	29 736	-	-	-	-	-	-
Public Transport Operations grant	593 250	715 294	773 473	808 279	808 279	873 020	852 325	895 350	936 536
EPWP Integrated Grant for Provinces	83 900	153 562	117 415	64 290	84 211	84 211	88 487	-	-
Provincial Roads Maintenance grant	865 080	958 390	1 236 648	1 501 171	1 501 171	1 501 171	1 678 920	1 751 593	2 167 940
Provincial Disaster Relief grant	-	214 398	-	-	-	-	-	-	-
Total	1 576 577	2 041 644	2 157 272	2 373 740	2 393 661	2 458 402	2 619 732	2 646 943	3 104 476

Table 12.10: Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	83 900	367 960	147 151	1 565 461	1 585 382	1 585 382	1 767 407	1 751 593	2 167 940
Compensation of employees									
Goods and services	83 900	367 960	147 151	1 565 461	1 585 382	1 585 382	1 767 407	1 751 593	2 167 940
Other									
Transfers and subsidies to:	593 250	715 294	773 473	808 279	808 279	873 020	852 325	895 350	936 536
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	808 279	808 279	873 020	852 325	895 350	936 536
Non-profit institutions									
Households									
Payments for capital assets	899 427	958 390	1 236 648	-	-	-	-	-	-
Buildings and other fixed structures	899 427	958 390	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	1 576 577	2 041 644	2 157 272	2 373 740	2 393 661	2 458 402	2 619 732	2 646 943	3 104 476

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: A once-off amount of R34.347 million was allocated against *Buildings and other fixed structures* for the upgrading of the P318 Sani Pass in 2009/10.
- Transport Disaster Management grant: A once-off amount of R29.736 million was 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 are allocated against *Transfers and subsidies to: Public corporations and private enterprises* in respect of the PTOG for the payment of bus subsidies to bus operators. As previously explained, the high 2012/13 Revised Estimate against the grant is in respect of the projected over-expenditure which resulted from the increase in fuel prices, resulting in higher than anticipated claims in respect of bus subsidies. The increase over the MTEF relates mainly to inflationary increments, as well as additional funding allocated in 2015/16 only.
- EPWP Integrated Grant for Provinces: Funds were allocated against *Goods and services* from 2009/10. The increase in the 2012/13 Adjusted Appropriation relates to funds in respect of this grant transferred to the PRF in 2011/12, but only allocated in 2012/13 to be utilised for the creation of EPWP job opportunities. The increase in 2013/14 is mainly due to inflationary increments. This grant is allocated on an annual basis, hence no funds are allocated in the two outer years of the 2013/14 MTEF, as this stage.
- Provincial Roads Maintenance grant: The grant allocation, which has increased significantly over the seven years, is in respect of maintenance and construction of road infrastructure in KZN. The allocations are reflected against *Buildings and other fixed structures* from 2009/10 to 2011/12. The grant funding was reclassified from 2012/13 onward under *Goods and services*, as the department will be undertaking road maintenance work with this grant, as opposed to construction. The grant funding increases over the 2013/14 MTEF, particularly in 2015/16. It should be noted that portion of the Provincial Roads Maintenance grant amounting to R45.573 million in 2013/14 and R45.464 million in 2014/15 is earmarked for repairs relating to flood damage to roads in the province.
- 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 salaries 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 Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
New and replacement assets	483 226	412 100	392 051	355 289	363 289	363 289	432 573	356 343	368 517
Existing infrastructure assets	2 827 245	3 651 194	4 371 601	4 817 629	5 112 629	5 112 629	5 385 255	6 136 175	6 702 171
Upgrades and additions	1 416 145	1 121 335	1 390 547	1 147 422	1 442 422	1 442 422	1 326 432	1 704 282	1 693 054
Rehabilitation, renovations and refurbishments	94 630	524 907	592 325	606 039	606 039	606 039	666 645	733 308	759 809
Maintenance and repairs	1 316 470	2 004 952	2 388 729	3 064 168	3 064 168	3 064 168	3 392 178	3 698 585	4 249 308
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Current									
Capital									
<i>Capital infrastructure</i>	<i>1 994 001</i>	<i>2 058 342</i>	<i>2 374 923</i>	<i>2 108 750</i>	<i>2 411 750</i>	<i>2 411 750</i>	<i>2 425 650</i>	<i>2 793 933</i>	<i>2 821 380</i>
<i>Current infrastructure</i>	<i>1 316 470</i>	<i>2 004 952</i>	<i>2 388 729</i>	<i>3 064 168</i>	<i>3 064 168</i>	<i>3 064 168</i>	<i>3 392 178</i>	<i>3 698 585</i>	<i>4 249 308</i>
Total	3 310 471	4 063 294	4 763 652	5 172 918	5 475 918	5 475 918	5 817 828	6 492 518	7 070 688

The infrastructure expenditure and budget increase substantially over the seven-year period under review. This is due to the increase in construction and maintenance activities in respect of infrastructure investment in the province.

New and replacement assets fluctuates over the period and includes the construction of roads and upgrading of access roads (to clinics and schools) and pedestrian bridges. The decrease in 2010/11 and 2011/12 was 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. The slight increase in the 2012/13 Adjusted Appropriation is in respect of the construction of one pedestrian bridge in Msinga. The decrease in 2014/15 and 2015/16 in comparison to 2013/14 relates to reprioritisation to *Upgrades and additions* and *Rehabilitation, renovations and refurbishments* for road rehabilitation.

The high 2009/10 amount against *Upgrades and additions* relates to expenditure incurred as a result of increased construction costs, as well as flood damage to roads in the South Coast area in 2009/10. The increase in 2011/12 relates to over-expenditure in that year as a result of the reconstruction of roads damaged by floods in the Ladysmith area. As previously explained, the increase in the 2012/13 Adjusted Appropriation is due to reprioritisation to provide for the commencement of construction projects that were put on hold in 2011/12, increased construction costs and the early commencement of construction projects due to good weather conditions. In addition, funds were allocated in respect of the rehabilitation and upgrade of various roads in 2012/13 only. The increase over the MTEF in comparison to the 2012/13 Main Appropriation is mainly due to reprioritisation, as well as inflationary increases.

The low 2009/10 spending against *Rehabilitation, renovations and refurbishments* relates to funds reprioritised to *Upgrades and additions* to offset spending pressures caused by increased construction costs, as well as flood damage to roads in the South Coast area. The 2010/11 expenditure was in respect of the rehabilitation of roads undertaken in the Ladysmith area due to flood damage. The increase in 2011/12 was to fund the higher than anticipated rehabilitation of roads undertaken in line with a detailed technical analysis of KZN's road conditions. This is carried through in 2012/13 and over the MTEF.

Maintenance and repairs caters for routine, preventative, mechanical and other maintenance. The growth against this category relates to the maintenance of the existing road network. This category reflects steady growth over the period under review, especially from 2010/11 due to repairs to roads and infrastructure damage caused by flood, as well as maintenance work undertaken on the provincial road network. The increase over the 2013/14 MTEF includes additional funding in respect of the Provincial Roads Maintenance grant (which is particularly high in 2015/16), the EPWP Integrated Grant for Provinces (in 2013/14 only), as well as inflationary increments. Also, a portion of the Provincial Roads Maintenance grant is earmarked for repairs relating to flood damage to roads, as previously explained.

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	Adjusted	Revised	Medium-term Estimates		
		2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
						2012/13				
Bus operators	3.2: Public Transport Services	593 250	715 294	773 473	808 279	808 279	873 020	852 325	895 350	936 536
Service providers (learner transport)	3.2: Public Transport Services	-	-	-	92 081	-	-	-	-	-
Total		593 250	715 294	773 473	900 360	808 279	873 020	852 325	895 350	936 536

The amounts against *Bus operators* relate to the PTOG for the payment of bus subsidies to operators. The high 2012/13 Revised Estimate relates to the projected over-expenditure against this grant due to the higher than anticipated claims on public transport subsidies as a result of increases in fuel prices and, hence, increased transportation costs, as previously mentioned. The increase over the 2013/14 MTEF in comparison to the 2012/13 Adjusted Appropriation mainly relates to inflation.

With regard to *Service providers (learner transport)*, the department was tasked with taking over part of the learner transport function in previous years, and this was only finalised in 2011/12. The function entails the planning of routes and procurement of the required service providers to transport learners to various schools. During the preparation of the 2012/13 *EPRE*, the allocation for 2012/13 was also allocated against *Transfer and subsidies*. However, it was discovered in early 2012/13 that this was incorrect, and the allocation was accordingly moved to *Goods and services* against the item *Transport provided: Departmental activity* in the 2012/13 Adjustments Estimate. The 2011/12 expenditure, as well as the 2013/14 MTEF allocations have been restated for comparative purposes.

5.10 Transfers to local government - Nil

The department makes no transfer payments to local government. Although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence the table reflecting transfers to local government is excluded.

5.11 Transfers and subsidies

Table 12.13 is a summary of spending on *Transfers and subsidies* by programme and main category.

The category *Transfers and subsidies* reflect steady trend over the period under review.

Households under Programmes 1, 2 and 4 caters for staff exits costs.

Provinces and municipalities against all programmes relates to the payment of motor vehicle licences. It should be noted that the amounts in 2012/13 for Programmes 3, 4 and 5 are not included, as the department inadvertently excluded them during the 2012/13 Adjustments Estimate. This has been corrected over the 2013/14 MTEF.

Under Programme 3, *Public corporations and private enterprises* is made up as follows:

- The amounts against *Bus operators* relates to the PTOG for the payment of bus subsidies to operators.
- The amount against *Service providers (learner transport)* relates to learner transport functions undertaken by the department. As previously explained, the allocations were incorrectly allocated against *Transfers and subsidies* rather than *Goods and services* during the preparation of the 2012/13 *EPRE* and this is now corrected.

Table 12.13: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	4 523	5 526	2 354	8 628	7 988	7 988	8 166	8 281	8 776
Provinces and municipalities	6	7	8	650	10	10	30	30	30
Motor vehicle licences	6	7	8	650	10	10	30	30	30
Households	4 517	5 519	2 346	7 978	7 978	7 978	8 136	8 251	8 746
Other transfers to households	3 056	3 968	732	5 943	5 943	5 943	6 513	6 539	6 931
Social benefits	1 461	1 551	1 614	2 035	2 035	2 035	1 623	1 712	1 815
2. Transport Infrastructure	6 057	3 824	8 545	1 131	1 971	1 971	2 658	3 695	3 839
Provinces and municipalities	284	320	407	-	840	840	1 300	1 300	1 300
Motor vehicle licences	284	320	407	-	840	840	1 300	1 300	1 300
Households	5 773	3 504	8 138	1 131	1 131	1 131	1 358	2 395	2 539
Other transfers to households	3 528	924	4 279	1 131	1 131	1 131	125	1 095	1 161
Social benefits	2 245	2 580	3 859	-	-	-	1 233	1 300	1 378
3. Transport Operations	593 259	715 304	773 484	900 360	808 279	873 020	852 340	895 365	936 551
Provinces and municipalities	9	10	11	-	-	-	15	15	15
Motor vehicle licences	9	10	11	-	-	-	15	15	15
Public corporations and private enterprises	593 250	715 294	773 473	900 360	808 279	873 020	852 325	895 350	936 536
Bus operators	593 250	715 294	773 473	808 279	808 279	873 020	852 325	895 350	936 536
Service providers (learner transport)	-	-	-	92 081	-	-	-	-	-
4. Transport Regulation	1 138	1 928	807	50	50	50	921	958	1 001
Provinces and municipalities	201	213	226	-	-	-	250	250	250
Motor vehicle licences	201	213	226	-	-	-	250	250	250
Households	937	1 715	581	50	50	50	671	708	751
Other transfers to households	-	6	11	-	-	-	13	14	15
Social benefits	937	1 709	570	50	50	50	658	694	736
5. Community Based Programme	-	-	-	-	-	-	5	5	5
Provinces and municipalities	-	-	-	-	-	-	5	5	5
Motor vehicle licences	-	-	-	-	-	-	5	5	5
Total	604 977	726 582	785 190	910 169	818 288	883 029	864 090	908 304	950 172

6. Programme description

The services rendered by the department are categorised under five programmes, which largely 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. The department amended its budget and programme structure in 2011/12 to comply with the revised structure for the sector, and restated its expenditure as far as possible for comparative purposes. In some instances, this was not possible, accounting for the fluctuations across sub-programmes in the prior years.

Tables 12.14 and 12.15 below summarise payments and budgeted estimates relating to Programme 1 for the financial years 2009/10 to 2015/16.

Table 12.14: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Office of the MEC	9 998	10 996	11 172	14 586	14 586	14 586	12 410	12 530	12 660
Management	261 315	202 717	8 274	37 396	12 396	12 396	9 703	10 150	10 600
Corporate Support	144 760	130 650	171 094	187 026	201 386	201 386	216 459	218 489	217 539
Departmental Strategy	11 328	18 218	13 943	22 969	14 969	14 969	21 969	20 660	20 870
Total	427 401	362 581	204 483	261 977	243 337	243 337	260 532	261 829	261 669
Unauth. exp. (1 st charge) not available for spending	(185 492)	(185 666)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	241 909	176 915	204 483	261 977	243 337	243 337	260 532	261 829	261 669

Table 12.15: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	228 322	166 550	195 521	248 194	230 176	230 176	247 211	248 393	247 428
Compensation of employees	79 047	83 091	88 034	125 657	92 657	92 657	131 957	134 608	140 406
Goods and services	149 275	83 459	107 487	122 537	137 519	137 519	115 254	113 785	107 022
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	4 523	5 526	2 354	8 628	7 988	7 988	8 166	8 281	8 776
Provinces and municipalities	6	7	8	650	10	10	30	30	30
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 517	5 519	2 346	7 978	7 978	7 978	8 136	8 251	8 746
Payments for capital assets	9 023	4 837	6 485	5 155	5 155	5 155	5 155	5 155	5 465
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 561	788	3 742	5 155	5 155	5 155	5 155	5 155	5 465
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	4 462	4 049	2 743	-	-	-	-	-	-
Payments for financial assets	185 533	185 668	123	-	18	18	-	-	-
Total	427 401	362 581	204 483	261 977	243 337	243 337	260 532	261 829	261 669
Unauth. exp. (1 st charge) not available for spending	(185 492)	(185 666)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	241 909	176 915	204 483	261 977	243 337	243 337	260 532	261 829	261 669

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 12.14 and 12.15 above.

Programme 1 shows a fluctuating trend over the period under review. The slight reduction over the 2013/14 MTEF relates to reprioritisation to Programme 2, as previously explained.

The sub-programme: Office of the MEC shows a fairly steady increase over the period under review. The decrease over the MTEF can be ascribed to reprioritisation undertaken to the sub-programme: Corporate Support for filling of vacant posts, in line with the moratorium on the filling of non-critical posts.

The high amounts against the sub-programme: Management in 2009/10 and 2010/11 relate to the first charge, hence the decrease in 2011/12. The high amount in the 2012/13 Main Appropriation relates to the anticipation that posts will be filled. However, this did not transpire and funds were reprioritised to Programme 2 to cater for higher than anticipated capital expenditure, as previously explained. The reduction over the 2013/14 MTEF is due to further reprioritisation to Programme 2, as explained above.

The Corporate Support sub-programme decreased in 2010/11 due to cost-cutting, as well as non-filling of posts. The increase in 2011/12 and over the MTEF relates to the annual salary adjustments and the filling of vacant posts. The increase in the 2012/13 Adjusted Appropriation is mainly with regard to higher than anticipated costs of maintenance such as painting, installation of new elevators and air conditioners, etc., of the department's head office. The increase over the MTEF is to cater for the filling of vacant posts, in line with the moratorium on the filling of non-critical posts, as well as inflationary increments.

The sub-programme: Departmental Strategy increased in 2010/11 mainly due to the annual salary increments, as well as the filling of vacant posts. The decrease in 2011/12 mainly relates to non-filling of posts in line with the moratorium on the filling of non-critical posts.

Compensation of employees reflects a fairly steady increase over the seven-year period. The decrease in the 2012/13 Adjusted Appropriation relates to the slower than anticipated pace of filling vacant posts. Funds were reprioritised to Programme 2 in respect of higher than anticipated capital expenditure. The increase over the MTEF is to cater for annual salary adjustments and the filling of posts, which will take into account the moratorium on the filling of non-critical posts.

The low spending against *Goods and services* in 2010/11 was due to cost-cutting. The increase in the 2012/13 Adjusted Appropriation is to cover the higher than anticipated costs of maintenance of the head office building. The slight reduction over the MTEF is due to reprioritisation to *Transfers and subsidies to: Households* to provide for staff exit costs, among others.

The amounts against *Transfers and subsidies to: Provinces and municipalities* are for motor vehicle licences. The decrease in the 2012/13 Revised Estimate and over the MTEF can be ascribed to funds shifted from this category to the same category in Programme 2 under the sub-programme: Maintenance for the payment of motor vehicle licences, as the bulk of the department's vehicles are under Programme 2. A portion of the budget, however, remains under Programme 1 for the payment of motor vehicle licences in respect of vehicles remaining in Programme 1. The previous years' figures have been adjusted for comparative purposes.

Transfers and subsidies to: Households caters for staff exits and claims against the state.

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 for the appointment of new staff. The decrease in 2010/11 was due to cost-cutting. This allocation largely remains constant from 2012/13 onward, with a slight increase in 2015/16, as the department is not anticipating any major purchases, and this will be reviewed in future MTEFs.

The amounts against *Software and other intangible assets* from 2009/10 to 2011/12 relate to a once-off upgrade of computer software licences.

Payments for financial assets relates 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. The department amended its budget and programme structure in 2011/12 to comply with the revised uniform budget and programme structure for the sector, and restated its expenditure as far as possible for comparative purposes. In some instances, this was not possible, accounting for the fluctuations across sub-programmes in the prior years.

Tables 12.16 and 12.17 below summarise the payments and budgeted estimates relating to Programme 2 for the financial years 2009/10 to 2015/16. There has been a significant increase in the level of funding allocated to this programme over the seven-year period under review.

Table 12.16: Summary of payments and estimates - Programme 2: Transport Infrastructure

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Programme Support Infrastructure	168 358	159 583	131 286	175 708	175 708	175 708	128 050	133 140	139 620
Infrastructure Planning	35 444	10 886	36 328	34 707	34 707	34 707	21 210	22 480	23 830
Infrastructure Design	15 000	18 560	17 045	15 420	15 420	15 420	14 310	15 170	16 080
Construction	1 994 001	2 058 342	2 374 923	2 108 750	2 411 750	2 411 750	2 425 650	2 793 933	2 821 380
Maintenance	1 316 470	2 004 952	2 388 729	3 064 168	3 084 729	3 084 729	3 392 178	3 698 585	4 249 308
Total	3 529 273	4 252 323	4 948 311	5 398 753	5 722 314	5 722 314	5 981 398	6 663 308	7 250 218

Table 12.17: 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	1 518 505	2 165 007	2 539 227	3 251 974	3 241 660	3 241 660	3 486 192	3 793 782	4 350 887
Compensation of employees	494 606	549 509	601 843	715 429	685 429	685 429	757 436	829 192	897 342
Goods and services	1 023 899	1 615 498	1 937 384	2 536 545	2 556 231	2 556 231	2 728 756	2 964 590	3 453 545
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	6 057	3 824	8 545	1 131	1 971	1 971	2 658	3 695	3 839
Provinces and municipalities	284	320	407	-	840	840	1 300	1 300	1 300
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 773	3 504	8 138	1 131	1 131	1 131	1 358	2 395	2 539
Payments for capital assets	2 004 703	2 083 469	2 400 501	2 145 648	2 478 648	2 478 648	2 492 548	2 865 831	2 895 492
Buildings and other fixed structures	1 994 001	2 058 342	2 374 923	2 108 750	2 411 750	2 411 750	2 425 650	2 793 933	2 821 380
Machinery and equipment	10 702	25 127	25 578	36 898	66 898	66 898	66 898	71 898	74 112
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	8	23	38	-	35	35	-	-	-
Total	3 529 273	4 252 323	4 948 311	5 398 753	5 722 314	5 722 314	5 981 398	6 663 308	7 250 218

The amounts against the sub-programme: Programme Support Infrastructure can be attributed to the provision of administrative functions, such as planning and design of construction projects for all regions. The slight decrease in 2010/11 was due to funds moved to the Infrastructure Design sub-programme to cater for the higher than anticipated 2010 wage agreement. The decrease in 2011/12 was due to lower than anticipated costs for administrative functions for all regions in respect of roads and other construction costs, as well as non-filling of vacant posts. The substantial increase in 2012/13 relates to annual salary adjustments and filling of vacant posts, as well as provision made for designs of construction projects due to the increase in construction projects in the province. The decrease over the MTEF is mainly due to the reprioritisation to the sub-programme: Maintenance as a result of greater emphasis on the maintenance of the provincial road network.

The high spending against the Infrastructure Planning sub-programme in 2009/10 was due to planning undertaken for the construction of the taxi ranks and bus stations in the build-up for the 2010 Soccer World Cup, hence the drop in 2010/11. The increase in 2011/12 and 2012/13 relates to provision in respect of the integrated modal transport facilities such as the Integrated Public Transport Network (IPTNs). Again, the decrease over the MTEF is in respect of funds reprioritised to the sub-programme: Maintenance due the emphasis placed on the maintenance of the provincial road network.

The increase in 2010/11 against the sub-programme: Infrastructure Design relates to the design projects undertaken in respect of the 2010 Soccer World Cup, hence the decrease from 2011/12 onward. The decrease in 2013/14 is due to funds reprioritised to the sub-programme: Maintenance, as explained above.

The Construction sub-programme reflects a fairly steady increase over the period under review. This sub-programme caters mainly for the construction and upgrade of roads. The increase in the 2012/13 Adjusted Appropriation relates to funds reprioritised from Programmes 1, 3, 4 and 5. As previously explained, this is to provide for the higher than anticipated capital expenditure, which resulted from the commencement of construction projects that were put on hold in 2011/12, as well as increased construction costs. In addition, funds were allocated in respect of rehabilitation and upgrade of various roads in 2012/13, including the upgrade of 44.5 kilometres of gravel roads to blacktop roads and the construction of one pedestrian bridge. The growth over the MTEF is due to inflationary increments. This also explains the trend against *Buildings and other fixed structures*.

The increase in 2010/11 against the sub-programme: Maintenance relates to expenditure in respect of the repair to roads and infrastructure damage caused by floods in 2009/10 in the South Coast area, the higher than anticipated 2010 wage agreement, as well as the increase in the salaries of the *Zibambele* contractors. The increase in 2011/12 relates mainly to the maintenance of the provincial road network. The increase in the 2012/13 Adjusted Appropriation mainly includes funds relating to the EPWP Integrated Grant for

Provinces for the creation of EPWP job opportunities. The increase over the MTEF includes additional funding for the Provincial Roads Maintenance grant, as well as the EPWP Integrated Grant for Provinces (in 2013/14 only). It should be noted that portion of the Provincial Roads Maintenance grant amounting to R45.573 million in 2013/14 and R45.464 million in 2014/15 is earmarked for repairs relating to flood damage to roads in the province. This also explains the trend against *Goods and services*.

The 2012/13 Adjusted Appropriation against *Transfers and subsidies to: Provinces and municipalities* relates to funds shifted from Programme 1 to Programme 2 within the same category in respect of motor vehicle licences, as previously explained. The previous years' figures have been adjusted for comparative purposes. The allocations over the MTEF are to cater for the purchase of new vehicles and plant.

Machinery and equipment reflects a substantial increase from 2010/11 onward mainly due to provision for computers and office equipment for new appointments. The substantial increase in the 2012/13 Adjusted Appropriation is in respect of the replacement of motor vehicles, as well as aged plant such as graders and tractors. This is carried through the MTEF.

The amounts against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 2: Transport Infrastructure

Table 12.18 illustrates some of the main service delivery measures pertaining to Programme 2. The performance indicators provided comply fully with the customised measures for the Transport sector. The decrease over the MTEF is mainly due to the above-mentioned baseline cuts. The performance indicator “new” in the 2012/13 Estimated performance illustrates that the indicator did not exist in 2012/13, and that it is a new indicator from 2013/14 onward.

Table 12.18: Service delivery measures – Programme 2: Transport Infrastructure

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
2. Transport Infrastructure						
2.1 Construction	• No. of lane-km of new surfaced roads constructed	9	20	1	n/a	
	• No. of kilometres of new gravel roads constructed	275	270	255	240	
	• No. of lane-km of surfaced road upgraded	n/a	n/a	7	7	
	• No. of kilometres of gravel roads upgraded to surfaced roads	87	82	78	74	
	• No. of square metres of non-motorised transport facility constructed	new	25 000	30 000	25 000	
	• No. of bridges constructed	6	7	7	7	
	• No. of pedestrian bridges constructed	10	13	13	13	
	• No. of design of integrated public transport networks	n/a	2	3	n/a	
	• No. of public transport infrastructure projects implemented	n/a	2	1	1	
2.2 Maintenance	• No. of lane-km of surfaced roads rehabilitated	410	440	480	530	
	• No. of square metres of surfaced roads resealed	2 220 673	1 940 000	2 100 000	2 400 000	
	• No. of kilometres of roads re-gravelled	1 985	2 200	2 400	2 400	
	• No. of square metres of blacktop patching (including pothole repairs)	335 970	220 000	240 000	240 000	
	• No. of kilometres of gravel roads bladed	89 285	115 000	120 000	120 000	
	• No. of kilometres of surfaced roads assessed (VCIs completed as per TMH 12) - annual	553	3 590	3 670	3 750	
	• No. of kilometres of gravel roads assessed (VCIs completed as per TMH 9) - annual	14 558	7 920	8 190	8 445	
	• No. of weighbridges calibrated to SABS standard - annual	15	15	15	15	
	• No. of kilometres of road infrastructure assessed through road safety audits	new	1 730	1 875	2 050	
	• No. of kilometres maintained using <i>Zimbabwe</i> contractors	25 507	26 650	26 650	26 650	
	• % of provincial road network in poor to very poor condition	50%	46%	43%	40%	

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 largely in line with the sector specific budget format, namely: Programme Support Operations, Public Transport Services and Transport Safety and Compliance. The department amended its budget and programme structure in 2011/12 to comply with the revised uniform budget and programme structure for the sector, and restated its expenditure as far as possible for comparative purposes. In some instances, this was not possible, accounting for the fluctuations across sub-programmes in the prior years.

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 12.19 and 12.20 summarise payments and estimates relating to Programme 3 for the period 2009/10 to 2015/16. Programme 3 reflects a fairly stable increase over the seven-year period, with the exception of 2013/14.

Table 12.19: Summary of payments and estimates - Programme 3: Transport Operations

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Programme Support Operations	12 238	6 581	20 410	26 770	26 770	26 770	12 870	12 990	13 110
Public Transport Services	593 307	750 223	800 499	926 913	911 913	976 654	990 505	1 048 890	1 150 702
Transport Safety and Compliance	47 768	13 731	66 272	69 179	59 179	59 179	75 360	75 810	76 260
Total	653 313	770 535	887 181	1 022 862	997 862	1 062 603	1 078 735	1 137 690	1 240 072

Table 12.20: Summary of payments and estimates by economic classification - Programme 3: Transport Operations

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	59 352	54 521	113 658	122 226	189 307	189 307	226 119	242 049	303 228
Compensation of employees	22 573	23 342	24 835	41 778	31 778	31 778	37 732	42 445	44 991
Goods and services	36 779	31 179	88 823	80 448	157 529	157 529	188 387	199 604	258 237
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	593 259	715 304	773 484	900 360	808 279	873 020	852 340	895 365	936 551
Provinces and municipalities	9	10	11	-	-	-	15	15	15
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	593 250	715 294	773 473	900 360	808 279	873 020	852 325	895 350	936 536
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	694	710	39	276	276	276	276	276	293
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	694	710	39	276	276	276	276	276	293
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	8	-	-	-	-	-	-	-	-
Total	653 313	770 535	887 181	1 022 862	997 862	1 062 603	1 078 735	1 137 690	1 240 072

The decrease in 2010/11 against the sub-programme: Programme Support Operations and against *Goods and services* was due to cost-cutting. The increase in 2011/12 was to provide for the filling of vacant posts, as well as the annual wage agreement. The decrease in the 2013/14 MTEF can be ascribed to reprioritised funds to Programme 2 to cater for the increasing need of maintenance of the provincial road network.

The sub-programme: Public Transport Services mainly caters for the PTOG received from NDOT for the payment of bus subsidies to bus operators. This sub-programme reflects a substantial increase from 2010/11 due to the growth of the grant. The decrease in the 2012/13 Adjusted Appropriation relates to

non-filling of posts. The funds were reprioritised to Programme 2 to cater for the higher than anticipated capital expenditure. The high 2012/13 Revised Estimate amount relates to the projected over-expenditure with regard to the grant as a result of the higher than anticipated claims on public transport subsidies due to increases in fuel prices and, hence, increased transportation costs. The increase over the 2013/14 MTEF is due to the additional funding in respect of learner transport services, inflationary increases. This also explains the trend against *Transfers and subsidies to: Public corporations and private enterprises*.

The sub-programme: Transport Safety and Compliance decreased substantially in 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. The reduction in the 2012/13 Adjusted Appropriation relates to slower than anticipated filling of funded vacant posts, as well as cost-cutting. The funds were reprioritised to Programme 2, as previously explained.

Compensation of employees increased from 2010/11 onward due to filling of vacant posts and annual salary adjustments. The decrease in the 2012/13 Adjusted Appropriation relates to slower than anticipated filling of posts, as well as cost-cutting. The funds were reprioritised to Programme 2, as previously explained. The increase over the 2013/14 MTEF in comparison to the 2012/13 Adjusted Appropriation relates mainly to the filling of posts in line with the moratorium of the filling of non-critical vacant posts, as well as inflationary increments.

The decrease in *Goods and services* in 2010/11 was due to cost-cutting. The high amount in 2011/12 relates to learner transport. The high 2012/13 Adjusted Appropriation amount is due to funds relating to learner transport shifted from *Transfers and subsidies to: Public corporations and private enterprises* to this category as it was incorrectly placed against transfers during the preparation of the 2012/13 budget, as previously explained. The growth in *Goods and services* over the MTEF relates to allocations in respect of learner transport. The high amount in 2015/16 relates to the public transport facilities in support of the Taxi Recapitalisation Programme that will be undertaken.

The amounts against *Transfers and subsidies to: Provinces and municipalities* are in respect of motor vehicle licences.

Transfers and subsidies to: Households caters for staff exits and claims against the state.

The substantial increase against *Machinery and equipment* in 2011/12 was in respect of provision for new appointments, as well as the purchase of computer equipment, vehicles, etc., that are damaged or obsolete. The allocations over the 2013/14 MTEF are in this regard.

The amount against *Payments for financial assets* relates to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 3: Transport Operations

Table 12.21 below illustrates some of the main service delivery measures applicable to Programme 3. The performance indicators provided comply fully with the customised measures for the Transport sector.

Table 12.21: Service delivery measures – Programme 3: Transport Operations

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16
3. Transport Operations					
3.1 Public Transport Services	<ul style="list-style-type: none"> No. of vehicles subsidised No. of routes subsidised No. of vehicle kilometres subsidised No. of kilometres operated per vehicle No. of passengers per vehicle No. of passengers per trip operated No. of staff per vehicle No. of subsidised passengers 	1 306 1 704 42 749 310 32 733 4 380 52 2.2 1 596 383	1 332 1 704 43 176 803 32 415 4 338 52 2.2 1 612 347	1 359 1 704 43 608 571 32 089 4 294 53 2.2 1 628 470	1 386 1 704 44 044 657 31 778 4 252 53 2.2 1 644 755

Table 12.21: Service delivery measures – Programme 3: Transport Operations

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2012/13	2013/14	2014/15	2015/16
3.2 Transport Safety and Compliance	• No. of unsubsidised passengers	209 571	211 667	213 784	215 921
	• No. of trips subsidised	1 327 969	1 327 969	1 327 969	1 327 969
	• No. of trips monitored	855 399	855 399	855 399	855 399
	• Subsidy per passenger	R13.49	R14.84	R16.32	R17.95
	• No. of passenger trips subsidies	68 644 476	69 330 921	70 024 230	70 724 472
	• No. of schools receiving learner transport services	203	203	203	203
	• No. of learners transported	25 729	25 725	25 725	25 725
	• No. of road safety awareness interventions conducted	5	5	5	5
	• No. of schools involved in road safety education prog.	989	950	950	950
	• Undertake goal directed enforcement of public transport (Operation <i>Shanela</i>) – No. of compulsory road blocks for public transport	709	500	500	500
	• No. of school children trained on road safety	358 136	480 000	480 000	480 000
	• No. of adults trained on road safety	62 444	43 000	43 000	46 400
	• No. of crossing patrols provided	101	105	105	105

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 2013/14 MTEF, in line with the sector specific budget format, namely: Programme Support Regulation, Transport Administration and Licensing, Operator Licence and Permits and Law Enforcement.

Tables 12.22 and 12.23 below summarise payments and estimates relating to Programme 4 for the period 2009/10 to 2015/16.

Table 12.22: Summary of payments and estimates - Programme 4: Transport Regulation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Programme Support Regulation	3 160	6 543	272	13 000	3 000	3 000	5 000	5 000	5 000
Transport Administration and Licensing	102 730	104 061	119 263	130 303	110 303	110 303	110 270	113 440	116 770
Operator Licence and Permits	17 309	42 319	27 362	36 810	36 810	36 810	23 750	25 170	26 680
Law Enforcement	356 501	364 775	412 248	490 683	470 683	470 683	561 640	596 130	612 320
Total	479 700	517 698	559 145	670 796	620 796	620 796	700 660	739 740	760 770

Table 12.23: 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	469 243	497 777	519 395	648 770	598 770	598 770	671 008	706 270	711 453
Compensation of employees	298 410	357 173	375 061	433 266	433 266	433 266	524 000	555 620	553 258
Goods and services	170 833	140 604	144 334	215 504	165 504	165 504	147 008	150 650	158 195
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 138	1 928	807	50	50	50	921	958	1 001
Provinces and municipalities	201	213	226	-	-	-	250	250	250
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	937	1 715	581	50	50	50	671	708	751
Payments for capital assets	9 291	17 966	38 888	21 976	21 976	21 976	28 731	32 512	48 316
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	9 291	17 966	38 888	21 976	21 976	21 976	28 731	32 512	48 316
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	28	27	55	-	-	-	-	-	-
Total	479 700	517 698	559 145	670 796	620 796	620 796	700 660	739 740	760 770

The department amended its budget and programme structure in 2011/12 to comply with the revised uniform budget and programme structure for the sector, and restated its expenditure as far as possible for comparative purposes. In some instances, this was not possible, accounting for the fluctuations across sub-programmes in the prior years.

The vast decrease in 2011/12 against the Programme Support Regulation sub-programme can be ascribed to funds moved to the sub-programme: Law Enforcement due to non-filling of vacant posts in order to cater for the higher than anticipated 2011 wage agreement. According to the department, the posts became vacant and were unable to be filled due to the internal moratorium on the filling of vacant posts as a result of the review of the department's organisational structure. The increase in the 2012/13 Main Appropriation is in line with the expansion of the component. The decrease in the Adjusted Appropriation is mainly due to reprioritisation to Programme 2 in respect of higher than anticipated capital expenditure. The department has undertaken reprioritisation against this sub-programme over the MTEF to the Law Enforcement sub-programme to cater for the department's investment in the computerised licence testing system 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 decrease in the 2012/13 Adjusted Appropriation relates to the unanticipated delays in the replacement of a damaged roof of the Motor Transport Services building, as the building is a landmark building of historical significance, which cannot be altered without the approval of Amafa. Again, the funds were reprioritised to Programme 2 in respect of the higher than anticipated capital expenditure. The decrease over the 2013/14 MTEF is due to reprioritisation to the Law Enforcement sub-programme, as mentioned above.

The increase in 2010/11 against the sub-programme: Operator Licence and Permits can be mainly ascribed to the purchase of vehicles, hence the decrease in 2011/12. The amount in 2012/13 is to cater for the filling of vacant posts. The decrease over the MTEF relates to reprioritisation to the sub-programme: Law Enforcement, as explained above.

The sub-programme: Law Enforcement shows a fairly steady increase over the period. The increase can be attributed to the employment of additional traffic officers to enhance law enforcement on roads, the higher than anticipated wage agreements and the extended road safety awareness campaigns conducted over festive seasons. The decrease in the 2012/13 Adjusted Appropriation relates to the unanticipated delays in the renovations to the Orthopaedic building (acquired to house the Motor Transport Services unit), which is a landmark building of historical significance, and so cannot be altered without the approval of Amafa. As explained, the increase over the MTEF is in respect of reprioritisation from other sub-programmes relating to the department's investment in the computerised licence testing system and an increase in law enforcement and road safety campaigns.

The high 2009/10 amount against *Goods and services* can be attributed to the extended road safety campaigns. The decrease in the 2012/13 Adjusted Appropriation is due to funds reprioritised to Programme 2, as a result of the unanticipated delays in the replacement of a damaged roof of the Motor Transport Services building and the renovations to the Orthopaedic building, cost-cutting and savings associated with the non-filling of funded vacant posts, as explained above. The decrease over the MTEF relates to reprioritisation to *Machinery and equipment* in respect of provision for the appointment of new staff, as well as computer equipment, vehicles, etc., that are damaged or obsolete.

The amounts against *Transfers and subsidies to: Provinces and municipalities* are in respect of motor vehicle licences.

The low amount against *Machinery and equipment* in 2009/10 can be attributed to cost-cutting. The increase in 2010/11 was in respect of the appointment of new staff, as well as computer equipment, vehicles, etc., that were damaged or obsolete, hence the decrease in 2012/13. The increase over the 2013/14 MTEF relates to reprioritisation undertaken to cater for computer equipment, vehicles, etc., that are damaged or obsolete.

The amounts against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 4: Transport Regulation

Table 12.24 illustrates the main service delivery measures relating to Programme 4. The performance indicators provided comply fully with the customised performance indicators for the Transport sector. However, the following performance indicators *Number of road safety awareness interventions conducted* and *Number of schools involved in road safety education programmes* are now reflected under Programme 3, as they are more suitably placed there.

The performance indicator “new” in the 2012/13 Estimated performance illustrates that the indicator did not exist in 2012/13, and that it is a new indicator from 2013/14 onward.

Table 12.24: Service delivery measures – Programme 4: Transport Regulation

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
4. Transport Regulation						
4.1 Transport Administration and Licensing	• No. of licence compliance inspections conducted	301 844	288 000	291 000	294 000	
4.2 Operator Licence and Permits	• No. of operator permits converted to licences	323	400	400	400	
	• No. of abnormal load permits issued	22 677	18 700	19 600	20 500	
4.3 Traffic Law Enforcement	• No. of speed operations conducted	new	18 250	18 250	18 250	
	• No. of K78 roadblocks held	new	1 100	1 100	1 100	
	• No. of hours weighbridges operated	17 571	20 000	20 000	20 000	
	• No. of road side vehicles check point operations	74 421	36 000	36 000	36 000	
	• No. of kilometres patrolled	6 998 624	6 090 000	6 090 000	6 090 000	
	• No. of law enforcement officers trained: Diploma courses	11	90	50	50	
	• No. of law enforcement officers employed	840	939	989	1 039	
	• Hours of manual speed timing activities	78 122	40 000	40 000	40 000	
	• No. of vehicles exceeding the speed limit	407 343	267 000	267 000	267 000	
	• No. of vehicles checked in roadblocks	1 763 432	2 040 000	2 040 000	2 040 000	
	• No. of heavy vehicles screened	3 720 719	3 100 000	3 200 000	3 300 000	
	• No. of heavy vehicles weighed	191 476	155 000	155 000	155 000	
	• No. of vehicles which are overloaded	31 589	24 600	24 600	24 600	
	• No. of vehicles detained	6 860	7 050	7 050	7 050	

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 B-BBEE.
- 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 12.25 and 12.26 below summarise this programme’s payments and estimates relating to Programme 5 for the financial years 2009/10 to 2015/16.

Table 12.25: Summary of payments and estimates - Programme 5: Community Based Programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Programme Support Community Based	11 293	4 215	7 784	7 009	7 009	7 009	7 620	7 990	8 400
Community Development	26 352	16 854	12 102	18 628	18 628	18 628	14 200	15 650	15 690
Innovation and Empowerment	31 613	31 368	16 681	31 947	26 947	26 947	16 640	17 940	17 820
EPWP Co-ordination and Monitoring	6 051	3 349	4 168	6 901	6 901	6 901	6 550	6 860	7 190
Total	75 309	55 786	40 735	64 485	59 485	59 485	45 010	48 440	49 100

Table 12.26: Summary of payments and estimates by economic classification - Programme 5: Community Based Programme

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	75 232	55 672	40 732	64 100	59 100	59 100	44 620	48 050	48 687
Compensation of employees	16 435	10 505	10 631	18 870	18 870	18 870	22 699	24 415	24 759
Goods and services	58 797	45 167	30 101	45 230	40 230	40 230	21 921	23 635	23 928
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	-	-	-	5	5	5
Provinces and municipalities	-	-	-	-	-	-	5	5	5
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	77	114	-	385	385	385	385	385	408
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	77	114	-	385	385	385	385	385	408
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	3	-	-	-	-	-	-
Total	75 309	55 786	40 735	64 485	59 485	59 485	45 010	48 440	49 100

The department amended its budget and programme structure in 2011/12 to comply with the revised uniform budget and programme structure for the sector, and restated its expenditure as far as possible for comparative purposes. In some instances, this was not possible, accounting for the fluctuations across sub-programmes in the prior years.

The sub-programme: Programme Support Community Based reflects the provision for the administrative functions for community-based programmes. The decrease in 2010/11 and 2011/12 was mainly due to cost-cutting. The amounts in 2012/13 and over the MTEF are mainly due to the filling of vacant posts in line with the moratorium on the filling of non-critical posts, as well as inflationary increments.

The sub-programme: Community Development decreased in 2010/11 and 2011/12 due to cost-cutting, as well as training for the CDWs that were not undertaken due to non-finalisation of the training material. The decrease over the MTEF relates mainly to reprioritisation to Programme 2 in respect of the maintenance of the provincial road network.

The decrease in 2011/12 against the sub-programme: Innovation and Empowerment was mainly due to savings from cost-cutting moved to 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 decrease in the 2012/13 Adjusted Appropriation is due to cost-cutting, savings associated with the non-filling of vacant posts, as well as the RRTF workshop and the *Zibambele* consultation sessions that were delayed, as previously explained. The decrease over the MTEF relates to reprioritisation to Programme 2 in respect of the maintenance of the provincial road network.

The decrease in 2010/11 and 2011/12 against the EPWP Co-ordination and Monitoring sub-programme was mainly due to cost-cutting savings reprioritised to Programme 2 to fund the higher than anticipated rehabilitation of roads undertaken. The allocations in 2012/13 and over the MTEF are fairly stable. The slight decrease in 2013/14 and 2014/15 relates to reprioritisation to Programme 2, as mentioned.

Compensation of employees reflects an increasing trend over the period, with the exception of 2010/11 and 2011/12, 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 amount in 2010/11 against *Goods and services* were mainly due to cost-cutting. The decrease in 2011/12 relates to savings identified due to cost-cutting moved to Programme 2 to cater for the higher than anticipated rehabilitation of roads undertaken. The decrease in the 2012/13 Adjusted Appropriation is due to the RRTF workshop and the *Zibambele* consultation sessions that were delayed, as previously explained. The decrease over the MTEF relates to reprioritisation undertaken to Programme 2 in respect of the maintenance of the provincial road network.

The allocations over the 2013/14 MTEF against *Transfers and subsidies to: Provinces and municipalities* are in respect of motor vehicle licences.

Machinery and equipment reflects a fluctuating trend over the period under review. No expenditure was incurred in 2011/12 due to cost-cutting. The allocations in 2012/13 and over the MTEF are in respect of provision made for the appointment of new staff, as well as computer equipment, vehicles, etc., that are damaged or obsolete. These allocations remain constant from 2012/13, but will be reviewed in future MTEFs. The increase in 2015/16 is to cater for the replacement of damaged or obsolete computer equipment, vehicles, etc.

The 2011/12 amount against *Payments for financial assets* relates to write-off of irrecoverable staff debts.

Service delivery measures – Programme 5: Community Based Programme

Table 12.27 below reflects the main service delivery measures relevant to Programme 5. The performance indicators provided comply fully with the customised measures for the Transport sector.

Table 12.27: Service delivery measures – Programme 5: Community Based Programme

Table 12.17: Service delivery measures – Programme of Community Based Programmes						
Outputs		Performance indicators	Estimated	Medium-term targets		
			performance			
			2012/13	2013/14	2014/15	2015/16
5.	Community Based Programme					
5.1	Community Development	<ul style="list-style-type: none">No. of <i>Zimbabwe</i> contractors employedNo. of small contractors created through the <i>Vukuzakhe</i> Emerging Contractor Development Prog.	41 140 1 573	41 000 1 730	41 000 1 810	41 000 1 900
5.2	EPWP Co-ordination and Monitoring	<ul style="list-style-type: none">No. of jobs createdNo. of Full-Time EquivalentsNo. of youths employed (18-35)No. of women employedNo. of people living with disabilities employedNo. of employment days createdNo. of people trained	57 494 18 271 22 781 40 491 21 4 802 417 18 596	58 840 23 651 8 200 38 980 15 5 439 920 10 470	59 640 24 357 9 000 39 560 18 5 602 320 11 430	61 430 25 061 10 200 39 630 19 5 764 090 11 890

7. Other programme information

7.1 Personnel numbers and costs

Personnel numbers per programme for full-time equivalent positions are given in Table 12.28 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, in line with the moratorium on the filling of non-critical posts.

Table 12.28: Personnel numbers and costs per programme

	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	As at 31 March 2016
Personnel numbers							
1. Administration	316	286	310	343	353	360	365
2. Transport Infrastructure	2 258	2 150	2 146	2 390	2 723	2 750	2 800
3. Transport Operations	72	66	83	91	95	95	100
4. Transport Regulation	1 621	1 468	1 576	1 674	1 700	1 710	1 720
5. Community Based Programme	29	25	39	35	35	35	40
Total	4 296	3 995	4 154	4 533	4 906	4 950	5 025
Total personnel cost (R thousand)	911 071	1 023 620	1 100 404	1 262 000	1 473 824	1 586 280	1 660 756
Unit cost (R thousand)	212	256	265	278	300	320	330

Table 12.29 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 2010/11 was mainly due to the high staff turnover in respect of engineers, land surveyors, etc. The department could not fill the vacant posts due to a review of the department's organisational structure. As such, contract workers were used for support functions. The review was completed in February 2012, and critical vacant posts are being filled, and will also review the number of contract workers as posts are being filled.

Table 12.29: Details of departmental personnel numbers and costs

	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
				2012/13					
Total for department									
Personnel numbers (head count)	4 296	3 995	4 154	4 533	4 533	4 533	4 906	4 950	5 025
Personnel cost (R thousand)	911 071	1 023 620	1 100 404	1 335 000	1 262 000	1 262 000	1 473 824	1 586 280	1 660 756
Human resources component									
Personnel numbers (head count)	57	86	67	85	85	85	90	95	100
Personnel cost (R thousand)	18 285	29 165	17 220	26 000	26 000	26 000	28 500	30 500	32 000
Head count as % of total for department	1.33	2.15	1.61	1.88	1.88	1.88	1.83	1.92	1.99
Personnel cost as % of total for department	2.01	2.85	1.56	1.95	2.06	2.06	1.93	1.92	1.93
Finance component									
Personnel numbers (head count)	86	87	85	121	121	121	126	130	135
Personnel cost (R thousand)	19 339	35 850	22 555	36 500	36 500	36 500	40 000	43 000	45 000
Head count as % of total for department	2.00	2.18	2.05	2.67	2.67	2.67	2.57	2.63	2.69
Personnel cost as % of total for department	2.12	3.50	2.05	2.73	2.89	2.89	2.71	2.71	2.71
Full time workers									
Personnel numbers (head count)	3 956	3 655	3 761	4 180	4 180	4 180	4 553	4 597	4 672
Personnel cost (R thousand)	855 962	958 932	1 051 865	1 257 440	1 184 440	1 184 440	1 388 507	1 496 271	1 569 756
Head count as % of total for department	92.09	91.49	90.54	92.21	92.21	92.21	92.80	92.87	92.98
Personnel cost as % of total for department	93.95	93.68	95.59	94.19	93.85	93.85	94.21	94.33	94.52
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)	340	340	393	353	353	353	353	353	353
Personnel cost (R thousand)	55 109	64 688	48 539	77 560	77 560	77 560	85 317	90 009	91 000
Head count as % of total for department	7.91	8.51	9.46	7.79	7.79	7.79	7.20	7.13	7.02
Personnel cost as % of total for department	6.05	6.32	4.41	5.81	6.15	6.15	5.79	5.67	5.48

7.2 Training

Tables 12.30 and 12.31 give a summary of departmental spending and information on training for the period 2009/10 to 2011/12, and budgeted expenditure for the period 2012/13 to 2015/16.

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 decrease in the training budget in 2010/11 and 2011/12 can be attributed to cost-cutting. The further decrease in 2012/13 relates to the department undertaking in-housing training. The increase over the MTEF relates mainly to inflationary increments.

Table 12.30: Payments and estimates on training

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
				2012/13					
1. Administration	1 766	1 552	2 594	2 750	2 750	2 750	3 245	3 440	3 646
2. Transport Infrastructure	2 982	4 359	3 265	2 936	2 936	2 936	3 436	3 606	3 822
3. Transport Operations	31	19	133	141	141	141	166	176	187
4. Transport Regulation	640	727	414	439	439	439	518	549	582
5. Community Based Programme	17 434	7 491	41	43	43	43	51	54	57
Total	22 853	14 148	6 447	6 309	6 309	6 309	7 416	7 825	8 294

Table 12.31: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Number of staff	4 296	3 995	4 154	4 533	4 533	4 533	4 906	4 950	5 025
Number of personnel trained	1 740	1 204	815	1 600	1 600	1 600	1 600	1 600	1 600
of which									
Male	929	613	421	900	900	900	900	900	900
Female	811	591	394	700	700	700	700	700	700
Number of training opportunities	192	100	1 626	265	265	265	265	265	265
of which									
Tertiary									
Workshops	13	13	80	15	15	15	15	15	15
Seminars	5	4	58	-	-	-	-	-	-
Other	174	83	1 488	250	250	250	250	250	250
Number of bursaries offered	184	185	122	200	200	200	200	200	200
External	175	143	95	185	185	185	185	185	185
Internal	9	42	27	15	15	15	15	15	15
Number of interns appointed	27	65	23	35	35	35	35	35	35
Number of learnerships appointed	172	189	185	185	185	185	185	185	185
Number of days spent on training	3	232	232	200	200	200	200	200	200

The training in Programme 1 relates to administrative functions. The training in Programme 2 is in respect of training for the *Zibambele* contractors relating to maintenance of the provincial roads.

Under Programme 3, the training is in respect of safety and compliance such as road safety education, including pedestrian safety.

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.

With regard to Programme 5, the training undertaken is in respect of training provided to the *Vukuzakhe* contractors to provide them with skills to grow and sustain their businesses. The substantial decrease from 2011/12 onward is due to the review into the training course to ensure its efficiency, which is not finalised, at this stage. The department will review the 2013/14 MTEF allocations in future MTEFs.

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).

ANNEXURE – VOTE 12: TRANSPORT

Table 12.A: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Tax receipts	997 227	1 083 507	1 231 524	1 250 000	1 250 000	1 316 604	1 343 000	1 420 000	1 510 000
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences	997 227	1 083 507	1 231 524	1 250 000	1 250 000	1 316 604	1 343 000	1 420 000	1 510 000
Sale of goods and services other than capital assets	92 150	106 198	122 587	100 000	100 000	119 704	110 000	115 000	120 000
Sale of goods and services produced by dept. (excl. Sales by market establishments)	92 150	106 198	122 587	100 000	100 000	119 704	110 000	115 000	120 000
Administrative fees	92 150	106 198	122 587	100 000	100 000	119 704	110 000	115 000	120 000
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	42 364	46 952	45 148	40 000	40 000	45 725	45 000	20 000	20 000
Interest, dividends and rent on land	90	42	350	150	150	265	150	150	150
Interest	90	42	350	150	150	265	150	150	150
Dividends									
Rent on land									
Sale of capital assets	6 687	4 009	3 558	4 500	4 500	4 500	4 500	4 500	4 500
Land and subsoil assets									
Other capital assets	6 687	4 009	3 558	4 500	4 500	4 500	4 500	4 500	4 500
Transactions in financial assets and liabilities	944	5 271	6 315	1 200	1 200	4 107	1 250	1 300	1 300
Total	1 139 462	1 245 979	1 409 482	1 395 850	1 395 850	1 490 905	1 503 900	1 560 950	1 655 950

Table 12.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation 2012/13	Estimate	2013/14	2014/15	2015/16
Current payments	2 350 654	2 939 527	3 408 533	4 335 264	4 319 013	4 319 013	4 675 150	5 038 544	5 661 683
Compensation of employees	911 071	1 023 620	1 100 404	1 335 000	1 262 000	1 262 000	1 473 824	1 586 280	1 660 756
Salaries and wages	815 406	912 622	983 207	1 247 322	1 180 322	1 180 322	1 337 532	1 442 603	1 508 580
Social contributions	95 665	110 998	117 197	87 678	81 678	81 678	136 292	143 677	152 176
Goods and services	1 439 583	1 915 907	2 308 129	3 000 264	3 057 013	3 057 013	3 201 326	3 452 264	4 000 927
of which									
Administrative fees	56	75	32	65	65	65	57	60	63
Advertising	17 241	7 546	18 551	11 883	11 883	11 883	20 559	21 484	22 456
Assets <R5000	8 478	7 044	8 525	4 385	4 385	4 385	9 649	10 088	10 548
Audit cost: External	6 327	6 790	4 791	7 750	7 750	7 750	5 511	5 529	5 548
Bursaries (employees)	6 247	2 283	1 882	2 902	2 902	2 902	2 164	2 164	2 164
Catering: Departmental activities	10 474	5 721	7 521	4 253	4 253	4 253	2 641	2 731	2 824
Communication	36 857	28 067	30 486	39 775	39 775	39 775	35 057	36 409	37 829
Computer services	31 282	37 989	23 204	24 945	39 927	39 927	20 415	20 923	21 456
Cons/prof: Business & advisory services	126 782	76 939	97 029	237 956	167 956	167 956	75 258	73 369	117 564
Cons/prof: Infrastructure & planning	100 534	77 710	45 334	109 958	109 958	109 958	36 716	38 552	40 479
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	11 080	7 327	17 598	5 939	5 939	5 939	20 236	20 580	20 942
Contractors	774 587	1 366 371	1 196 931	2 249 223	2 268 909	2 268 909	1 905 400	2 101 243	2 546 833
Agency & support/outsourced services	13 909	6 865	7 094	12 152	12 152	12 152	8 086	8 456	8 843
Entertainment	457	75	112	943	943	943	129	129	129
Fleet services (incl. GMT)	-	2	-	1	1	1	30 050	31 050	32 050
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	177	155	158	194	194	194	181	189	198
Inventory: Fuel, oil and gas	40 964	56 354	71 593	50 300	50 300	50 300	82 839	86 879	91 120
Inventory: Learner and teacher supp material	909	1 484	618	402	402	402	711	722	733
Inventory: Materials and supplies	20 578	28 644	27 355	22 321	22 321	22 321	31 448	33 014	34 658
Inventory: Medical supplies	5 841	1 013	61	6 522	6 522	6 522	70	73	77
Inventory: Medicine	-	3 881	4 179	-	-	-	4 806	4 809	4 812
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	28 211	57 258	67 539	13 968	13 968	13 968	74 022	77 712	81 587
Inventory: Stationery and printing	15 210	11 828	12 221	5 727	5 727	5 727	15 006	15 679	16 385
Operating leases	52 502	7 232	21 779	70 762	70 762	70 762	25 784	26 753	27 771
Property payments	44 158	49 473	54 822	54 871	54 871	54 871	54 151	56 598	59 168
Transport provided: Departmental activity	10 294	6 821	33 815	232	92 313	92 313	136 255	143 429	150 061
Travel and subsistence	65 287	42 676	54 115	51 513	51 513	51 513	55 868	58 182	60 612
Training and development	5 148	6 716	6 448	6 309	6 309	6 309	7 416	7 638	7 871
Operating expenditure	2 278	1 260	4 882	1 323	1 323	1 323	5 617	5 872	6 139
Venues and facilities	3 715	8 403	13 405	3 690	3 690	3 690	2 712	2 810	2 912
Rental and hiring	-	1 905	476 049	-	-	-	532 512	559 138	587 095
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	604 977	726 582	785 190	910 169	818 288	883 029	864 090	908 304	950 172
Provinces and municipalities	500	550	652	650	850	850	1 600	1 600	1 600
Provinces	500	550	652	650	850	850	1 600	1 600	1 600
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	500	550	652	650	850	850	1 600	1 600	1 600
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	900 360	808 279	873 020	852 325	895 350	936 536
Public corporations	593 250	715 294	773 473	900 360	808 279	873 020	852 325	895 350	936 536
Subsidies on production	593 250	715 294	773 473	808 279	808 279	873 020	852 325	895 350	936 536
Other transfers	-	-	-	92 081	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	11 227	10 738	11 065	9 159	9 159	9 159	10 165	11 354	12 036
Social benefits	4 643	5 840	6 043	2 085	2 085	2 085	3 514	3 706	3 929
Other transfers to households	6 584	4 898	5 022	7 074	7 074	7 074	6 651	7 648	8 107
Payments for capital assets	2 023 788	2 107 096	2 445 913	2 173 440	2 506 440	2 506 440	2 527 095	2 904 159	2 949 974
Buildings and other fixed structures	1 994 001	2 058 342	2 374 923	2 108 750	2 411 750	2 411 750	2 425 650	2 793 933	2 821 380
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	1 994 001	2 058 342	2 374 923	2 108 750	2 411 750	2 411 750	2 425 650	2 793 933	2 821 380
Machinery and equipment	25 325	44 705	68 247	64 690	94 690	94 690	101 445	110 226	128 594
Transport equipment	4 265	17 966	31 309	-	-	-	29 892	32 384	48 181
Other machinery and equipment	21 060	26 739	36 938	64 690	94 690	94 690	71 553	77 842	80 413
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	4 462	4 049	2 743	-	-	-	-	-	-
Payments for financial assets	185 577	185 718	219	-	53	53	-	-	-
Total	5 164 996	5 958 923	6 639 855	7 418 873	7 643 794	7 708 535	8 066 335	8 851 007	9 561 829
Unauth. exp. (1 st charge) not available for spending	(185 492)	(185 666)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	4 979 504	5 773 257	6 639 855	7 418 873	7 643 794	7 708 535	8 066 335	8 851 007	9 561 829

Table 12.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	228 322	166 550	195 521	248 194	230 176	230 176	247 211	248 393	247 428
Compensation of employees	79 047	83 091	88 034	125 657	92 657	92 657	131 957	134 608	140 406
Salaries and wages	69 091	72 318	76 806	111 814	81 814	81 814	119 996	122 099	127 266
Social contributions	9 956	10 773	11 228	13 843	10 843	10 843	11 961	12 509	13 140
Goods and services	149 275	83 459	107 487	122 537	137 519	137 519	115 254	113 785	107 022
<i>of which</i>									
Administrative fees	-	-	(16)	-	-	-	-	-	-
Advertising	12 414	4 345	1 789	4 624	4 624	4 624	2 059	2 059	2 059
Assets <R5000	910	81	760	957	957	957	874	874	874
Audit cost: External	6 247	6 766	4 482	7 668	7 668	7 668	5 154	5 154	5 154
Bursaries (employees)	6 247	2 255	1 882	2 387	2 387	2 387	2 164	2 164	2 164
Catering: Departmental activities	7 907	559	752	2 898	2 898	2 898	865	865	865
Communication	13 426	8 310	6 976	12 417	12 417	12 417	8 023	8 023	8 023
Computer services	-	63	14 362	-	14 982	14 982	10 256	10 256	10 256
Cons/prof: Business & advisory services	29 655	17 777	17 954	34 157	34 157	34 157	20 627	19 108	12 300
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	1 152	1 361	11 608	4 040	4 040	4 040	13 349	13 349	13 349
Contractors	27 841	12 489	15 112	10 112	10 112	10 112	15 172	15 122	15 067
Agency & support/outsourced services	6 322	3 440	621	7 834	7 834	7 834	714	714	714
Entertainment	237	73	112	3	3	3	129	129	129
Fleet services (incl. GMT)	-	1	-	1	1	1	1 000	1 100	1 200
Housing									
Inventory: Food and food supplies	21	7	23	28	28	28	26	26	26
Inventory: Fuel, oil and gas	1 217	1 711	1 670	230	230	230	2 035	2 035	2 035
Inventory: Learner and teacher supp material	802	1 220	436	366	366	366	501	501	501
Inventory: Materials and supplies	535	117	120	82	82	82	138	138	138
Inventory: Medical supplies	5 841	968	-	1 534	1 534	1 534	-	-	-
Inventory: Medicine	-	3 870	4 122	-	-	-	4 740	4 740	4 740
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	874	119	177	114	114	114	203	203	203
Inventory: Stationery and printing	3 136	1 223	1 347	285	285	285	1 549	1 549	1 549
Operating leases	3 910	2 608	5 551	15 915	15 915	15 915	6 383	6 383	6 383
Property payments	6 684	5 350	4 522	8 297	8 297	8 297	5 200	5 200	5 200
Transport provided: Departmental activity	897	4	225	5	5	5	259	259	259
Travel and subsistence	11 368	6 922	9 198	4 461	4 461	4 461	9 577	9 577	9 577
Training and development	1 532	1 551	2 595	4 084	4 084	4 084	2 984	2 984	2 984
Operating expenditure	83	65	450	16	16	16	518	518	518
Venues and facilities	17	204	657	22	22	22	755	755	755
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	4 523	5 526	2 354	8 628	7 988	7 988	8 166	8 281	8 776
Provinces and municipalities	6	7	8	650	10	10	30	30	30
Provinces	6	7	8	650	10	10	30	30	30
<i>Provincial Revenue Funds</i>									
<i>Provincial agencies and funds</i>	6	7	8	650	10	10	30	30	30
Municipalities	-	-	-	-	-	-	-	-	-
<i>Municipalities</i>									
<i>Municipal agencies and funds</i>									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entitles receiving funds									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
<i>Subsidies on production</i>									
<i>Other transfers</i>									
Private enterprises	-	-	-	-	-	-	-	-	-
<i>Subsidies on production</i>									
<i>Other transfers</i>									
Non-profit institutions									
Households	4 517	5 519	2 346	7 978	7 978	7 978	8 136	8 251	8 746
Social benefits	1 461	1 551	1 614	2 035	2 035	2 035	1 623	1 712	1 815
Other transfers to households	3 056	3 968	732	5 943	5 943	5 943	6 513	6 539	6 931
Payments for capital assets	9 023	4 837	6 485	5 155	5 155	5 155	5 155	5 155	5 465
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	4 561	788	3 742	5 155	5 155	5 155	5 155	5 155	5 465
Transport equipment									
Other machinery and equipment	4 561	788	3 742	5 155	5 155	5 155	5 155	5 155	5 465
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	4 462	4 049	2 743	-	-	-	-	-	-
Payments for financial assets	185 533	185 668	123	-	18	18	-	-	-
Total	427 401	362 581	204 483	261 977	243 337	243 337	260 532	261 829	261 669
Unauth. exp. (1 st charge) not available for spending	(185 492)	(185 666)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	241 909	176 915	204 483	261 977	243 337	243 337	260 532	261 829	261 669

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		
	2009/10	2010/11	2011/12	Appropriation	Appropriation 2012/13	Estimate	2013/14	2014/15	2015/16
Current payments	1 518 505	2 165 007	2 539 227	3 251 974	3 241 660	3 241 660	3 486 192	3 793 782	4 350 887
Compensation of employees	494 606	549 509	601 843	715 429	685 429	685 429	757 436	829 192	897 342
Salaries and wages	452 657	501 755	550 492	675 860	647 860	647 860	696 382	764 781	829 067
Social contributions	41 949	47 754	51 351	39 569	37 569	37 569	61 054	64 411	68 275
Goods and services	1 023 899	1 615 498	1 937 384	2 536 545	2 556 231	2 556 231	2 728 756	2 964 590	3 453 545
<i>of which</i>									
Administrative fees	47	25	42	53	53	53	50	53	56
Advertising	2 415	1 695	334	781	781	781	107	112	118
Assets <R5000	3 880	6 051	5 571	2 068	2 068	2 068	6 252	6 565	6 893
Audit cost: External	-	-	299	-	-	-	345	362	380
Bursaries (employees)	-	28	-	375	375	375	-	-	-
Catering: Departmental activities	1 181	3 152	4 107	622	622	622	713	749	786
Communication	12 073	10 281	13 014	12 359	12 359	12 359	14 964	15 712	16 498
Computer services	21 589	24 282	262	11 620	11 620	11 620	292	307	322
Cons/prof: Business & advisory services	339	158	24 951	41	41	41	4 739	4 976	5 225
Cons/prof: Infrastructure & planning	99 801	68 493	34 787	109 049	109 049	109 049	36 005	37 805	39 695
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	8 476	4 377	4 890	379	379	379	5 623	5 904	6 199
Contractors	701 191	1 322 158	1 151 199	2 229 686	2 249 372	2 249 372	1 875 285	2 068 843	2 513 438
Agency & support/outsourced services	2 266	1 660	5 932	1 573	1 573	1 573	6 750	7 088	7 442
Entertainment	77	-	-	843	843	843	-	-	-
Fleet services (incl. GMT)	-	1	-	-	-	-	18 000	18 500	19 000
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	111	106	94	117	117	117	108	113	119
Inventory: Fuel, oil and gas	28 945	43 211	55 149	36 228	36 228	36 228	63 394	66 564	69 892
Inventory: Learner and teacher supp material	-	1	1	1	1	1	1	1	1
Inventory: Materials and supplies	19 781	28 376	26 769	22 217	22 217	22 217	30 773	32 312	33 928
Inventory: Medical supplies	-	23	2	4 963	4 963	4 963	2	2	2
Inventory: Medicine	-	4	50	-	-	-	58	61	64
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	25 130	53 105	60 647	13 479	13 479	13 479	67 168	70 526	74 052
Inventory: Stationery and printing	4 161	2 003	2 340	498	498	498	2 691	2 826	2 967
Operating leases	42 557	(9 765)	971	48 917	48 917	48 917	1 109	1 164	1 222
Property payments	19 202	25 017	29 420	24 614	24 614	24 614	24 939	26 186	27 495
Transport provided: Departmental activity	8 027	6 275	8 488	227	227	227	9 761	10 249	10 761
Travel and subsistence	18 688	14 391	20 298	13 716	13 716	13 716	20 340	21 357	22 425
Training and development	2 610	4 359	3 264	1 192	1 192	1 192	3 754	3 942	4 139
Operating expenditure	810	594	2 026	279	279	279	2 331	2 448	2 570
Venues and facilities	542	5 437	6 428	648	648	648	690	725	761
Rental and hiring	-	-	476 049	-	-	-	532 512	559 138	587 095
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	6 057	3 824	8 545	1 131	1 971	1 971	2 658	3 695	3 839
Provinces and municipalities	284	320	407	-	840	840	1 300	1 300	1 300
Provinces	284	320	407	-	840	840	1 300	1 300	1 300
<i>Provincial Revenue Funds</i>	-	-	-	-	-	-	-	-	-
<i>Provincial agencies and funds</i>	284	320	407	-	840	840	1 300	1 300	1 300
Municipalities	-	-	-	-	-	-	-	-	-
<i>Municipalities</i>	-	-	-	-	-	-	-	-	-
<i>Municipal agencies and funds</i>	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
<i>Subsidies on production</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers</i>	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
<i>Subsidies on production</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers</i>	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 773	3 504	8 138	1 131	1 131	1 131	1 358	2 395	2 539
Social benefits	2 245	2 580	3 859	-	-	-	1 233	1 300	1 378
Other transfers to households	3 528	924	4 279	1 131	1 131	1 131	125	1 095	1 161
Payments for capital assets	2 004 703	2 083 469	2 400 501	2 145 648	2 478 648	2 478 648	2 492 548	2 865 831	2 895 492
Buildings and other fixed structures	1 994 001	2 058 342	2 374 923	2 108 750	2 411 750	2 411 750	2 425 650	2 793 933	2 821 380
Buildings	1 994 001	2 058 342	2 374 923	2 108 750	2 411 750	2 411 750	2 425 650	2 793 933	2 821 380
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10 702	25 127	25 578	36 898	66 898	66 898	66 898	71 898	74 112
Transport equipment	-	-	909	-	-	-	2 288	1 062	1 126
Other machinery and equipment	10 702	25 127	24 669	36 898	66 898	66 898	64 610	70 836	72 986
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	8	23	38	-	35	35	-	-	-
Total	3 529 273	4 252 323	4 948 311	5 398 753	5 722 314	5 722 314	5 981 398	6 663 308	7 250 218

Table 12.E: Details of payments and estimates by economic classification - Programme 3: Transport Operations

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation 2012/13	Estimate	2013/14	2014/15	2015/16
Current payments	59 352	54 521	113 658	122 226	189 307	189 307	226 119	242 049	303 228
Compensation of employees	22 573	23 342	24 835	41 778	31 778	31 778	37 732	42 445	44 991
Salaries and wages	20 521	20 540	22 190	39 693	30 693	30 693	34 688	39 234	41 588
Social contributions	2 052	2 802	2 645	2 085	1 085	1 085	3 044	3 211	3 403
Goods and services	36 779	31 179	88 823	80 448	157 529	157 529	188 387	199 604	258 237
of which									
Administrative fees	-	-	6	-	-	-	7	7	7
Advertising	27	135	16 255	941	941	941	18 193	19 103	20 058
Assets <R5000	54	41	72	341	341	341	83	87	91
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	99	228	1 991	3	3	3	290	305	320
Communication	1 060	898	2 135	1 107	1 107	1 107	2 455	2 578	2 707
Computer services	223	3	-	14	14	14	-	-	-
Cons/prof: Business & advisory services	25 554	17 877	18 672	67 733	52 733	52 733	20 512	21 538	71 794
Cons/prof: Infrastructure & planning	-	992	-	-	-	-	-	-	-
Cons/prof: Laboratory services									
Cons/prof: Legal cost	352	950	311	73	73	73	357	375	394
Contractors	439	958	10 497	1 012	1 012	1 012	9 405	11 248	11 766
Agency & support/outsourced services	-	122	183	310	310	310	210	221	232
Entertainment									
Fleet services (incl. GMT)	-	-	-	-	-	-	1 000	1 100	1 200
Housing									
Inventory: Food and food supplies	-	13	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	165	284	371	1 622	1 622	1 622	426	447	469
Inventory: Learner and teacher supp material	-	1	30	-	-	-	35	37	39
Inventory: Materials and supplies	13	-	11	-	-	-	13	14	15
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	5	251	-	-	-	288	302	317
Inventory: Stationery and printing	196	1 679	1 167	242	242	242	1 342	1 409	1 479
Operating leases	3 313	1 983	198	1 903	1 903	1 903	228	239	251
Property payments	1 625	-	508	1 448	1 448	1 448	584	613	644
Transport provided: Departmental activity	-	-	24 052	-	92 081	92 081	125 028	131 654	137 711
Travel and subsistence	2 896	3 035	6 093	2 553	2 553	2 553	7 008	7 358	7 726
Training and development	31	19	133	-	-	-	153	161	169
Operating expenditure	668	33	300	38	38	38	345	362	380
Venues and facilities	64	18	5 587	1 108	1 108	1 108	425	446	468
Rental and hiring	-	1 905	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	593 259	715 304	773 484	900 360	808 279	873 020	852 340	895 365	936 551
Provinces and municipalities	9	10	11	-	-	-	15	15	15
Provinces	9	10	11	-	-	-	15	15	15
Provincial Revenue Funds									
Provincial agencies and funds	9	10	11	-	-	-	15	15	15
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	900 360	808 279	873 020	852 325	895 350	936 536
Public corporations	593 250	715 294	773 473	900 360	808 279	873 020	852 325	895 350	936 536
Subsidies on production	593 250	715 294	773 473	808 279	808 279	873 020	852 325	895 350	936 536
Other transfers	-	-	-	92 081	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	-	-	-	-	-	-	-	-	-
Social benefits									
Other transfers to households									
Payments for capital assets	694	710	39	276	276	276	276	276	293
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	694	710	39	276	276	276	276	276	293
Transport equipment									
Other machinery and equipment	694	710	39	276	276	276	276	276	293
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	8	-	-	-	-	-	-	-	-
Total	653 313	770 535	887 181	1 022 862	997 862	1 062 603	1 078 735	1 137 690	1 240 072

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		
	2009/10	2010/11	2011/12	Appropriation	Appropriation 2012/13	Estimate	2013/14	2014/15	2015/16
Current payments	469 243	497 777	519 395	648 770	598 770	598 770	671 008	706 270	711 453
Compensation of employees	298 410	357 173	375 061	433 266	433 266	433 266	524 000	555 620	553 258
Salaries and wages	257 770	308 733	324 264	402 308	402 308	402 308	465 120	493 502	487 413
Social contributions	40 640	48 440	50 797	30 958	30 958	30 958	58 880	62 118	65 845
Goods and services	170 833	140 604	144 334	215 504	165 504	165 504	147 008	150 650	158 195
<i>of which</i>									
Administrative fees	9	50	-	12	12	12	-	-	-
Advertising	2 025	1 331	159	3 201	3 201	3 201	183	192	202
Assets <R5000	3 615	834	2 121	887	887	887	2 439	2 561	2 689
Audit cost: External	80	24	10	82	82	82	12	13	14
Bursaries (employees)	-	-	-	140	140	140	-	-	-
Catering: Departmental activities	1 040	1 416	31	436	436	436	36	38	40
Communication	10 041	8 422	7 584	13 611	13 611	13 611	8 722	9 158	9 616
Computer services	9 443	13 641	8 580	13 311	13 311	13 311	9 867	10 360	10 878
Cons/prof: Business & advisory services	17 515	7 439	24 856	102 487	52 487	52 487	17 017	14 148	14 855
Cons/prof: Infrastructure & planning	733	16	618	-	-	-	711	747	784
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	1 100	639	789	1 447	1 447	1 447	907	952	1 000
Contractors	44 961	30 403	18 635	8 308	8 308	8 308	3 877	4 283	4 725
Agency & support/outourced services	5 311	1 642	358	2 435	2 435	2 435	412	433	455
Entertainment	132	-	-	97	97	97	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	10 000	10 300	10 600
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	45	23	32	48	48	48	37	39	41
Inventory: Fuel, oil and gas	10 548	11 082	14 300	11 900	11 900	11 900	16 866	17 709	18 594
Inventory: Learner and teacher supp material	107	262	151	35	35	35	174	183	192
Inventory: Materials and supplies	249	151	454	22	22	22	523	549	576
Inventory: Medical supplies	-	22	59	25	25	25	68	71	75
Inventory: Medicine	-	7	7	-	-	-	8	8	8
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	2 207	4 161	5 427	180	180	180	6 241	6 553	6 881
Inventory: Stationery and printing	7 579	6 866	7 035	4 698	4 698	4 698	9 042	9 494	9 969
Operating leases	2 653	12 520	15 041	3 906	3 906	3 906	18 043	18 945	19 892
Property payments	16 647	19 106	20 372	20 452	20 452	20 452	23 428	24 599	25 829
Transport provided: Departmental activity	101	100	-	-	-	-	-	-	-
Travel and subsistence	30 283	16 667	15 040	25 167	25 167	25 167	15 319	16 085	16 889
Training and development	821	725	414	998	998	998	476	500	525
Operating expenditure	650	568	2 055	990	990	990	2 363	2 481	2 605
Venues and facilities	2 938	2 487	206	629	629	629	237	249	261
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	1 138	1 928	807	50	50	50	921	958	1 001
Provinces and municipalities	201	213	226	-	-	-	250	250	250
Provinces	201	213	226	-	-	-	250	250	250
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	201	213	226	-	-	-	250	250	250
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	937	1 715	581	50	50	50	671	708	751
Social benefits	937	1 709	570	50	50	50	658	694	736
Other transfers to households	-	6	11	-	-	-	13	14	15
Payments for capital assets	9 291	17 966	38 888	21 976	21 976	21 976	28 731	32 512	48 316
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	9 291	17 966	38 888	21 976	21 976	21 976	28 731	32 512	48 316
Transport equipment	4 265	17 966	30 400	-	-	-	27 604	31 322	47 055
Other machinery and equipment	5 026	-	8 488	21 976	21 976	21 976	1 127	1 190	1 261
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	28	27	55	-	-	-	-	-	-
Total	479 700	517 698	559 145	670 796	620 796	620 796	700 660	739 740	760 770

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		
	2009/10	2010/11	2011/12	Appropriation	Appropriation 2012/13	Estimate	2013/14	2014/15	2015/16
Current payments	75 232	55 672	40 732	64 100	59 100	59 100	44 620	48 050	48 687
Compensation of employees	16 435	10 505	10 631	18 870	18 870	18 870	22 699	24 415	24 759
Salaries and wages	15 367	9 276	9 455	17 647	17 647	17 647	21 346	22 987	23 246
Social contributions	1 068	1 229	1 176	1 223	1 223	1 223	1 353	1 428	1 513
Goods and services	58 797	45 167	30 101	45 230	40 230	40 230	21 921	23 635	23 928
<i>of which</i>									
Administrative fees									
Advertising	360	40	14	2 336	2 336	2 336	17	18	19
Assets <R5000	19	37	1	132	132	132	1	1	1
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	247	366	640	294	294	294	737	774	813
Communication	257	156	777	281	281	281	893	938	985
Computer services	27	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	53 719	33 688	10 596	33 538	28 538	28 538	12 363	13 599	13 390
Cons/prof: Infrastructure & planning	-	8 209	9 929	909	909	909	-	-	-
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	155	363	1 488	105	105	105	1 661	1 747	1 837
Agency & support/outsourced services	10	1	-	-	-	-	-	-	-
Entertainment	11	2	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	50	50	50
Housing									
Inventory: Food and food supplies	-	6	9	1	1	1	10	11	12
Inventory: Fuel, oil and gas	89	66	103	320	320	320	118	124	130
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	-	-	1	-	-	-	1	1	1
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	-	(132)	1 037	195	195	195	122	128	134
Inventory: Stationery and printing	138	57	332	4	4	4	382	401	421
Operating leases	69	(114)	18	121	121	121	21	22	23
Property payments	-	-	-	60	60	60	-	-	-
Transport provided: Departmental activity	1 269	442	1 050	-	-	-	1 207	1 267	1 330
Travel and subsistence	2 052	1 661	3 486	5 616	5 616	5 616	3 624	3 805	3 995
Training and development	154	62	42	35	35	35	49	51	54
Operating expenditure	67	-	51	-	-	-	60	63	66
Venues and facilities	154	257	527	1 283	1 283	1 283	605	635	667
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	-	-	-	-	-	-	5	5	5
Provinces and municipalities	-	-	-	-	-	-	5	5	5
Provinces	-	-	-	-	-	-	5	5	5
Provincial Revenue Funds									
Provincial agencies and funds	-	-	-	-	-	-	5	5	5
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	77	114	-	385	385	385	385	385	408
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	77	114	-	385	385	385	385	385	408
Transport equipment									
Other machinery and equipment	77	114	-	385	385	385	385	385	408
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	3	-	-	-	-	-	-
Total	75 309	55 786	40 735	64 485	59 485	59 485	45 010	48 440	49 100

Table 12.H: Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation 2012/13	Estimate	2013/14	2014/15	2015/16
Current payments	83 900	367 960	147 151	1 644 967	1 664 888	1 664 888	1 767 407	1 751 593	2 167 940
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	83 900	367 960	147 151	1 644 967	1 664 888	1 664 888	1 767 407	1 751 593	2 167 940
<i>of which</i>									
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	147 151	1 644 967	1 664 888	1 664 888	1 767 407	1 751 593	2 167 940
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	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating expenditure	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	593 250	715 294	773 473	808 279	808 279	873 020	852 325	895 350	936 536
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	808 279	808 279	873 020	852 325	895 350	936 536
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	593 250	715 294	773 473	808 279	808 279	873 020	852 325	895 350	936 536
Subsidies on production	593 250	715 294	773 473	808 279	808 279	873 020	852 325	895 350	936 536
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	900 155	958 390	1 236 648	-	-	-	-	-	-
Buildings and other fixed structures	900 155	958 390	1 236 648	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	900 155	958 390	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	1 577 305	2 041 644	2 157 272	2 453 246	2 473 167	2 537 908	2 619 732	2 646 943	3 104 476

Table 12.I: Payments and estimates by economic classification: Sani Pass Road grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	34 347	-	-	-	-	-	-	-	-
Buildings and other fixed structures	34 347	-	-	-	-	-	-	-	-
Other fixed structures	34 347	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	34 347	-	-	-	-	-	-	-	-

Table 12.J: Payments and estimates by economic classification: Transport Disaster Management grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	-	-	29 736	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	29 736	-	-	-	-	-	-
of which									
Contractors	-	-	29 736	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	29 736	-	-	-	-	-	-

Table 12.K: Payments and estimates by economic classification: Public Transport Operations grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	593 250	715 294	773 473	808 279	808 279	873 020	852 325	895 350	936 536
Public corporations and private enterprises	593 250	715 294	773 473	808 279	808 279	873 020	852 325	895 350	936 536
Private enterprises	593 250	715 294	773 473	808 279	808 279	873 020	852 325	895 350	936 536
Subsidies on production	593 250	715 294	773 473	808 279	808 279	873 020	852 325	895 350	936 536
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	593 250	715 294	773 473	808 279	808 279	873 020	852 325	895 350	936 536

Table 12.L: Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	83 900	153 562	117 415	64 290	84 211	84 211	88 487	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	83 900	153 562	117 415	64 290	84 211	84 211	88 487	-	-
of which									
Contractors	83 900	153 562	117 415	64 290	84 211	84 211	88 487	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	83 900	153 562	117 415	64 290	84 211	84 211	88 487	-	-

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		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
Current payments	-	-	-	1 580 677	1 580 677	1 580 677	1 678 920	1 751 593	2 167 940
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	1 580 677	1 580 677	1 580 677	1 678 920	1 751 593	2 167 940
of which									
Contractors	-	-	-	1 580 677	1 580 677	1 580 677	1 678 920	1 751 593	2 167 940
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	865 808	958 390	1 236 648	-	-	-	-	-	-
Buildings and other fixed structures	865 808	958 390	1 236 648	-	-	-	-	-	-
Other fixed structures	865 808	958 390	1 236 648	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	865 808	958 390	1 236 648	1 580 677	1 580 677	1 580 677	1 678 920	1 751 593	2 167 940

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		
	2009/10	2010/11	2011/12		2012/13		2013/14	2014/15	2015/16
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,	Units (i.e. number of kilometres/square metres facilities)	Date: Start	Date: Finish						2013/14	2014/15	2015/16
R thousand														
New and replacement assets														
1.	P577 (ARRUP)	Durban	Surface	14 km	01 Apr 2003	31 Mar 2013	Equitable share	Programme 2	4 500	739 900	660 900	100 424	-	-
2.	Access roads	Whole KZN	Gravel	Several	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	-	-	161 604	182 858	193 827
3.	Pedestrian bridges	Whole KZN	Bridges	Several	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	-	-	126 147	133 085	133 986
4.	Integrated Public Transport facilities	Estcourt and Emondlo	Structures	2	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	-	-	44 398	40 400	40 704
Total New and replacement assets									4 500	739 900	660 900	432 573	356 343	368 517
Upgrades and additions														
1.	P496 (RNI)	Empangeni	Surface	13 km	01 Oct 2005	31 Mar 2013	Equitable share	Programme 2	6 750	900 000	501 400	76 631	-	-
2.	DubeTradePort roads	eThekweni	Construction	Several	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	-	-	100 548	100 235	277 692
3.	ARRUP roads	Whole KZN	Construction	Several	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	-	-	306 029	590 291	568 465
4.	Access roads	Whole KZN	Construction	Several	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	-	-	669 190	828 495	647 120
5.	P700 (ARRUP)	Empangeni	Surface	95 km	01 May 2004	31 Mar 2016	Equitable share	Programme 2	2 900	475 188	401 188	174 034	185 261	199 777
Total Upgrades and additions									9 650	1 375 188	902 588	1 326 432	1 704 282	1 693 054
Rehabilitation, renovations and refurbishments														
1.	Various roads	Whole KZN	Rehabilitation	Several	01 Apr 2013	31 Mar 2016	Equitable share	Programme 2	-	-	-	666 645	733 308	759 809
Total Rehabilitation, renovations and refurbishments									-	-	-	666 645	733 308	759 809
Maintenance and repairs														
1.	Reseals	Whole KZN	Reseals	Several	01 Apr 2012	31 Mar 2016	Equitable and Conditional grant	Programme 2	-	-	-	333 000	370 169	327 018
2.	Routine	Whole KZN	Routine	Several	01 Apr 2012	31 Mar 2016	Equitable and Conditional grant	Programme 2	-	-	-	1 151 018	1 324 417	1 530 003
3.	Preventative	Whole KZN	Preventative	Several	01 Apr 2012	31 Mar 2016	Equitable and Conditional grant	Programme 2	-	-	-	892 309	982 314	1 210 444
4.	Safety	Whole KZN	Safety	Several	01 Apr 2012	31 Mar 2016	Equitable and Conditional grant	Programme 2	-	-	-	315 500	302 142	395 074
5.	Special	Whole KZN	Special	Several	01 Apr 2012	31 Mar 2016	Equitable and Conditional grant	Programme 2	-	-	-	35 591	36 944	38 791
6.	Mechanical	Whole KZN	Mechanical	Several	01 Apr 2012	31 Mar 2016	Equitable and Conditional grant	Programme 2	-	-	-	144 510	137 086	152 940
7.	Maintenance administration	Whole KZN	Maintenance adm.	Several	01 Apr 2012	31 Mar 2016	Equitable and Conditional grant	Programme 2	-	-	-	520 250	545 513	595 038
Total Maintenance and repairs									-	-	-	3 392 178	3 698 585	4 249 308
Infrastructure transfers - current									-	-	-	-	-	-
Infrastructure transfers - capital									-	-	-	-	-	-
Total Infrastructure									14 150	2 115 088	1 563 488	5 817 828	6 492 518	7 070 688

VOTE 13

Social Development

Operational budget	R 2 323 532 776
MEC remuneration	R 1 652 224
Total amount to be appropriated	R 2 325 185 000
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 (DSD) 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 (mobilisation of youth to participate in National Youth Service programmes, skills and entrepreneurship and establishment of youth development structures).
- 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 2012/13 financial year

Section 2 provides a review of 2012/13, outlining the main achievements and progress made by the department, as well as providing a brief discussion on the challenges and new developments.

Professional compliance and quality assurance

The department, in partnership with the South African Council for Social Services Professions, conducted a consultative workshop in July 2012 on the Policy on Social Services Professionals and Practitioners, which also included social work ethics, in order to improve professionalism and quality of services rendered by social services practitioners and professionals.

Older persons, disability, families and gender

New community based services for older persons were established at Elandskop (Msunduzi Municipality) and Magog (Hibiscus Coast Municipality). During the year, 11 577 older persons accessed community based care and support services. As part of the Active Ageing programme, the Provincial Golden Games were held at the eThekweni Metro. Training on the Older Persons' Act was carried out and involved various municipalities, government departments and NPOs. Outreach programmes, with the purpose of raising awareness on elderly abuse, were held at KwaSwayimane and Lamontville, and involved Kanana and Baitul Halfazat Old Age Homes. In addition, the Umlazi Senior Citizens' Forum was launched.

The department finalised a plan which entails conducting workshops, in partnership with the Department of Education (DOE), for all social workers and educators, including training of social workers on sign language to enhance communication between the social workers and people with disabilities. Classes in sign language offered by the KZN Blind and Deaf Society were attended by 50 departmental officials.

Implementation of the Child Justice and Children's Acts

The department assessed 1 319 children in conflict with the law, and 204 children completed their diversion programmes. The department conducted various training programmes, such as training on the Sexual Offences programme, Integrated Social Crime Prevention strategy, Probation Case Management Systems, and the training of accreditation structures on the policy framework for the accreditation of diversion programmes and service providers, etc. Also, the department co-ordinated two probation advisory committees, conducted four child care and protection awareness campaigns, as well as capacitated early childhood development (ECD) forums and state officials on the norms of ECD, in order

to monitor the quality of services. Training of ECD practitioners and family facilitators was conducted in order to assist children who cannot access formal ECD centres.

Substance abuse programme

The department implemented the Youth model (a programme developed by National DSD for treatment centres) at two state rehabilitation centres – i.e. Madadeni Rehabilitation Centre and Newlands Park Centre and, as such, 11 child and youth care workers were appointed. Also, training was conducted in the Midlands Cluster to capacitate social workers on the Guiding Recovery of Women (GROW) model (a programme conducted to assist women who are affected by substance abuse).

HIV and AIDS programme

The department increased the number of community care givers who are receiving stipends, and participated in the development of the provincial integrated prevention plan that is aligned to the 2012-2016 provincial strategic plan for HIV and AIDS, STI and TB. The department also approved training of 210 community care givers as social auxiliary workers.

Sustainable livelihood

The department developed and presented the Household Profiling Plan to the Social Protection Community and Human Development Cluster. The plan was adopted and integrated into Operation *Sukuma Sakhe* (OSS). In preparation for profiling, 295 people were trained, who will eventually capacitate profilers. The department, in partnership with Food Bank South Africa (which distributes food to food insecure communities), extended access to food to beneficiaries in other districts through community development initiatives.

Research and demography

The department completed two main research studies based on teenage pregnancy and male involvement in HIV and AIDS. The research study based on teenage pregnancy was disseminated, and a provincial steering committee established to facilitate the implementation thereof. The department also commenced with the process of conducting research projects focusing on woman and youth, and the terms of reference for these projects were finalised.

Population capacity development and advocacy

The department developed and commenced with the implementation of a capacity building plan, as well as an advocacy plan, to promote the implementation of the population policy of South Africa. Various capacity building workshops for social workers, community development practitioners, as well as local and district municipal officials were conducted, in order to empower stakeholders on how to advocate for population and development related issues. The workshops focussed on the inter-relationship between population and development, basic research skills, advocacy and the population policy of South Africa.

The advocacy plan highlights major activities that inform or capacitate stakeholders on the recent trends of demography, as well as the inter-relationship between population and development. World Population Day, attended by 3 000 people, was commemorated under the theme Universal Access to Reproductive Health and Rights at uMlazi township, where Food Bank South Africa provided food parcels to 200 pregnant women.

Also various days, such as Child Protection Week, Youth Day, Women's Day, Poverty Month, International Day Against Substance Abuse and Drug Trafficking, International Day Against Elder Abuse, etc., were commemorated.

Youth development

In addressing the social dynamics facing the youth of today, the department developed and finalised a comprehensive plan to address substance abuse, crime, HIV and AIDS, poverty, youth headed households and unemployment among the youth. This plan, among others, proposes the establishment of youth academies in collaboration with other stakeholders – i.e. DOE, where existing state facilities – e.g. Esicabazini Development Centre and Vuma Development Centre, would be utilised for various activities to assist the youth, such as the absorption of youth involved in substance abuse into these youth academies and skills development programmes.

Victim empowerment

The department developed an integrated training plan, which combines both the Victim Empowerment and the HIV and AIDS programmes. The department, in collaboration with other sector departments, commenced with inter-sectoral training of Victim Empowerment Programme (VEP) forum members on gender based violence and sexual offences. Capacity building sessions for management of the provincial Victim Empowerment forum were facilitated, and a service provider appointed to commence with the development of a web-based system for an electronic victims register.

3. Outlook for the 2013/14 financial year

Section 3 looks at the key focus areas of 2013/14, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments.

Protection and promotion of services for older persons and people with disabilities

The main focus in the provision of services for older persons in 2013/14 will be the provision of community based care and support services to under resourced areas. Furthermore, the focus will be on the education and awareness of the rights of older persons, with the aim of ensuring their protection and curbing elder persons' abuse.

The department will continue to roll-out training on the United Nations Convention on the Rights of Persons with Disabilities to departmental officials. Training on autism, sign language and *My Confidence* (training designed to boost self confidence among disabled persons), as well as the expansion of protective workshops to under resourced areas, will continue.

Improvement of Early Childhood Development programme

The department intends to implement the South African ECD Conference resolutions adopted in East London in March 2012. The resolutions encompass harmonisation of policy and legislation, integration of services by government, NPOs and businesses, resources of ECD services and development of the programme of action, in collaboration with civil society. The implementation of these resolutions includes an assessment of ECD centres in terms of Chapter 6 of the Children's Act, collaborating with accredited ECD service providers in the establishment of toy libraries (to provide access to educational toys for children in under resourced communities), provision of capacity building to ECD practitioners on disability sensitivity, as well as parenting programmes.

Strengthening the child and youth care services

The department aims to implement various programmes in order to strengthen child and youth care services. These programmes include undertaking training on the provisions of the Children's Act in respect of foster care placements and other provisions of the Act, transformation of children shelters into Child and Youth Care Centres (CYCCs), establishment and registration of CYCCs with programmes for children with disabilities, conducting disorders and substance abuse awareness campaigns, and the establishment of Child Protection forums at all district municipalities.

Substance abuse prevention and rehabilitation

While sustaining the funding and monitoring of in-patient and out-patient substance abuse treatment centres, the department will pay more attention to the implementation of drug prevention programmes for children and youth. Furthermore, close monitoring of service users, who complete treatment from both in-patient and out-patient treatment centres, will be conducted.

HIV and AIDS programme

In 2013/14, the department will focus on the rolling out of the *Isibindi* model (a community-based programme that trains unemployed community members in accredited, integrated child and youth care services for child headed households and vulnerable families), with the intention of expanding the HCBC organisations providing prevention care and support services to all areas with high prevalence of HIV and AIDS. Furthermore, capacity building sessions of child care forums will be intensified. Training on psycho-social support will be given to community care givers in four district municipalities, namely Umzinyathi, Zululand, Umkhanyakude, uMgungundlovu and the eThekweni Metro. The number of

community care givers will be increased to cater for all provincial wards, and promotional sessions of the policy on services to persons infected and affected with HIV and AIDS will be conducted. The implementation of integrated monitoring and evaluation systems for HCBC organisations will be intensified, in order to ensure compliance with norms and standards.

Food and nutrition security

Food security interventions will be implemented in partnership with other departments, such as the Departments of Health, Education and Agriculture, Environmental Affairs and Rural Development, with a special focus on malnutrition and food insecure communities. Also, the partnership with Food Bank South Africa will be continued with the aim of ensuring access to food by food insecure communities, where food banks will be established at Ugu, Umkhanyakude and Msinga municipalities. A partnership with the National Development Agency (NDA) will be established for technical support and institutional capacity building for all projects related to the implementation of food production activities. The NDA provides support and funding to NGOs for the implementation of integrated and sustainable community-driven programmes in areas such as ECD, food security, etc.

Youth development

The focus of the department on youth development is to capacitate youth that are active in the economy, and youth that can influence social change by focusing on the establishment of youth structures or forums, as well as increasing the number of youth participating in the national Youth Service programme. In doing so, the department will focus on youth mobilisation programmes, as well as on increasing the number of youth who participate in skills entrepreneurship programmes. The targeted youth are those affected by substance abuse, crime, HIV and AIDS, unemployment and poverty.

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, 2009/10 to 2015/16. 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 in 2009/10. In 2010/11, the Social Sector EPWP Incentive Grant for Provinces was introduced. The grant is only allocated in the first year of the 2013/14 MTEF at this stage.

Table 13.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Provincial allocation	1 361 280	1 665 482	1 948 462	2 047 812	2 047 812	2 047 812	2 310 575	2 446 515	2 606 245
Conditional grants	-	2 700	3 821	-	-	-	14 610	-	-
Social Sector EPWP Incentive Grant for Provinces	-	2 700	3 821	-	-	-	14 610	-	-
Total receipts	1 361 280	1 668 182	1 952 283	2 047 812	2 047 812	2 047 812	2 325 185	2 446 515	2 606 245
Total payments	1 361 280	1 416 423	1 934 257	2 047 812	2 062 167	2 062 167	2 325 185	2 446 515	2 606 245
Surplus/(Deficit) before financing	-	251 759	18 026	-	(14 355)	(14 355)	-	-	-
Financing of which									
Provincial cash resources	-	-	-	-	14 355	14 355	-	-	-
Surplus/(deficit) after financing	-	251 759	18 026	-	-	-	-	-	-

In 2009/10, pressures in *Goods and services*, which were caused partly by various disasters in the province, including floods and runaway fires from 2008/09 (although no pressure is evident in Table 13.1) continued, 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 Section 38(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, and 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 under-spent its allocation in 2011/12 by R18.026 million, partly due to delays in filling funded vacant posts because of a review of the departmental structure. In addition, the low spending on maintenance of existing infrastructure was due to lack of capacity in the Department of Public Works (DOPW). Also contributing to the low spending was the Provincial Treasury intervention in SCM and delays in signing of SLAs with NPOs, and the fact that the implementation of transfer is from the date of signing with no arrear payments, as per recommendation by the A-G.

The department received provincial cash resources of R14.355 million in 2012/13, of which R13.681 million was to fund the higher than anticipated 2012 wage agreement. Also, R674 000 was allocated to the department, which relates to funds received by the province in the Provincial Revenue Fund after 2011/12 had closed, for the Social Sector EPWP Incentive Grant for Provinces.

The department's budget increases steadily over the MTEF, mainly due to national priority funding.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	4 035	3 221	4 753	3 286	3 286	3 766	4 160	4 393	4 493
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	34	97	-	16	16	16	17	19	19
Sale of capital assets	1 889	2 289	-	-	-	1 939	-	-	-
Transactions in financial assets and liabilities	1 037	1 410	11 664	925	925	1 871	971	1 020	1 020
Total	6 995	7 017	16 417	4 227	4 227	7 592	5 148	5 432	5 532

The department is not considered to be a major revenue earner and its main source is derived from commission on insurance and garnishees, 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 high revenue collection in 2009/10 was due to the sale of tender documents. In 2010/11, the department did not sell tender documents as there were no tenders advertised, hence the lower collection. The peak in 2011/12 was due to housing rent, relating to SASSA staff that occupy departmental houses. In the 2012/13 Revised Estimate, the department is projecting to over-collect as a result of the increased number of staff occupying state houses. The budget over the MTEF was based on the 2012/13 revenue collection, with increments being inflation related.

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. The steady increase over the MTEF is due to the decrease in the level of interest bearing debt.

Revenue against *Sale of capital assets* includes the disposal of redundant motor vehicles and equipment. The 2012/13 Revised Estimate of R1.939 million is due to the unanticipated sale of redundant vehicles.

Transactions in financial assets and liabilities relate to the recovery of staff debts. The high collection in 2011/12 was largely due to assets written-off in 2010/11. When the journals to record the write-off were processed, the final journal was erroneously not effected, which resulted in the department understating departmental revenue to be surrendered to Provincial Treasury. The high collection expected in the 2012/13 Revised Estimate is due to more debts recovered than originally anticipated.

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 *Annexure – Vote 13: Social Development*.

5.1 Key assumptions

The following key assumptions form the basis of the 2013/14 MTEF budget of the department:

- Inflation related items have been based on CPI projections.
- Provision was made through internal reprioritisation for the carry-through costs of the 2012 wage agreement and an inflationary wage adjustment of 6.3 per cent in 2013/14, 6.1 per cent in 2014/15 and 5.9 per cent in 2015/16, as well as the annual 1.5 per cent pay progression.
- The department provided for a 6 per cent increase in tariffs for private welfare organisations.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2013/14, will continue to be adhered to over the 2013/14 MTEF.

5.2 Additional allocations for the 2011/12 to 2013/14 MTEF

Table 13.3 shows additional funding received by the department over the three MTEF periods: 2011/12, 2012/13 and 2013/14. 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 2011/12 and 2012/13 MTEF (i.e. for the financial year 2015/16) are based on the incremental percentage used in the 2013/14 MTEF.

Table 13.3: Summary of additional provincial allocations for the 2011/12 to 2013/14 MTEF

R thousand	2011/12	2012/13	2013/14	2014/15	2015/16
2011/12 MTEF period	74 786	72 142	58 091	61 576	64 409
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement	27 099	25 978	27 620	29 277	30 624
Provincial priorities - Existing infrastructure assets and maintenance	48 713	47 482	32 114	34 041	35 607
National Cabinet decision to cut provinces by 0.3 per cent	(1 026)	(1 318)	(1 643)	(1 742)	(1 822)
2012/13 MTEF period		7 238	159 193	138 498	144 869
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement		7 238	7 600	7 980	8 347
Provincial priorities - Removal of existing infrastructure assets and maintenance in 2014/15		-	-	(34 041)	(35 607)
National priorities - Child and Youth Care and Victim Empowerment		-	151 593	164 559	172 129
2013/14 MTEF period			16 595	45 142	94 409
Census data update and 1%, 2% and 3% baseline cuts			(31 200)	(63 535)	(78 815)
National priorities:			47 795	108 677	173 224
Absorption of social work graduates			26 070	65 645	109 303
Support to the NGO sector			21 725	43 032	63 921
Total	74 786	79 380	233 879	245 216	303 687

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 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. 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 were 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 were required to make provision for the *Isibindi* project to appoint Child and Youth Care Workers (CYCW) that provide direct support to children in their homes at community level. The department's allocation was also moderately increased for victim empowerment programmes, which were previously funded by the European Union.

In the 2013/14 MTEF, the department received additional national priority funding for the absorption of social work graduates. In an attempt to address the shortage of social workers in the country, the National DSD initiated a scholarship programme in conjunction with provincial Departments of Social Development where, upon graduation, social work graduates would be absorbed by provincial departments. The department will use these funds to continue with the absorption of graduates until the Integrated Service Delivery Model (norms and standards) target, which is 1:4 500 population, is met. National priority funding was also allocated over the MTEF for the improvement of the quality of services provided by NGOs, as well as their financial sustainability.

Also in the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period.

The department largely effected the baseline cuts against transfers to NPOs under Programmes 2 and 3, as well as on *Goods and services* and *Machinery and equipment* under Programme 1, over the 2013/14 MTEF. The full impact of the baseline cuts over the MTEF has been cushioned by additional national priority funding for the absorption of social work graduates and the improvement of the quality of services provided by NGOs, as well as their financial sustainability.

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 2009/10 to 2015/16. 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	327 357	325 624	370 495	394 185	394 185	394 185	415 865	438 737	458 919
2. Social Welfare Services	927 830	978 042	1 409 853	1 474 925	1 489 280	1 489 280	1 669 902	1 736 057	1 846 021
3. Development and Research	106 093	112 757	153 909	178 702	178 702	178 702	239 418	271 721	301 305
Total	1 361 280	1 416 423	1 934 257	2 047 812	2 062 167	2 062 167	2 325 185	2 446 515	2 606 245

Note: Programme 1 includes MEC remuneration: Salary: R1 652 224

Table 13.5: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
Current payments	859 264	846 623	1 033 142	1 214 658	1 261 171	1 261 171	1 416 062	1 512 687	1 648 908
Compensation of employees	510 860	576 981	692 531	809 852	875 010	875 010	998 554	1 079 651	1 181 803
Goods and services	348 404	269 642	340 598	404 806	386 161	386 161	417 508	433 036	467 105
Interest and rent on land	-	-	13	-	-	-	-	-	-
Transfers and subsidies to:	404 750	476 927	732 326	640 566	550 412	550 412	680 148	701 950	714 739
Provinces and municipalities	785	800	35 678	1 500	1 500	1 500	1 583	1 670	1 747
Departmental agencies and accounts	631	637	1 025	1 062	1 062	1 062	1 113	1 157	1 210
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	398 352	472 605	691 989	631 789	541 635	541 635	672 563	692 395	704 745
Households	4 982	2 885	3 634	6 215	6 215	6 215	4 889	6 728	7 037
Payments for capital assets	83 602	83 905	167 912	192 588	250 584	250 584	228 975	231 878	242 598
Buildings and other fixed structures	78 403	72 302	139 909	145 828	200 378	200 378	177 368	177 084	185 229
Machinery and equipment	5 176	11 532	27 519	45 706	45 706	45 706	50 495	53 619	56 141
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	23	71	484	1 054	4 500	4 500	1 112	1 175	1 228
Payments for financial assets	13 664	8 968	877	-	-	-	-	-	-
Total	1 361 280	1 416 423	1 934 257	2 047 812	2 062 167	2 062 167	2 325 185	2 446 515	2 606 245

The significant increase in 2011/12 when compared to 2009/10 and 2010/11 includes the carry-through cost of the 2010 wage agreement, as well as provincial priority funding to cater for existing infrastructure assets and maintenance. 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.

Programme 1: Administration spending was low in 2010/11 due to cost-cutting. The programme experienced spending pressures against *Goods and services* in 2011/12, caused mainly by contractual obligations that are centralised under Programme 1, such as increased costs relating to audit fees, legal fees, forensic investigations and operating expenditure such as security services, municipal services and travel and subsistence, etc. In 2012/13, the department intends to remain within its budget.

Programme 2: Social Welfare Services grows significantly from 2009/10 to 2013/14, 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 increase in the 2012/13 Adjusted Appropriation and Revised Estimate is due to the higher than budgeted 2012 wage agreement, as well as funds received for the Social Sector EPWP Incentive Grant for Provinces (R674 000) relating to 2011/12. Additional national priority funding was allocated in respect of Child and Youth Care and Victim Empowerment in the 2012/13 MTEF, but commencing in 2013/14. Substantial funding was also allocated in 2013/14 for the Social Sector EPWP Incentive Grant for Provinces in respect of the appointment of community care givers.

In Programme 3: Development and Research, the growth in 2010/11 relates to the construction of one-stop development centres, and this trend is anticipated to continue in 2012/13. Additional national priority funding was allocated to this programme in the 2013/14 MTEF relating to the improvement of the quality of services provided by NGOs, as well as their financial sustainability.

Generally, both service delivery programmes show strong growth over the MTEF, especially Programme 2, due to national priority funding (e.g. Child and Youth Care and Victim Empowerment and the absorption of social work graduates) which is housed under this programme.

Compensation of employees shows strong growth from 2009/10 through to the 2013/14 MTEF, primarily due to general salary improvements, as well as additional funding for national priorities, such as the absorption of social work graduates. The increase in the 2012/13 Adjusted Appropriation and Revised Estimate is due to the higher than anticipated 2012 wage agreement, and the appointment of community care givers who were previously paid against *Transfers and subsidies to: Non-profit institutions*.

Goods and services shows a decrease in 2010/11, which is largely as a result of the previously mentioned Provincial Treasury SCM intervention. The increase in 2011/12 mainly relates to increased costs relating to audit fees, legal fees, forensic investigations and operating expenditure such as security services, municipal services and travel and subsistence, etc. The decrease in the 2012/13 Adjusted Appropriation and Revised Estimate relates to delays in the procurement processes between the department and the DOPW for the maintenance of service offices and state facilities. The growth over the 2013/14 MTEF includes inflationary increases.

Transfers and subsidies to: Provinces and municipalities caters for the payment of motor vehicle licences. The increase in 2011/12 relates to a once-off transfer of R35 million to the Umkhanyakude District Municipality for the expansion of ECD facilities in the district. The growth over the 2013/14 MTEF includes provision for purchase of new vehicles, as well as inflationary increases.

The category *Transfers and subsidies to: Departmental agencies and accounts* relates to the Health and Welfare Sector Education Training Authority (HwSETA). The peak in 2011/12 relates to the erroneous inclusion of bursary payments under this category.

The low spending in 2009/10 against *Transfers and subsidies to: Non-profit institutions* relates to a reprioritisation of funds from sustainable livelihood payments to *Buildings and other fixed structures* for the construction of one-stop development centres. In addition, payments to NGOs declined due to investigations into entity compliance to the PFMA. The decrease in the 2012/13 Adjusted Appropriation and Revised Estimate relates to the non-implementation of transfer payments relating to the Youth Development and Sustainable Livelihood sub-programmes due to an audit of previously funded projects and the review of standard operating procedures for the funding and monitoring of NPOs. The growth in the 2013/14 MTEF is attributable to funding allocated for national priorities, such as Child and Youth Care and Victim Empowerment, the improvement of the quality of services provided by NGOs, as well as their financial sustainability.

The fluctuating trend in *Transfers and subsidies to: Households* relates to staff exit costs.

The increase in 2011/12 against *Buildings and other fixed structures* is due to the construction of one-stop development centres and the roll-out of the ECD function in KZN. The increase in the 2012/13 Adjusted Appropriation and Revised Estimate relates to funding reprioritised to cater for the high demand for ECD centres within the province, as well as pressures from 2011/12 Independent Development Trust (IDT) invoices for infrastructure projects, such as the construction of the Nkunzana service office, Mhlabunzima one-stop development centre, Dambuza youth development centre, etc. The growth over the 2013/14 MTEF is mainly attributable to additional funding allocated for existing infrastructure assets, according to project requirements, as well as the roll-out of ECD function in KZN.

The low spending against *Machinery and equipment* in 2009/10 and 2010/11 is due to cost-cutting. The significant increase in 2011/12 relates to the purchase of appropriate equipment for newly appointed departmental officials. The substantial increase in 2012/13 relates to the purchase of motor vehicles, and office equipment, due to the appointment of departmental officials. The high growth over the 2013/14 MTEF provides for the purchase of vehicles and office furniture due to the anticipated filling of vacant posts and absorption of social workers.

Spending against *Software and other intangible assets* is in respect of computer software packages required by the department. The increase in 2011/12 relates to the purchase of antivirus software and a firewall for the server. In the 2012/13 Adjustments Estimate, funds were reprioritised for the purchase of software licences such as Microsoft Office 2010, Windows Server 2008, etc., explaining the increase in the 2012/13 Adjusted Appropriation and Revised Estimate. Provision was made for anticipated software purchases over the 2013/14 MTEF.

The amounts against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

5.4 Summary of payments and estimates by district municipal area

Table 13.6 shows departmental spending by 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		
	2011/12	2012/13	2013/14	2014/15	2015/16
eThekweni	258 331	236 609	244 121	258 116	270 422
Ugu	33 510	16 502	15 673	16 711	17 611
uMgungundlovu	397 629	152 010	327 471	354 980	361 707
Uthukela	-	51 144	52 274	55 427	58 049
Umzinyathi	6	47 192	56 284	58 283	61 062
Amajuba	11 546	60 289	58 745	61 899	64 822
Zululand	45 628	39 604	40 558	42 104	44 256
Umkhanyakude	42 326	36 976	36 336	38 057	40 043
uThungulu	51 627	40 736	39 734	41 384	43 531
Ilembe	-	24 233	24 247	26 081	27 407
Sisonke	31 645	60 289	30 706	31 835	33 551
Total	872 248	765 584	926 149	984 877	1 022 461

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 other district municipal areas, due to the fact that service providers are mostly based in urban rather than in rural areas. The high spending in 2011/12 relates to new national priority funding for ECD, as well as once-off transfers to NPOs to improve the quality of services in line with norms and standards. The increase in 2013/14 is due to funding received in respect of the Child and Youth Care and Victim Empowerment national priorities, as well as a provision for the absorption of social work graduates and support to the NGO sector for the improvement of the quality of services provided by NGOs and their financial sustainability.

5.5 Summary of conditional grant payments and estimates

Tables 13.7 and 13.8 illustrate conditional grant payments and estimates from 2009/10 to 2015/16. Note that the historical figures in Tables 13.7 and 13.8 below reflect actual expenditure, and should not be compared to those figures reflected in Table 13.1, which represent the actual receipts for the grant.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Social Sector EPWP Incentive Grant for Provinces	-	2 700	3 821	-	674	674	14 610	-	-
Total	-	2 700	3 821	-	674	674	14 610	-	-

Table 13.8: Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	-	-	-	-	-	-	14 610	-	-
Compensation of employees	-	-	-	-	-	-	14 610	-	-
Goods and services									
Other									
Transfers and subsidies to:	-	2 700	3 821	-	674	674	-	-	-
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions	-	2 700	3 821	-	674	674	-	-	-
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	-	2 700	3 821	-	674	674	14 610	-	-

The conditional grant falls under Programme 2: Social Welfare Services, against the sub-programme: HIV and AIDS, and is previously reflected against *Transfers and subsidies to: Non-profit institutions*, and thereafter against *Compensation of employees* in 2013/14, as shown in *Annexure – Vote 13: Social Development*.

The department spent R2.700 million in 2010/11 and R3.821 million in 2011/12 relating to 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. In the 2012/13 Adjustments Estimate, the department received R674 000 which were funds relating to 2011/12 but only received after the financial year had closed. In 2013/14, the department is allocated R14.610 million, with no allocation provided beyond this at this stage, in respect of community care givers, who were previously employed by NPOs.

5.6 Summary of infrastructure payments and estimates

Table 13.9 summarises infrastructure spending by category over the seven-year period, while *Annexure – Vote 13: Social Development* gives details of infrastructure type.

Table 13.9: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
New and replacement assets	60 684	54 192	122 616	95 352	125 352	125 352	141 021	148 777	155 621
Existing infrastructure assets	24 351	25 455	22 361	95 026	95 026	95 026	70 761	44 614	46 665
Upgrades and additions	13 725	18 110	10 115	50 476	75 026	75 026	36 347	28 307	29 608
Rehabilitation, renovations and refurbishments	3 994	-	7 178	-	-	-	-	-	-
Maintenance and repairs	6 632	7 345	5 068	44 550	20 000	20 000	34 414	16 307	17 057
Infrastructure transfers	-	-	35 000	-	-	-	-	-	-
Current	-	-	-	-	-	-	-	-	-
Capital	-	-	35 000	-	-	-	-	-	-
Capital infrastructure	78 403	72 302	174 909	145 828	200 378	200 378	177 368	177 084	185 229
Current infrastructure	6 632	7 345	5 068	44 550	20 000	20 000	34 414	16 307	17 057
Total	85 035	79 647	179 977	190 378	220 378	220 378	211 782	193 391	202 286

The amounts reflected against *New and replacement assets* relate to the provision of office and residential accommodation for staff in rural areas, and construction of one-stop development and secure care 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 2011/12 was for the construction of one-stop development centres and new office accommodation. In the 2012/13 Adjusted Appropriation, the department moved R30 million from *Transfers and subsidies to: Non-profit institutions* to *New and replacement assets* to address the needs for ECD facilities in KZN. The allocation increases over the 2013/14 MTEF, in line with anticipated construction of service offices, state facilities, etc.

Spending was high against *Upgrades and additions* in 2010/11, mainly due to 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 onward includes a portion of the previously mentioned additional funding for infrastructure assets and maintenance, to cater for upgrades and additions of existing infrastructure assets, such as a children's home and secure care centres (see Table 13.3), decreasing from 2014/15 according to project requirements.

The increase in *Maintenance and repairs* in 2010/11 relates to the late processing of claims, which resulted in payments from 2009/10 being processed in the following year. As mentioned, the department was allocated additional funds from 2011/12 for maintenance and repair of existing infrastructure assets, accounting for the increase in *Maintenance and repairs* from 2012/13 to 2013/14, in line with project requirements. In the 2012/13 Adjusted Appropriation, the department moved R24.550 million from *Maintenance and repairs* to *Upgrades and additions* to fund pressures from the 2011/12 IDT invoices only received in 2012/13, for various infrastructure projects, such as the construction of the Nkunzana service office, Mhlalunzima one-stop development centre, Dambuza youth development centre, etc.

The amount of R35 million in 2011/12 against *Infrastructure transfers: Capital* relates to a payment to Umkhanyakude District Municipality for the expansion of ECD facilities in the district.

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 13.10 reflects transfers to entities such as NGOs, Faith-based Organisations (FBOs) and NPOs, as reflected against *Transfers and subsidies to: Non-profit institutions* in Table 13.5. The department intends increasing tariffs to NPOs by 6 per cent in 2013/14, with inflationary adjustments over the MTEF.

The department transfers funds to almost 2 000 entities in KZN. 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.

Table 13.10: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Substance Abuse, Prev. & Rehab		10 778	9 156	12 181	16 405	15 319	15 319	19 554	19 804	20 393
Out Patients Clinics	2.2: Subst Abuse, Prev & Rehab	-	491	505	549	549	549	561	575	582
Treatment Centres	2.2: Subst Abuse, Prev & Rehab	1 320	1 337	1 950	3 192	3 192	3 192	3 265	3 343	3 384
Welfare Organisations	2.2: Subst Abuse, Prev & Rehab	9 458	7 328	9 726	12 664	11 578	11 578	15 728	15 886	16 427
Care & Services to Older Persons		82 900	81 971	100 009	94 493	87 165	87 165	95 373	96 586	99 464
Homes for the Aged	2.3: Care & Serv. to Older Pers	51 008	45 766	61 377	52 422	45 094	45 094	52 341	52 527	54 866
Service Centres & Lunch Clubs	2.3: Care & Serv. to Older Pers	22 261	28 009	30 010	32 378	32 378	32 378	33 118	33 908	34 323
Welfare Organisations	2.3: Care & Serv. to Older Pers	9 631	8 196	8 622	9 693	9 693	9 693	9 914	10 151	10 275
Crime Prevention & Support		14 324	19 937	19 825	21 368	21 368	21 368	21 170	21 439	22 077
Welfare Organisations	2.4: Crime Prevention & Support	14 324	19 937	19 825	21 368	21 368	21 368	21 170	21 439	22 077
Services to Persons with Disabilities		44 733	46 337	59 404	64 113	64 113	64 113	63 507	64 315	66 231
Homes for Disabled	2.5: Serv. to Pers with Disabilities	22 509	26 907	35 407	36 094	36 094	36 094	34 847	34 971	36 528
Protective Workshops	2.5: Serv. to Pers with Disabilities	7 634	6 004	6 512	9 942	9 942	9 942	10 169	10 412	10 539
Welfare Organisations	2.5: Serv. to Pers with Disabilities	14 590	13 426	17 485	18 077	18 077	18 077	18 491	18 932	19 164
Child Care & Protection Services		213 411	234 384	401 158	323 472	300 800	300 800	361 188	372 538	376 252
Children's Homes	2.6: Child Care & Protect Serv	59 298	55 157	67 021	61 682	61 682	61 682	63 091	64 596	65 387
Early Childhood Development	2.6: Child Care & Protect Serv	110 951	118 351	246 851	176 965	154 293	154 293	211 333	219 108	220 943
Private Places of Safety	2.6: Child Care & Protect Serv	4 853	1 250	1 850	1 398	1 398	1 398	1 430	1 464	1 482
Shelters for Children	2.6: Child Care & Protect Serv	5 178	5 524	6 212	7 295	7 295	7 295	7 462	7 640	7 734
Welfare Organisations	2.6: Child Care & Protect Serv	33 131	54 102	79 224	76 132	76 132	76 132	77 872	79 730	80 706
Victim Empowerment		2 704	2 580	4 164	6 367	7 453	7 453	14 537	15 232	15 686
Shelters for Women	2.7: Victim Empowerment	2 704	2 580	4 164	6 367	7 453	7 453	14 537	15 232	15 686
HIV and AIDs		26 023	65 611	67 241	76 131	30 805	30 805	36 690	39 766	40 952
Home Community Based Care	2.8: HIV and AIDS	26 023	65 611	67 241	76 131	30 805	30 805	36 690	39 766	40 952
Care & Sup. Services to Families		3 091	2 991	4 454	4 662	4 662	4 662	5 199	5 266	5 423
Welfare Organisations	2.10: Care/Sup. Serv. to Families	3 091	2 991	4 454	4 662	4 662	4 662	5 199	5 266	5 423
Youth Development		-	1 253	10 979	9 599	9 599	9 599	37 933	39 622	40 221
Youth Development Services	3.2: Youth Development	-	1 253	10 979	9 599	9 599	9 599	37 933	39 622	40 221
Sustainable Livelihood		388	8 385	12 574	15 179	351	351	17 412	17 827	18 046
Community Projects	3.3: Sustainable Livelihood	388	8 385	12 574	15 179	351	351	17 412	17 827	18 046
Total		398 352	472 605	691 989	631 789	541 635	541 635	672 563	692 395	704 745

The increase in 2011/12 was mainly due to allocations for national priorities such as ECD and HCBC. The decrease in the 2012/13 Adjusted Appropriation and the Revised Estimate (mainly against the Sustainable Livelihood sub-programme) is due to a compliance audit and the review of standard operating procedures for the funding and monitoring of NPOs, which will now include the formation of a council to evaluate and adjudicate new projects to eligible NPOs. The growth over the 2013/14 MTEF relates to additional national priority funding relating to the improvement of the quality of services provided by NGOs, as well as their financial sustainability.

5.10 Transfers to local government

The department makes no transfer payments to local government. However, in 2011/12 a once-off transfer of R35 million (Programme 2) was made by the department to Umkhanyakude District Municipality for the Ndumo Learner Support Centre (including ECD infrastructure development in the district). Although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, 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 13.11 below is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a fluctuating trend from 2009/10 to 2015/16 for the category as a whole.

Table 13.11: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	4 597	2 091	3 452	5 282	5 282	5 282	3 898	5 687	5 948
Provinces and municipalities	785	800	678	1 500	1 500	1 500	1 583	1 670	1 747
Motor vehicle licences	785	800	678	1 500	1 500	1 500	1 583	1 670	1 747
Departmental agencies and accounts	176	247	823	312	312	312	325	335	350
HWSETA	176	247	823	312	312	312	325	335	350
Households	3 636	1 044	1 951	3 470	3 470	3 470	1 990	3 682	3 851
Social benefits	3 636	1 044	1 951	3 470	3 470	3 470	1 990	3 682	3 851
2. Social Welfare Services	399 288	465 187	705 321	609 696	534 370	534 370	620 037	637 899	649 567
Provinces and municipalities	-	-	35 000	-	-	-	-	-	-
ECD infrastructure development	-	-	35 000	-	-	-	-	-	-
Departmental agencies and accounts	9	379	202	415	415	415	435	450	471
HWSETA	9	379	202	415	415	415	435	450	471
Non-profit institutions	397 964	462 967	668 436	607 011	531 685	531 685	617 218	634 946	646 478
Substance Abuse, Prevention & Rehab.	10 778	9 156	12 181	16 405	17 491	17 491	19 554	19 804	20 393
Care and Services to Older Persons	82 900	81 971	100 009	87 165	87 165	87 165	95 373	96 586	99 464
Crime Prevention and Support	14 324	19 937	19 825	21 368	21 368	21 368	21 170	21 439	22 077
Services to Persons with Disabilities	44 733	46 337	59 404	64 113	64 113	64 113	63 507	64 315	66 231
Child Care and Protection Services	213 411	234 384	401 158	330 800	300 800	300 800	361 188	372 538	376 252
Victim Empowerment	2 704	2 580	4 164	6 367	5 281	5 281	14 537	15 232	15 686
HIV and AIDS	3 091	65 611	67 241	76 131	30 805	30 805	36 690	39 766	40 952
Care and Support Services to Families	26 023	2 991	4 454	4 662	4 662	4 662	5 199	5 266	5 423
Households	1 315	1 841	1 683	2 270	2 270	2 270	2 384	2 503	2 618
Social benefits	1 315	1 841	1 683	2 270	2 270	2 270	2 384	2 503	2 618
3. Development and Research	865	9 649	23 553	25 588	10 760	10 760	56 213	58 364	59 224
Departmental agencies and accounts	446	11	-	335	335	335	353	372	389
HWSETA	446	11	-	335	335	335	353	372	389
Non-profit institutions	388	9 638	23 553	24 778	9 950	9 950	55 345	57 449	58 267
Youth Development	-	1 253	10 979	9 599	9 599	9 599	37 933	39 622	40 221
Sustainable Livelihood	388	8 385	12 574	15 179	351	351	17 412	17 827	18 046
Households	31	-	-	475	475	475	515	543	568
Social benefits	31	-	-	475	475	475	515	543	568
Total	404 750	476 927	732 326	640 566	550 412	550 412	680 148	701 950	714 739

The details of the various *Transfers and subsidies* include:

- *Provinces and municipalities* in Programme 1 reflects the payment of motor vehicle licences.
- The amounts against *Departmental agencies and accounts* relate to transfers to the HWSETA. The peak in 2011/12 relates to the erroneous inclusion of bursary payments under this category.
- The fluctuations against *Households* (all programmes) relate to staff exit costs.
- The amount of R35 million against *Provinces and municipalities* under Programme 2 in 2011/12 relates to a once-off transfer made by the department to Umkhanyakude District Municipality for the Ndumo Learner Support Centre (including ECD infrastructure development in the district).
- The growth from 2009/10 to 2011/12 against *Non-profit institutions* in Programme 2 is due to additional national priorities such as ECD and HCBC. 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 decrease in Child Care and Protection Services sub-programme from 2011/12 to the 2012/13 Main Appropriation was to correct a misallocation of the budget with regard to national priority funding for ECD. The decrease in the 2012/13 Adjusted Appropriation relates to the movement of savings resulting from delays in the signing of SLAs to offset other spending pressures.

- The growth from 2010/11 to 2011/12 against *Non-profit institutions* in Programme 3 is due to the increase in demand for services within the province. The decrease in the 2012/13 Adjusted Appropriation and the Revised Estimate is due to a compliance audit and the review of standard operating procedures for the funding and monitoring of NPOs, which will now include the formation of a council to evaluate and adjudicate new projects to eligible NPOs. The growth over the 2013/14 MTEF relates to additional national priority funding allocated to the department for the improvement of the quality of services provided by NGOs, as well as their financial sustainability.

6. Programme description

The services rendered by this department are categorised under three programmes, details of which are presented in *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 13.12 and 13.13 below summarise payments and budgeted estimates relating to Programme 1.

There is a steady increase in the programme as a whole, from R327.357 million in 2009/10 to R458.919 million in 2015/16, which keeps pace with inflation.

The increase over the 2013/14 MTEF relates mainly to the anticipated increase in personnel due to the filling of vacant posts, while taking cognisance of the moratorium on the filling of non-critical posts.

Table 13.12: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Office of the MEC	11 843	12 904	15 140	14 446	14 446	14 446	15 240	16 078	16 818
Corporate Management Services	160 077	142 225	153 576	172 120	172 120	172 120	181 587	191 574	200 386
District Management	155 437	170 495	201 779	207 619	207 619	207 619	219 038	231 085	241 715
Total	327 357	325 624	370 495	394 185	394 185	394 185	415 865	438 737	458 919

Table 13.13: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	319 283	313 293	342 724	364 087	364 087	364 087	389 381	408 873	427 628
Compensation of employees	155 590	174 767	191 045	228 422	228 422	228 422	255 706	269 281	284 687
Goods and services	163 693	138 526	151 666	135 665	135 665	135 665	133 675	139 592	142 941
Interest and rent on land	-	-	13	-	-	-	-	-	-
Transfers and subsidies to:	4 597	2 091	3 452	5 282	5 282	5 282	3 898	5 687	5 948
Provinces and municipalities	785	800	678	1 500	1 500	1 500	1 583	1 670	1 747
Departmental agencies and accounts	176	247	823	312	312	312	325	335	350
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 636	1 044	1 951	3 470	3 470	3 470	1 990	3 682	3 851
Payments for capital assets	3 477	10 240	23 442	24 816	24 816	24 816	22 586	24 177	25 343
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 477	10 169	22 958	23 762	23 762	23 762	21 474	23 002	24 115
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	71	484	1 054	1 054	1 054	1 112	1 175	1 228
Payments for financial assets	-	-	877	-	-	-	-	-	-
Total	327 357	325 624	370 495	394 185	394 185	394 185	415 865	438 737	458 919

Compensation of employees shows a significant upward trend from 2012/13 onward due to the anticipated filling of vacant funded posts, taking into account the moratorium on the filling of non-critical posts.

The decrease in 2010/11 against *Goods and services* relates to cost-cutting. The increase in 2011/12 relates to pressures due to increased costs of audit fees, legal fees, forensic investigations and operating expenditure such as security services, municipal services and travel and subsistence, etc. The decrease over the 2013/14 MTEF relates to the baseline cuts, as previously mentioned.

Transfers and subsidies to: Departmental agencies and accounts caters for payments to HWSETA. The peak in 2011/12 relates to the erroneous inclusion of bursary payments under this category.

Transfers and subsidies to: Households relate to staff exit costs, which are difficult to predict.

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. The low spending in 2009/10 relates to cost-cutting, as well as tight controls over the purchasing of vehicles, computer equipment and office furniture. The decrease over the 2013/14 MTEF relates to baseline cuts.

The increase in 2011/12 against *Software and other intangible assets* relates to the purchase of anti-virus software and a firewall for the server. The growth from 2012/13 to 2015/16 provides for anticipated purchases of software, such as Microsoft licences, over the MTEF.

Payments for financial assets relates to the write-off of irrecoverable staff debts.

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 13.14 and 13.15 below reflect a summary of payments and estimates for this programme.

The substantial growth in this programme from 2009/10 to 2015/16 is due to the filling of posts, while taking cognisance of the moratorium on the filling of non-critical 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.

The salaries and administrative costs for social workers in Programme 2 are paid from the Professional and Administrative Support sub-programme, as the social workers' costs cannot be accurately linked to the various functions within the programme. However, national priority funding for the absorption of social work graduates is allocated against the Child Care and Protection Services sub-programme.

Table 13.14: Summary of payments and estimates - Programme 2: Social Welfare Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Professional and Administrative Support	404 491	365 415	541 200	549 432	563 113	563 113	579 651	577 492	604 057
Substance Abuse, Prevention and Rehabilitation	27 733	29 770	43 472	44 043	42 957	42 957	45 580	47 261	49 113
Care and Services to Older Persons	87 595	89 844	105 192	107 692	107 692	107 692	109 299	111 277	114 831
Crime Prevention and Support	31 489	41 967	42 862	78 209	78 209	78 209	81 553	85 143	88 711
Services to Persons with Disabilities	59 239	62 101	75 589	78 112	78 112	78 112	79 533	81 223	83 917
Child Care and Protection Services	275 787	306 766	509 606	489 903	489 903	489 903	619 536	687 639	753 628
Victim Empowerment	2 704	2 580	4 164	8 087	9 173	9 173	16 033	16 811	17 338
HIV and AIDS	26 025	66 227	70 186	102 258	102 932	102 932	120 819	110 547	114 989
Social Relief	9 676	10 381	12 688	11 727	11 727	11 727	12 372	13 053	13 653
Care and Support Services to Families	3 091	2 991	4 894	5 462	5 462	5 462	5 526	5 611	5 784
Total	927 830	978 042	1 409 853	1 474 925	1 489 280	1 489 280	1 669 902	1 736 057	1 846 021

Table 13.15: 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	478 591	468 191	612 096	756 018	787 703	787 703	909 602	960 220	1 052 171
Compensation of employees	307 580	358 371	451 117	513 982	579 140	579 140	674 543	738 347	821 780
Goods and services	171 011	109 820	160 979	242 036	208 563	208 563	235 059	221 873	230 391
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	399 288	465 187	705 321	609 696	534 370	534 370	620 037	637 899	649 567
Provinces and municipalities	-	-	35 000	-	-	-	-	-	-
Departmental agencies and accounts	9	379	202	415	415	415	435	450	471
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	397 964	462 967	668 436	607 011	531 685	531 685	617 218	634 946	646 478
Households	1 315	1 841	1 683	2 270	2 270	2 270	2 384	2 503	2 618
Payments for capital assets	49 951	35 699	92 436	109 211	167 207	167 207	140 263	137 938	144 283
Buildings and other fixed structures	48 493	34 336	89 446	90 841	145 391	145 391	119 357	115 882	121 212
Machinery and equipment	1 435	1 363	2 990	18 370	18 370	18 370	20 906	22 056	23 071
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	23	-	-	-	3 446	3 446	-	-	-
Payments for financial assets	-	8 965	-	-	-	-	-	-	-
Total	927 830	978 042	1 409 853	1 474 925	1 489 280	1 489 280	1 669 902	1 736 057	1 846 021

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 funding in 2010/11, as well as further funding over the 2013/14 MTEF.
- Expansion of HCBC (allocated to the HIV and AIDS sub-programme) with the additional funding from 2010/11, growing steadily over the 2013/14 MTEF.
- Expansion of services to Children in Conflict with the Law (under the Crime Prevention and Support sub-programme) in 2010/11, followed by strong growth over the ensuing financial years.
- Additional funding for the Child and Youth Care and Victim Empowerment national priority over the 2013/14 MTEF (see Table 13.3), which was allocated to transfers to NGOs (under the Child Care and Protection Services and HIV and AIDS sub-programmes).
- Additional national priority funding for the absorption of social workers over the 2013/14 MTEF (see Table 13.3), which was allocated against *Compensation of employees* (under the Child Care and Protection Services sub-programme).

The significant growth in the Victim Empowerment sub-programme in 2011/12 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.

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 reflects a sharp rise from 2011/12 onward due to the filling of vacant posts for social workers. The department also included the stipends paid to community care givers against this category in 2012/13, which were previously paid against *Transfers and subsidies to: Non-profit institutions*. 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. The strong growth against *Compensation of employees* over the 2013/14 MTEF relates to the anticipated filling of vacant posts while taking cognisance of the moratorium on the filling of non-critical posts, as well as additional national priority funding received for the absorption of social work graduates.

There was once-off spending in 2009/10 against *Goods and services* 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 the maintenance of existing infrastructure is removed in 2014/15, in line with project requirements. The decrease in the 2012/13 Adjusted Appropriation and Revised Estimate relates to delays in the procurement processes between the department and the DOPW for the maintenance of service offices and state facilities. The growth over the 2013/14 MTEF is a portion of the additional funding given for existing infrastructure assets, with a decrease in 2014/15 according to project requirements.

Spending against *Transfers and subsidies to: Provinces and municipalities* in 2011/12 relates to a once-off transfer made by the department to Umkhanyakude District Municipality for the Ndumo Learner Support Centre (including ECD infrastructure development in the district).

The category *Departmental agencies and accounts* relates to the HWSETA.

With regard to *Transfers and subsidies to: Non-profit institutions*, the increase in spending in 2010/11 was due to an increase in funding of various national priorities (ECD, HCBC and Children in Conflict with the Law). There was significant growth in 2011/12, related to additional funding allocated in the 2009/10 MTEF process, as well as once-off transfers to NPOs for the improvement of the quality of services in line with norms and standards. The decrease in the 2012/13 Adjusted Appropriation and Revised Estimate relates to the removal of the payment of stipends from this category to *Compensation of employees*. Also, savings realised, as a result of funding entities once all the requirements of Section 38(1)(j) of the PFMA have been met and the department has provided financial management training to NPOs, were moved to partly fund the high demand for ECD centres within the province, as well as pressures from 2011/12 IDT invoices for infrastructure projects, as previously mentioned. This category grows steadily over the 2013/14 MTEF, mainly due to additional priority funding for Child Care and Youth Empowerment.

Transfers and subsidies to: Households relates to staff exit costs, which are difficult to predict.

Growth in *Buildings and other fixed structures* in 2011/12 is due to the construction of district offices and ECD facilities. In the 2012/13 Adjusted Appropriation, funds were reprioritised from *Goods and services* and *Transfers and subsidies to: Non-profit institutions* to this category to fund the high demand for ECD centres within the province, as well as pressures from IDT invoices for infrastructure payments, as previously mentioned. Contributing to the growth over the 2013/14 MTEF is a portion of the additional funding given for existing infrastructure assets, with a decrease in 2014/15 according to project requirements.

The low spending against *Machinery and equipment* in 2009/10 and 2010/11 is due to cost-cutting, whereby the department implemented tight controls over the purchasing of computer equipment and office furniture. The substantial increase in 2011/12 is due to the increase in staffing levels for which the appropriate equipment was procured. The growth in 2012/13 and over the 2013/14 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.

Spending against *Software and other intangible assets* is in respect of computer software packages required by the department. In the 2012/13 Adjustments Estimate, funds were reprioritised for the purchase of software licences such as Microsoft Office 2010, Windows Server 2008, etc., explaining the increase in the 2012/13 Adjusted Appropriation and Revised Estimate.

The amounts against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 2: Social Welfare Services

Table 13.16 below lists the main service delivery measures pertinent to this programme. The department's measures are aligned to those of the Social Development sector.

A number of measures have been introduced in 2013/14 and are indicated as “new” in the 2012/13 Estimated performance.

Table 13.16: Service delivery measures – Programme 2: Social Welfare Services

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
1. Substance abuse, prevention and rehabilitation						
	• No. of drug prevention programmes implemented for children	new	3	3	3	
	• No. of drug prevention programmes implemented for youth (19-35)	new	3	3	3	
	• No. of service users who completed inpatient treatment services at funded treatment centres	272	491	516	542	
	• No. of service users who completed outpatient based treatment services	new	1 118	1 174	1 233	
2. Care and services to older persons						
	• No. of older persons accessing funded residential facilities	1 965	1 851	1 943	2 040	
	• No. of older persons accessing community based care and support services	11 577	15 774	16 563	17 391	
3. Crime prevention and support						
	• No. of children in conflict with the law assessed	1 319	5 307	5 572	5 851	
	• No. of children in conflict with the law awaiting trial in secure care centres	197	763	801	841	
	• No. of children in conflict with the law referred to diversion programmes	new	2 112	2 218	2 329	
	• No. of children in conflict with the law who completed diversion programmes	204	1 281	1 345	1 412	
4. Services to persons with disabilities						
	• No. of persons with disabilities in funded residential facilities	954	583	612	643	
	• No. of persons with disabilities accessing services in funded protective workshops	1 346	1 240	1 302	1 367	
5. Child care and protection services						
	• No. of children in need of care and protection placed in CCYC	2 736	3 833	4 025	4 226	
	• No. of children accessing registered ECD services	58 754	82 068	86 171	90 480	
	• No. of children placed in foster care	5 827	22 462	23 585	24 764	
6. Victim empowerment						
	• No. of victims of crime and violence in funded VEP service sites	771	2 145	2 252	2 365	
	• No. of reported victims of human trafficking placed in rehabilitation programmes	64	13	14	15	
7. HIV and AIDS						
	• No. of orphans and other children made vulnerable by HIV and AIDS receiving Psychosocial Support Services	13 106	18 641	19 573	20 551	
	• No. of CYCW trainees in services training to deliver prevention and early intervention programmes through <i>Isibindi</i> model	new	537	564	592	
8. Social relief						
	• No. of individuals who benefited from social relief of distress programmes	6 366	33 267	34 930	36 677	
	• No. of vulnerable households accessing nutritious food through DSD programmes	new	18 717	19 653	20 636	
9. Care and support services to families						
	• No. of families participating in family preservation services	5 926	3 270	3 434	3 607	
	• No. of family members reunited with their families	132	1 949	2 046	2 148	
	• No. of families participating in the Parenting programme	new	11 718	12 304	12 919	

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 six 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 the youth 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 13.17 and 13.18 reflect a summary of payments and estimates by programme and economic classification for the period 2009/10 to 2015/16.

Table 13.17: Summary of payments and estimates - Programme 3: Development and Research

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Professional and Administrative Support	104 607	97 879	124 063	136 029	136 029	136 029	141 547	149 294	156 162
Youth Development	122	2 193	10 810	13 898	13 898	13 898	44 280	46 317	47 224
Sustainable Livelihood	518	9 795	14 246	15 179	21 914	21 914	17 411	17 827	18 046
Institutional Capacity Building and Support	624	1 447	2 763	10 475	3 740	3 740	32 776	54 691	76 116
Research and Demography	41	341	679	1 438	1 438	1 438	1 593	1 681	1 758
Population Capacity Development and Advocacy	181	1 102	1 348	1 683	1 683	1 683	1 811	1 911	1 999
Total	106 093	112 757	153 909	178 702	178 702	178 702	239 418	271 721	301 305

Table 13.18: 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	61 390	65 139	78 322	94 553	109 381	109 381	117 079	143 594	169 109
Compensation of employees	47 690	43 843	50 369	67 448	67 448	67 448	68 305	72 023	75 336
Goods and services	13 700	21 296	27 953	27 105	41 933	41 933	48 774	71 571	93 773
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	865	9 649	23 553	25 588	10 760	10 760	56 213	58 364	59 224
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	446	11	-	335	335	335	353	372	389
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	388	9 638	23 553	24 778	9 950	9 950	55 345	57 449	58 267
Households	31	-	-	475	475	475	515	543	568
Payments for capital assets	30 174	37 966	52 034	58 561	58 561	58 561	66 126	69 763	72 972
Buildings and other fixed structures	29 910	37 966	50 463	54 987	54 987	54 987	58 011	61 202	64 017
Machinery and equipment	264	-	1 571	3 574	3 574	3 574	8 115	8 561	8 955
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	106 093	112 757	153 909	178 702	178 702	178 702	239 418	271 721	301 305

In general, this programme shows an increasing trend over the seven-year period. The significant growth over the 2013/14 MTEF relates to additional national priority funding allocated to the department (under the Institutional Capacity Building and Support sub-programme) for the improvement of the quality of services provided by NGOs, as well as their financial sustainability, which was allocated against *Transfers and subsidies*.

The sharp increase in the sub-programme: Youth Development from 2010/11 to 2012/13 and over the 2013/14 MTEF is due to reprioritisation within Programme 3 from Sustainable Livelihood to cater for youth projects.

The low spending in the sub-programme: Sustainable Livelihood in 2009/10 was the result of the previously mentioned forensic investigations.

The low spending against the Institutional Capacity Building and Support sub-programme from 2009/10 to 2010/11 was due to the fact that capacity building was organised in-house. The increase over the 2013/14 MTEF relates to additional national priority funding allocated to the department for the improvement of the quality of services provided by NGOs, as well as their financial sustainability.

Expenditure against *Compensation of employees* reflects a significant upward trend from 2012/13 due to the anticipated filling of vacant funded posts, while taking cognisance of the moratorium on the filling of non-critical posts.

The low spending against *Goods and services* in 2009/10 was due to cost-cutting in order to defray spending pressures in other programmes within the vote. The increase in 2011/12 and 2012/13 relates to the construction of one-stop development centres.

Expenditure on *Transfers and subsidies to: Departmental agencies and accounts* relates to transfers to the HWSETA.

The low spending against *Transfers and subsidies to: Non-profit institutions* in 2009/10 results from the forensic investigations into entity compliance to the PFMA. The reduction in the 2012/13 Adjusted Appropriation relates to the fact that Sustainable Livelihood transfers were not implemented, pending a compliance audit of previously funded projects, as well as the review of the standard operating procedures for the funding and monitoring of NPOs. The increase over the 2013/14 MTEF relates to additional national priority funding allocated to the department for the improvement of the quality of services provided by NGOs, as well as their financial sustainability.

Transfers and subsidies to: Households relates to staff exit costs, which are difficult to predict.

The low spending in 2009/10 against *Buildings and other fixed structures* relates mainly to cost-cutting. In 2011/12, the department continued with the construction of one-stop development centres, under the sub-programme: Professional and Administrative Support, hence the high spending from 2011/12 onward.

Spending against *Machinery and equipment* was negligible in 2009/10 and relates 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. The increases over the 2013/14 MTEF cater for the anticipated purchases of furniture, machinery and equipment for newly constructed community centres.

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 13.19 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 2013/14 and are indicated as “new” in the 2012/13 Estimated performance.

Table 13.19: Service delivery measures – Programme 3: Development and Research

Outputs	Performance indicator	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
1. Youth development						
	• No. of youth development structures established	new	212	223	234	
	• No. of youth participating in national Youth Service programme	new	380	399	419	
	• No. of youth participating in youth mobilisation programmes	new	3 470	3 644	3 826	
	• No. of youth participating in skills and entrepreneurship development programmes	190	1 330	1 397	1 467	
2. Sustainable livelihood						
	• No. of households profiled	24 649	15 561	16 339	17 156	
	• No. of communities profiled	645	475	499	524	
3. Institutional capacity building and support						
	• No. of NPOs assisted with registration	708	1 948	2 045	2 147	
	• No. of NPOs capacitated according to the capacity building guideline	2 584	2 404	2 524	2 650	
4. Research and demography						
	• No. of research projects completed	2	1	1	1	
	• No. of demographic profiles completed	8	3	3	3	
5. Population capacity development and advocacy						
	• No. of dissemination workshops for population and development conducted	new	12	13	14	
	• No. of stakeholders who participated in dissemination workshops for population and development	new	15	16	17	
	• No. of stakeholders who participated in capacity building training	new	15	16	17	

7. Other programme information

7.1 Personnel numbers and costs

Table 13.20 presents personnel numbers and costs relating to the department over the seven-year period. Table 13.21 provides a more detailed breakdown of departmental personnel numbers and costs, focussing on the Human Resources and Finance components.

The personnel numbers show an 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. Although there is a general increase in staffing levels from 2009/10 to 2011/12, the fluctuations in personnel numbers at programme level over this period relate to adjustments on PERSAL linking staff to the relevant programmes.

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 significant increase of contract workers in the 2012/13 Revised Estimate relates to the appointment of community care givers on PERSAL from 1 March 2012, who were previously paid against *Transfers and subsidies to: Non-profit institutions*. The increase over the 2013/14 MTEF relates to the absorption of social work graduates in line with national priorities.

Table 13.20: Personnel numbers and costs per programme

	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	As at 31 March 2016
Personnel numbers							
1. Administration	885	800	851	954	954	954	954
2. Social Welfare Services	1 504	1 925	2 318	4 758	5 205	5 358	5 509
3. Development and Research	289	130	229	256	256	256	256
Total	2 678	2 855	3 398	5 968	6 415	6 568	6 719
Total personnel cost (R thousand)	510 860	576 981	692 531	875 010	998 554	1 079 651	1 181 803
Unit cost (R thousand)	191	202	204	147	156	164	176

Table 13.21: Details of departmental personnel numbers and costs

	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Total for department									
Personnel numbers (head count)	2 678	2 855	3 398	3 429	5 968	5 968	6 415	6 568	6 719
Personnel cost (R thousand)	510 860	576 981	692 531	809 852	875 010	875 010	998 554	1 079 651	1 181 803
Human resources component									
Personnel numbers (head count)	139	108	123	236	236	155	236	247	256
Personnel cost (R thousand)	35 886	14 638	14 638	52 398	52 398	50 124	52 398	54 215	57 453
Head count as % of total for department	5.19	3.78	3.62	6.88	3.95	2.60	3.68	3.76	3.81
Personnel cost as % of total for department	7.02	2.54	2.11	6.47	5.99	5.73	5.25	5.02	4.86
Finance component									
Personnel numbers (head count)	171	153	157	244	244	242	244	258	265
Personnel cost (R thousand)	41 545	37 619	37 619	65 174	65 174	63 511	65 174	69 120	73 259
Head count as % of total for department	6.39	5.36	4.62	7.12	4.09	4.05	3.80	3.93	3.94
Personnel cost as % of total for department	8.13	6.52	5.43	8.05	7.45	7.26	6.53	6.40	6.20
Full time workers									
Personnel numbers (head count)	2 224	2 843	3 194	3 234	5 773	3 402	3 570	3 723	3 874
Personnel cost (R thousand)	490 985	576 675	687 411	799 737	864 895	832 190	946 691	1 027 869	1 128 865
Head count as % of total for department	83.05	99.58	94.00	94.31	96.73	57.00	55.65	56.68	57.66
Personnel cost as % of total for department	96.11	99.95	99.26	98.75	98.84	95.11	94.81	95.20	95.52
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)	454	12	204	195	195	2 566	2 845	2 845	2 845
Personnel cost (R thousand)	19 875	306	5 120	10 115	10 115	42 820	51 863	51 782	52 938
Head count as % of total for department	16.95	0.42	6.00	5.69	3.27	43.00	44.35	43.32	42.34
Personnel cost as % of total for department	3.89	0.05	0.74	1.25	1.16	4.89	5.19	4.80	4.48

7.2 Training

Tables 13.22 and 13.23 below give a summary of departmental spending and information on training.

Table 13.22 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 DSD.

Table 13.22: Payments and estimates on training

	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
R thousand									
1. Administration	1 593	389	865	4 241	4 241	4 241	4 474	4 720	2 971
2. Social Welfare Services	1 885	418	2 336	3 577	3 577	3 577	3 773	3 980	4 163
3. Development and Research	1 428	1 121	1 320	422	422	422	445	469	491
Total	4 906	1 928	4 521	8 240	8 240	8 240	8 692	9 169	7 625

Table 13.23 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 13.23: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Number of staff	2 678	2 855	3 398	3 429	5 968	5 968	6 415	6 568	6 719
Number of personnel trained	1 112	1 800	1 839	2 200	3 137	3 137	2 200	2 276	2 070
<i>of which</i>									
Male	259	600	598	800	904	904	800	855	920
Female	853	1 200	1 241	1 400	2 233	2 233	1 400	1 421	1 150
Number of training opportunities	400	280	293	460	420	420	475	500	545
<i>of which</i>									
Tertiary	79	140	95	230	200	200	230	235	175
Workshops	298	40	73	80	90	90	95	100	105
Seminars	23	100	125	150	130	130	150	165	265
Other									
Number of bursaries offered	-	80	34	-	50	50	60	70	80
External									
Internal	-	80	34	-	50	50	60	70	80
Number of interns appointed	51	20	56	100	76	76	85	96	110
Number of learnerships appointed	-	-	-	190	20	20	210	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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	4 035	3 221	4 753	3 286	3 286	3 766	4 160	4 393	4 493
Sale of goods and services produced by dept. (excl. capital assets)	4 033	3 221	4 753	3 286	3 286	3 766	4 160	4 393	4 493
Sales by market establishments	-	54	3 824	-	-	-	-	-	-
Administrative fees									
Other sales	4 033	3 167	929	3 286	3 286	3 766	4 160	4 393	4 493
of which									
Rent for Parking	52	79	-	86	86	86	90	95	95
Housing Rent Recoveries	2 090	2 312	-	2 921	2 921	3 401	3 735	3 873	3 973
Other	1 891	776	929	279	279	279	335	425	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	34	97	-	16	16	16	17	19	19
Interest	34	97	-	16	16	16	17	19	19
Dividends									
Rent on land									
Sale of capital assets	1 889	2 289	-	-	-	1 939	-	-	-
Land and subsoil assets									
Other capital assets	1 889	2 289	-	-	-	1 939	-	-	-
Transactions in financial assets and liabilities	1 037	1 410	11 664	925	925	1 871	971	1 020	1 020
Total	6 995	7 017	16 417	4 227	4 227	7 592	5 148	5 432	5 532

Table 13.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	859 264	846 623	1 033 142	1 214 658	1 261 171	1 261 171	1 416 062	1 512 687	1 648 908
Compensation of employees	510 860	576 981	692 531	809 852	875 010	875 010	998 554	1 079 651	1 181 803
Salaries and wages	433 954	487 511	588 651	694 003	759 161	759 161	859 735	919 235	997 821
Social contributions	76 906	89 470	103 880	115 849	115 849	115 849	138 819	160 416	183 982
Goods and services	348 404	269 642	340 598	404 806	386 161	386 161	417 508	433 036	467 105
of which									
Administrative fees	498	235	97	343	343	343	369	392	410
Advertising	10 180	4 165	11 478	12 085	12 085	12 085	12 749	13 451	14 070
Assets <R5000	420	984	7 324	11 376	11 376	11 376	9 501	9 961	10 444
Audit cost: External	2 606	3 795	7 007	4 049	4 049	4 049	4 272	4 507	4 714
Bursaries (employees)	92	53	261	3 374	3 374	3 374	3 559	3 755	3 928
Catering: Departmental activities	25 725	9 473	15 613	22 021	22 021	22 021	26 233	26 010	29 338
Communication	27 030	25 908	26 369	21 151	21 151	21 151	22 315	23 542	24 625
Computer services	16 340	12 552	8 703	40 695	31 772	31 772	22 988	23 990	24 243
Cons/prof: Business & advisory services	6 680	8 325	1 526	38 992	38 992	38 992	33 282	35 199	35 801
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	1 421	1 195	12 904	1 369	1 369	1 369	1 444	1 523	1 593
Contractors	37 045	21 869	13 003	46 687	22 137	22 137	49 299	27 720	28 905
Agency & support/outourced services	58 321	33 950	14 480	23 689	38 517	38 517	44 197	66 405	87 530
Entertainment	1	5	313	589	589	589	621	655	685
Fleet services (incl. GMT)	-	5 525	24 396	14 183	14 183	14 183	14 963	15 786	16 512
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	12 533	11 100	11 898	11 777	11 777	11 777	12 425	13 107	13 709
Inventory: Fuel, oil and gas	1 388	2 164	89	1 440	1 440	1 440	1 579	1 673	1 750
Inventory: Learner and teacher supp material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	306	409	162	317	317	317	334	352	368
Inventory: Medical supplies	319	253	494	358	358	358	384	414	433
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	2 535	2 360	3 780	7 684	7 684	7 684	8 106	8 552	8 745
Inventory: Stationery and printing	8 782	5 121	6 190	10 924	10 924	10 924	11 525	12 159	12 719
Operating leases	55 966	39 228	34 574	38 540	38 540	38 540	40 660	41 896	42 870
Property payments	26 527	40 543	60 212	43 348	43 348	43 348	45 731	48 248	49 468
Transport provided: Departmental activity	19 895	4 192	8 054	7 000	7 000	7 000	7 350	7 718	8 073
Travel and subsistence	24 948	26 350	42 165	31 374	31 374	31 374	33 101	34 924	36 530
Training and development	4 814	1 875	4 260	4 866	4 866	4 866	5 133	5 414	3 697
Operating expenditure	931	3 932	14 285	4 778	4 778	4 778	3 493	3 684	3 854
Venues and facilities	3 101	4 081	9 802	1 797	1 797	1 797	1 895	1 999	2 091
Rental and hiring	-	-	1 159	-	-	-	-	-	-
Interest and rent on land	-	-	13	-	-	-	-	-	-
Interest	-	-	13	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	404 750	476 927	732 326	640 566	550 412	550 412	680 148	701 950	714 739
Provinces and municipalities	785	800	35 678	1 500	1 500	1 500	1 583	1 670	1 747
Provinces	785	800	678	1 500	1 500	1 500	1 583	1 670	1 747
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	785	800	678	1 500	1 500	1 500	1 583	1 670	1 747
Municipalities	-	-	35 000	-	-	-	-	-	-
Municipalities	-	-	35 000	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	631	637	1 025	1 062	1 062	1 062	1 113	1 157	1 210
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	631	637	1 025	1 062	1 062	1 062	1 113	1 157	1 210
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	398 352	472 605	691 989	631 789	541 635	541 635	672 563	692 395	704 745
Households	4 982	2 885	3 634	6 215	6 215	6 215	4 889	6 728	7 037
Social benefits	4 981	2 884	3 634	6 215	6 215	6 215	4 889	6 728	7 037
Other transfers to households	1	1	-	-	-	-	-	-	-
Payments for capital assets	83 602	83 905	167 912	192 588	250 584	250 584	228 975	231 878	242 598
Buildings and other fixed structures	78 403	72 302	139 909	145 828	200 378	200 378	177 368	177 084	185 229
Buildings	78 403	72 302	139 909	145 828	200 378	200 378	177 368	177 084	185 229
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 176	11 532	27 519	45 706	45 706	45 706	50 495	53 619	56 141
Transport equipment	2 833	9 237	21 496	17 522	17 522	17 522	16 270	17 165	17 955
Other machinery and equipment	2 343	2 295	6 023	28 184	28 184	28 184	34 225	36 454	38 186
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	23	71	484	1 054	4 500	4 500	1 112	1 175	1 228
Payments for financial assets	13 664	8 968	877	-	-	-	-	-	-
Total	1 361 280	1 416 423	1 934 257	2 047 812	2 062 167	2 062 167	2 325 185	2 446 515	2 606 245

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	319 283	313 293	342 724	364 087	364 087	364 087	389 381	408 873	427 628
Compensation of employees	155 590	174 767	191 045	228 422	228 422	228 422	255 706	269 281	284 687
Salaries and wages	132 807	149 491	162 388	197 999	197 999	197 999	222 595	234 349	248 148
Social contributions	22 783	25 276	28 657	30 423	30 423	30 423	33 111	34 932	36 539
Goods and services	163 693	138 526	151 666	135 665	135 665	135 665	133 675	139 592	142 941
of which									
Administrative fees	288	225	(19)	227	227	227	239	252	264
Advertising	9 646	2 733	4 727	4 763	4 763	4 763	5 025	5 302	5 546
Assets <R5000	199	209	1 767	4 413	4 413	4 413	2 156	2 212	2 338
Audit cost: External	376	3 795	5 349	3 826	3 826	3 826	4 037	4 259	4 455
Bursaries (employees)	61	36	111	1 671	1 671	1 671	1 763	1 860	1 946
Catering: Departmental activities	923	167	420	2 594	2 594	2 594	2 737	2 887	3 020
Communication	22 310	17 330	18 624	14 408	14 408	14 408	15 201	16 037	16 775
Computer services	16 192	12 552	5 653	11 495	11 495	11 495	6 128	6 377	6 584
Cons/prof: Business & advisory services	6 541	8 210	-	2 896	2 896	2 896	3 055	3 223	3 371
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	1 421	1 195	12 904	1 258	1 258	1 258	1 327	1 400	1 464
Contractors	8 598	6 918	2 910	6 609	6 609	6 609	5 962	5 999	6 185
Agency & support/outourced services	25 289	7 886	2 656	4 156	4 156	4 156	4 384	4 625	4 838
Entertainment	1	2	40	254	254	254	268	283	296
Fleet services (incl. GMT)	-	2 840	14 441	3 693	3 693	3 693	3 896	4 110	4 299
Housing									
Inventory: Food and food supplies	135	85	23	164	164	164	173	182	190
Inventory: Fuel, oil and gas	229	1 033	5	154	154	154	222	242	253
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	132	184	17	317	317	317	334	352	368
Inventory: Medical supplies	8	1	-	-	-	-	-	-	-
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	785	588	1 593	3 444	3 444	3 444	3 633	3 833	4 009
Inventory: Stationery and printing	6 433	3 731	2 331	5 928	5 928	5 928	6 254	6 598	6 902
Operating leases	28 291	26 298	25 654	24 293	24 293	24 293	25 630	26 039	26 283
Property payments	14 848	23 720	21 469	17 478	17 478	17 478	18 439	19 454	20 349
Transport provided: Departmental activity	486	147	-	-	-	-	-	-	-
Travel and subsistence	17 063	17 534	24 235	15 902	15 902	15 902	16 777	17 699	18 513
Training and development	1 532	353	754	2 570	2 570	2 570	2 711	2 860	1 025
Operating expenditure	688	342	5 777	2 504	2 504	2 504	2 641	2 786	2 914
Venues and facilities	1 218	412	225	648	648	648	683	721	754
Rental and hiring									
Interest and rent on land	-	-	13	-	-	-	-	-	-
Interest	-	-	13	-	-	-	-	-	-
Rent on land									
Transfers and subsidies to	4 597	2 091	3 452	5 282	5 282	5 282	3 898	5 687	5 948
Provinces and municipalities	785	800	678	1 500	1 500	1 500	1 583	1 670	1 747
Provinces	785	800	678	1 500	1 500	1 500	1 583	1 670	1 747
Provincial Revenue Funds									
Provincial agencies and funds	785	800	678	1 500	1 500	1 500	1 583	1 670	1 747
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	176	247	823	312	312	312	325	335	350
Social security funds									
Entities receiving funds	176	247	823	312	312	312	325	335	350
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	3 636	1 044	1 951	3 470	3 470	3 470	1 990	3 682	3 851
Social benefits	3 636	1 044	1 951	3 470	3 470	3 470	1 990	3 682	3 851
Other transfers to households									
Payments for capital assets	3 477	10 240	23 442	24 816	24 816	24 816	22 586	24 177	25 343
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	3 477	10 169	22 958	23 762	23 762	23 762	21 474	23 002	24 115
Transport equipment	2 833	9 237	21 496	15 422	15 422	15 422	16 270	17 165	17 955
Other machinery and equipment	644	932	1 462	8 340	8 340	8 340	5 204	5 837	6 160
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	71	484	1 054	1 054	1 054	1 112	1 175	1 228
Payments for financial assets	-	-	877	-	-	-	-	-	-
Total	327 357	325 624	370 495	394 185	394 185	394 185	415 865	438 737	458 919

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	478 591	468 191	612 096	756 018	787 703	787 703	909 602	960 220	1 052 171
Compensation of employees	307 580	358 371	451 117	513 982	579 140	579 140	674 543	738 347	821 780
Salaries and wages	258 795	299 619	383 449	435 904	501 062	501 062	576 352	620 793	682 632
Social contributions	48 785	58 752	67 668	78 078	78 078	78 078	98 191	117 554	139 148
Goods and services	171 011	109 820	160 979	242 036	208 563	208 563	235 059	221 873	230 391
of which									
Administrative fees	80	10	116	116	116	116	130	140	146
Advertising	503	1 283	6 903	7 261	7 261	7 261	7 660	8 081	8 453
Assets <R5000	91	749	4 019	6 245	6 245	6 245	6 588	6 950	7 270
Audit cost: External	2 230	-	1 658	-	-	-	-	-	-
Bursaries (employees)	31	17	150	1 703	1 703	1 703	1 796	1 895	1 982
Catering: Departmental activities	24 288	7 010	13 392	18 927	18 927	18 927	19 968	19 066	21 735
Communication	4 062	7 376	5 800	5 926	5 926	5 926	6 252	6 596	6 899
Computer services	148	-	3 050	28 977	20 054	20 054	16 625	17 365	17 400
Cons/prof: Business & advisory services	5	-	1 128	18 454	18 454	18 454	11 614	12 339	11 890
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	25 890	12 966	9 177	39 737	15 187	15 187	42 977	21 341	22 323
Agency & support/outourced services	31 610	25 377	12 288	18 432	18 432	18 432	19 926	21 022	21 489
Entertainment	-	-	-	224	224	224	236	249	260
Fleet services (incl. GMT)	-	1 800	7 445	10 150	10 150	10 150	10 708	11 297	11 817
Housing									
Inventory: Food and food supplies	12 343	10 987	11 875	11 507	11 507	11 507	12 140	12 807	13 396
Inventory: Fuel, oil and gas	1 006	992	59	1 286	1 286	1 286	1 357	1 431	1 497
Inventory: Learner and teacher supp material									
Inventory: Materials and supplies	172	220	145	-	-	-	-	-	-
Inventory: Medical supplies	311	252	494	358	358	358	384	414	433
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	1 675	1 737	2 172	4 222	4 222	4 222	4 454	4 699	4 715
Inventory: Stationery and printing	1 792	1 089	3 488	4 474	4 474	4 474	4 720	4 980	5 209
Operating leases	27 326	10 443	8 358	14 173	14 173	14 173	14 952	15 775	16 501
Property payments	10 554	14 412	35 222	25 738	25 738	25 738	27 153	28 647	28 965
Transport provided: Departmental activity	19 286	2 786	7 437	7 000	7 000	7 000	7 350	7 718	8 073
Travel and subsistence	5 428	6 044	12 744	13 738	13 738	13 738	14 494	15 291	15 994
Training and development	1 854	401	2 186	1 874	1 874	1 874	1 977	2 085	2 181
Operating expenditure	122	216	1 786	678	678	678	716	755	790
Venues and facilities	204	3 653	8 728	836	836	836	882	930	973
Rental and hiring	-	-	1 159	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	399 288	465 187	705 321	609 696	534 370	534 370	620 037	637 899	649 567
Provinces and municipalities	-	-	35 000	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	-	-	35 000	-	-	-	-	-	-
Municipalities	-	-	35 000	-	-	-	-	-	-
Municipal agencies and funds									
Departmental agencies and accounts	9	379	202	415	415	415	435	450	471
Social security funds									
Entities receiving funds	9	379	202	415	415	415	435	450	471
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	397 964	462 967	668 436	607 011	531 685	531 685	617 218	634 946	646 478
Households	1 315	1 841	1 683	2 270	2 270	2 270	2 384	2 503	2 618
Social benefits	1 314	1 840	1 683	2 270	2 270	2 270	2 384	2 503	2 618
Other transfers to households	1	1	-	-	-	-	-	-	-
Payments for capital assets	49 951	35 699	92 436	109 211	167 207	167 207	140 263	137 938	144 283
Buildings and other fixed structures	48 493	34 336	89 446	90 841	145 391	145 391	119 357	115 882	121 212
Buildings	48 493	34 336	89 446	90 841	145 391	145 391	119 357	115 882	121 212
Other fixed structures									
Machinery and equipment	1 435	1 363	2 990	18 370	18 370	18 370	20 906	22 056	23 071
Transport equipment	-	-	-	2 100	2 100	2 100	-	-	-
Other machinery and equipment	1 435	1 363	2 990	16 270	16 270	16 270	20 906	22 056	23 071
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	23	-	-	-	3 446	3 446	-	-	-
Payments for financial assets	-	8 965	-	-	-	-	-	-	-
Total	927 830	978 042	1 409 853	1 474 925	1 489 280	1 489 280	1 669 902	1 736 057	1 846 021

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		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	61 390	65 139	78 322	94 553	109 381	109 381	117 079	143 594	169 109
Compensation of employees	47 690	43 843	50 369	67 448	67 448	67 448	68 305	72 023	75 336
Salaries and wages	42 352	38 401	42 814	60 100	60 100	60 100	60 788	64 093	67 041
Social contributions	5 338	5 442	7 555	7 348	7 348	7 348	7 517	7 930	8 295
Goods and services	13 700	21 296	27 953	27 105	41 933	41 933	48 774	71 571	93 773
of which									
Administrative fees	130	-	-	-	-	-	-	-	-
Advertising	31	149	(152)	61	61	61	64	68	71
Assets <R5000	130	26	1 538	718	718	718	757	799	836
Audit cost: External	-	-	-	223	223	223	235	248	259
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	514	2 296	1 801	500	500	500	3 528	4 057	4 583
Communication	658	1 202	1 945	817	817	817	862	909	951
Computer services	-	-	-	223	223	223	235	248	259
Cons/prof: Business & advisory services	134	115	398	17 642	17 642	17 642	18 613	19 637	20 540
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	111	111	111	117	123	129
Contractors	2 557	1 985	916	341	341	341	360	380	397
Agency & support/outourced services	1 422	687	(464)	1 101	15 929	15 929	19 887	40 758	61 203
Entertainment	-	3	273	111	111	111	117	123	129
Fleet services (incl. GMT)	-	885	2 510	340	340	340	359	379	396
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	55	28	-	106	106	106	112	118	123
Inventory: Fuel, oil and gas	153	139	25	-	-	-	-	-	-
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	75	35	15	18	18	18	19	20	21
Inventory: Stationery and printing	557	301	371	522	522	522	551	581	608
Operating leases	349	2 487	562	74	74	74	78	82	86
Property payments	1 125	2 411	3 521	132	132	132	139	147	154
Transport provided: Departmental activity	123	1 259	617	-	-	-	-	-	-
Travel and subsistence	2 457	2 772	5 186	1 734	1 734	1 734	1 830	1 934	2 023
Training and development	1 428	1 121	1 320	422	422	422	445	469	491
Operating expenditure	121	3 374	6 722	1 596	1 596	1 596	136	143	150
Venues and facilities	1 679	16	849	313	313	313	330	348	364
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	865	9 649	23 553	25 588	10 760	10 760	56 213	58 364	59 224
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	446	11	-	335	335	335	353	372	389
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	446	11	-	335	335	335	353	372	389
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	388	9 638	23 553	24 778	9 950	9 950	55 345	57 449	58 267
Households	31	-	-	475	475	475	515	543	568
Social benefits	31	-	-	475	475	475	515	543	568
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	30 174	37 966	52 034	58 561	58 561	58 561	66 126	69 763	72 972
Buildings and other fixed structures	29 910	37 966	50 463	54 987	54 987	54 987	58 011	61 202	64 017
Buildings	29 910	37 966	50 463	54 987	54 987	54 987	58 011	61 202	64 017
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	264	-	1 571	3 574	3 574	3 574	8 115	8 561	8 955
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	264	-	1 571	3 574	3 574	3 574	8 115	8 561	8 955
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	106 093	112 757	153 909	178 702	178 702	178 702	239 418	271 721	301 305

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		
	2009/10	2010/11	2011/12	Appropriation	Appropriation 2012/13	Estimate	2013/14	2014/15	2015/16
Current payments	-	-	-	-	-	-	14 610	-	-
Compensation of employees	-	-	-	-	-	-	14 610	-	-
Salaries and wages	-	-	-	-	-	-	14 610	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
<i>of which</i>									
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	3 821	-	674	674	-	-	-
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	3 821	-	674	674	-	-	-
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	3 821	-	674	674	14 610	-	-

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						2013/14	2014/15	2015/16
R thousand														
New and replacement assets														
1.	KwaShukela Service Centre	Jozini	Service centre	7	23 May 2011	23 Feb 2014	Equitable share	Programme 3	-	16 917	-	9 653	-	-
2.	Hlabisa Service Office	Hlabisa	Service office	7	02 Apr 2011	21 Mar 2014	Equitable share	Programme 2	-	16 685	-	8 387	-	-
3.	Emanyiseni Service Centre	Umlabuyalingana	Service centre	7	07 Apr 2011	25 Feb 2014	Equitable share	Programme 3	-	17 035	-	4 845	-	-
4.	Obuka Service Office	Umlalazi	Service office	6	08 May 2011	31 Mar 2014	Equitable share	Programme 2	-	12 633	-	5 224	-	-
5.	KwaNgwanase Service Office	Umlabuyalingana	Service office	8	19 Apr 2011	31 Mar 2014	Equitable share	Programme 2	-	19 964	-	10 788	-	-
6.	Nkunzana Service Centre	Nongoma	Service centre	7	01 Apr 2011	30 Mar 2014	Equitable share	Programme 3	-	15 058	-	1 721	-	-
7.	Godlwayo Service Centre	uPhongolo	Service centre	7	05 May 2011	31 Mar 2014	Equitable share	Programme 3	-	15 110	-	6 927	-	-
8.	Osuthu Youth Development Centre	Nongoma	Youth Dev. centre	7	12 Apr 2011	31 Mar 2014	Equitable share	Programme 3	-	16 109	-	15 074	-	-
9.	Inkosi Simakade Mchunu Service Centre	Msinga	Service centre	7	01 Apr 2011	31 Mar 2014	Equitable share	Programme 3	-	12 139	-	6 762	-	-
10.	Emaswazini Service Centre	Umsunduzi	Service centre	7	12 Jan 2011	31 Mar 2013	Equitable share	Programme 3	-	11 755	-	-	-	-
Other	Various	Various	Various	Various	Various	Various	Equitable share	Various	-	289 554	-	71 640	148 777	155 621
Total New and replacement assets									-	442 959	-	141 021	148 777	155 621
Upgrades and additions														
1.	KwaBadala Old Age	Nkandla	Old age home	7	01 Apr 2011	31 Mar 2014	Equitable share	Programme 2	-	20 000	-	6 000	-	-
2.	Newcastle School of Industries	Newcastle	School of industry	1	01 Apr 2011	30 Jun 2015	Equitable share	Programme 2	-	50 000	-	6 844	10 279	-
3.	Madadeni Rehab	Newcastle	Rehab centre	4	01 Apr 2011	31 Mar 2015	Equitable share	Programme 2	-	24 000	-	6 500	6 500	-
4.	Princess Mkabayi Children's Home	Nquthu	Children's home	4	01 Apr 2011	30 Aug 2014	Equitable share	Programme 2	-	6 400	-	3 000	-	-
5.	Excelsior POS	eThekwini Metro	Place of safety	7	01 Apr 2011	30 Sep 2014	Equitable share	Programme 2	-	8 400	-	4 003	-	-
6.	Ocean View POS	eThekwini Metro	Place of safety	4	01 Apr 2011	31 Mar 2014	Equitable share	Programme 2	-	1 700	-	1 000	-	-
7.	Truro House Offices	eThekwini Metro	Offices	3	01 Apr 2011	31 Mar 2014	Equitable share	Programme 2	-	2 400	-	1 500	-	-
8.	Enduduzweni Centre for the Blind	eThekwini Metro	Protective workshop	3	01 Apr 2011	31 Mar 2014	Equitable share	Programme 2	-	1 200	-	500	-	-
9.	Greenfields POS	Msunduzi	Place of safety	7	01 Apr 2011	31 Mar 2014	Equitable share	Programme 2	-	18 000	-	4 000	-	-
10.	PMB Regional Office (Karl Eggers)	Msunduzi	Regional office	5	01 Apr 2012	30 Mar 2014	Equitable share	Programme 2	-	3 500	-	3 000	-	-
Other	Various	Various	Various	Various	Various	Various	Equitable share	Programme 2	-	-	-	-	11 528	29 608
Total Upgrades and additions									-	135 600	-	36 347	28 307	29 608
Rehabilitation, renovations and refurbishments														
Maintenance and repairs														
Other	Various	Various	Various	Various	Various	Various	Equitable share	Progs 2 & 3	-	-	-	34 414	16 307	17 057
Total Maintenance and repairs									-	-	-	34 414	16 307	17 057
Infrastructure transfers - current									-	-	-	-	-	-
Infrastructure transfers - capital									-	-	-	-	-	-
Total Infrastructure									-	578 559	-	211 782	193 391	202 286

VOTE 14

Public Works

Operational budget	R 1 259 713 776
MEC remuneration	R 1 652 224
Total amount to be appropriated	R 1 261 366 000
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: The Department of Public Works will continue to focus 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. In line with its strategic objectives in the 5-year Strategic Plan (2010-2014), the department seeks to align its operations with the overall aims of national and provincial government to achieve an efficient, competitive and responsive economic and social infrastructure network, as well as providing decent employment through inclusive economic growth. The strategy review for the 2013/14 MTEF and annual performance planning highlighted the call on the department to contribute to the PGDS by chairing the Provincial Planning Commission's Infrastructure Planning and Delivery Forum.

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 improvements 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 and the payment of property rates.
- 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:

- Constitution of the Republic of South Africa, (No. 108 of 1996)
- Public Service Act, (No. 30 of 2007)

- Public Finance Management Act, (Act No. 1 of 1999, as amended) and the Treasury Regulations
- Government Immovable Asset Management No. 19 of 2007
- Local Government: Municipal Rates Act, (No. 6 of 2004)
- Construction Industry Development Board Act, (No. 38 of 2000)
- National Building Regulations and Building Standards Act, (No. 103 of 1977)
- Occupational Health and Safety Act, (No. 85 of 1993)
- State Land Disposal Act, (No. 48 of 1961)
- Prevention of Eviction from and Unlawful Occupation of Land Act, (No. 19 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)
- Labour Relations Act, (No. 66 of 1995)
- Employment Equity Act, (No. 55 of 1995)
- Skills Development Act, (No. 97 of 1998)
- Basic Conditions of Employment Act, (No. 75 of 1997)
- Intergovernmental Relations Framework Act, (No. 13 of 2005)
- Preferential Procurement Policy Framework (No. 5 of 2000)
- Cross-Boundary Municipalities Laws Repeal and Related Matters Act, as amended (No. 8 of 2009)
- 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 Injuries and Diseases Act, (No. 130 of 1993)
- Deeds Registry Act, (No. 47 of 1937)
- Expropriation Act, (No. 63 of 1975)
- Environmental Act, (No. 107 of 1998)
- Promotion of Administrative Justice Act, (No. 53 of 2002)
- Promotion of Access to Information Act, (No. 54 of 2006)
- Skills Development Qualification Act, (No. 58 of 1995)

2. Review of the 2012/13 financial year

Section 2 provides a review of 2012/13, 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 monitor compliance with the Infrastructure Delivery Improvement Programme (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. IDIP was implemented in the provincial Departments of Health (DOH), Education (DOE), Public Works (DOPW) and Provincial Treasury (PT). Specifically, IDIP aims to assist the current IDIP departments with the institutionalisation of the Infrastructure Delivery Management System (IDMS). Technical Assistants (TAs) were appointed to assist departments with implementation of the IDMS.

Expanded Public Works Programme (EPWP)

The Expanded Public Works Programme is a nationwide programme which aims to provide unemployed people with work opportunities and training so that they increase their capacity to earn an income. The objectives of EPWP are to use public sector budgets to fight unemployment and help workers to earn an income, either through the labour market or through entrepreneurial activity. EPWP targets youth, women and people with disabilities that are unskilled, semi-skilled and unemployed. The department had a target of 28 000 work opportunities, 4 000 actual jobs and 700 full time equivalents (FTEs) for 2012/13. A total of 80 550 work opportunities, 6 894 actual jobs and 1 915 FTEs were created between April and October 2012, hence exceeding the targets substantially.

KZN Integrated Greening Programme

The department received an allocation of R3.540 million in respect of the EPWP Integrated Grant for Provinces in 2012/13, for the sustainment of the KZN Integrated Greening Programme. The department employed 3 280 people to participate in this programme between April and October 2012. These jobs were occupied by women, youth and people with disabilities. The following targets were achieved:

- 143 051 trees were planted, against a target of 328 376. Targets were not attained due to delays in planting trees and financial contracts, which resulted in down scaling the programme as the EPWP Integrated Grant for Provinces was not sufficient to fully implement the programme, as originally anticipated.
- 1 796 055 kilograms of waste against a target of 890 000 kilograms was collected and recycled by Waste-preneurs, thus substantially exceeding set targets.
- 445 233 trees against a target of 412 846 were propagated across KZN, again exceeding set targets.

Fixed asset register

The department received additional funding in 2012/13 for a new integrated fixed asset register system. The procurement of a new immovable asset management system is at an advanced stage, and the tender will be awarded before the end of 2012/13.

Finalisation of transfer of Umzimkulu, R293, South African Development Trust (SADT) and Ingonyama Trust Board (ITB) properties

The surveying and subdivision of land within SADT and ITB areas are outside the department's control. The department engaged the Department of Rural Development and Land Reform (DRDLR) to undertake the survey and subdivision of properties in these areas. The transfer of properties within the Umzimkulu Municipality was delayed by the surveying of the parent farms and vesting thereof. However, DRDLR has prioritised this matter and 169 properties will be transferred by the end of 2012/13. The department prioritised the finalisation of the transfer of properties formerly administered in terms of above-mentioned list. There are 1 000 properties to be transferred from the various municipalities before 31 March 2013.

Vesting of state properties

The endorsement of 816 properties into the name of the provincial government is underway. The vesting of immovable assets will be finalised in or before March 2014 in terms of the National Vesting Plan.

Payment of municipal property rates

The department received an allocation of R551 million in 2012/13 for the payment of municipal property rates, and these will continue to be paid as invoices are received from municipalities.

Undertake investigation on illegally transferred state properties and regaining state ownership

The department made funding available to investigate all residential facilities, including those illegally occupied and transferred. In order to improve the completeness of the fixed asset register, improved financial reporting and accountability, as well as the effective management of immovable assets in KZN, this project is underway.

Government Immovable Asset Management Act (GIAMA)

The department continued to assist user departments in drafting quality User-Asset Management Plans (U-AMP). A service provider was appointed by National Treasury to assist the province in completing the

U-AMP, and the Custodian-Asset Management Plan (C-AMP). Currently, the department is in the process of appointing service providers to undertake condition assessments of all health facilities.

Intensification of Izandla Ziyagezana programme

The department has sustained all 196 *Izandla Ziyagezana* beneficiaries who were active in this programme in 2011/12, thus making the programme sustainable and providing decent jobs. In 2012/13, this programme created a further 98 jobs.

The *Izandla Ziyagezana* programme continued to fulfil its dual purpose, which is the provision of maintenance to vacant sites/properties while creating jobs to the local poorest of poor families. This has decreased the number of complaints that the department receives from municipalities and communities regarding the overgrowth on government sites which might attract criminal elements and have a negative effect on the property value of the neighbouring properties.

Administration: Internal capacity building

The department employed 27 interns. Two quantity surveyor interns were appointed in the eThekweni and North Coast Regions as professionals, after passing their assessment examinations with the professional council. Seven external bursary holders, which comprise one project manager, two electrical engineers, one civil engineer and three quantity surveyors, completed their studies.

Property Incubator Programme

A total of 43 people benefited from phase 2 of this programme. The trainees are currently finalising their practical training offered by the department. This training was completed at the end of December 2012, and the trainees will be awarded with a NQF Level 4 qualification in Real Estates.

3. Outlook for the 2013/14 financial year

Section 3 looks at the key focus areas of 2013/14, 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

IDIP continues to be implemented in the DOH, DOE, DOPW and PT. Specifically, the IDIP programme's aim is to assist the current IDIP departments with the institutionalisation of the IDMS. TAs are appointed to assist departments with implementation of the IDMS. The department has recommended that the contract of the current TAs assigned to the DOPW, be extended to March 2014.

KZN-IDMS articulates uniform processes that will be followed by the provincial departments in the planning, budgeting, procurement, implementation, reporting, monitoring and evaluation of infrastructure projects in the province. While this document sets out the broad framework for the KZN-IDMS, further development of the detail underpinning it will take place during the ensuing stages of this process. Final institutionalisation of the KZN-IDMS is planned by the end of 2013/14.

Key deliverables for implementing the KZN-IDMS for the Health and Education sectors are as follows:

- DOPW capacitated to be the only implementing agent, and phasing out of other implementing agents.
- Centralisation of construction procurement for Professional Service Providers (PSPs) and contractors by DOPW only.
- All systems required for effective and efficient delivery of infrastructure services finalised.
- Delegations for infrastructure in DOPW, DOH, DOE and PT aligned.
- Restructured DOPW – aligned to the roles, responsibilities and functions defined in the KZN-IDMS.

Expanded Public Works Programme

EPWP is a nationwide programme which aims to provide unemployed people with work opportunities and training so that they increase their capacity to earn an income. The department has set a target of 35 000 work opportunities, 5 000 actual jobs and 750 FTEs for 2013/14.

KZN Integrated Greening Programme

The KZN Integrated Greening Programme is a partnership programme led by the Office of the Premier, which focuses on greening activities through employment creation for unskilled people. The programme aims to develop and implement a comprehensive plan that will support a wide range of community based greening activities, including:

- Tree-preneurs – 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.

National Youth Service Programme (NYSP)

The NYSP aims to provide technical skills to young people, while giving them an opportunity to serve their communities as part of nation building. The objectives of the NYSP are as follows:

- To promote social cohesion.
- To inculcate a culture of service to communities.
- To inculcate in young people an understanding of their role in the promotion of civic awareness and national reconstruction.
- To develop the skills, knowledge and abilities of young people to enable them to make a meaningful transition to adulthood.
- To improve youth employability through opportunities for skills development, work experience and support, to gain access to economic and further learning opportunities.

The department has set a target of 80 learners to be trained on accredited modules.

Signing of lease agreements with Ingonyama Trust Board

It is expected that 150 leases will be signed with ITB in 2013/14. The balance of approximately 800 leases will be completed in the two outer years of the 2013/14 MTEF.

Fixed asset register

The new integrated fixed asset register system will be in place and the following tasks will be undertaken:

- Migrating of data from PREMIS to the new system.
- Capturing of condition assessments and generation of maintenance plans.
- Property rates payments.
- Real estate functions.
- Geographical Information System data.
- Record management and archiving of plans.

The fixed asset register has a number of categories of land ownership, which will be dealt with as follows:

Umzimkulu: The department will finalise the cross-boundary transfer of 207 properties into the name of the Province of KwaZulu-Natal.

Finalisation of transfer of Umzimkulu, R293, SADT and ITB properties: The department will finalise 950 transfers into the name of the Province of KwaZulu-Natal, mainly from the uThungulu, Ugu and Zululand District Municipalities.

Vesting of state properties: The department will finalise the submission of 2 956 vesting applications to the DRDLR. In order to finalise the vesting, duplicate original title deeds will need to be procured from the deeds office.

Property valuations: Property valuations will be undertaken, in order to ensure compliance with accounting practices in respect of the fixed asset register.

Payment of property rates: Property rates on state-owned property will continue to be paid as invoices are received from municipalities.

Government Immovable Asset Management Act (GIAMA): The provincial user departments will use the findings of the condition assessments to rehabilitate the buildings, in line with GIAMA allocated funding. Health facilities' conditions will be assessed in 2013/14.

Intensification of Izandla Ziyagezana programme: The department will continue to identify KZN state-owned properties which need maintenance. Local people will be employed and will continue to benefit from this programme, thus assisting with poverty alleviation and job creation. In future, the department envisions training the beneficiaries of the *Izandla Ziyagezana* programme on business skills, which will equip them with the necessary skills and know-how which will assist them towards opening their own businesses or co-operatives and improve their standard of living.

Administration: Internal capacity building

Bursary programme: Bursaries will only be awarded for the 2013 academic year to applicants in professional disciplines – i.e. Civil, Electrical and Mechanical Engineering. It is uncertain how many bursaries will be awarded at this stage, as applicants are currently being assessed. The availability of funding will be the determining factor in awarding bursaries. Applicants from rural areas who are females will be prioritised. There are currently 33 external bursary holders being funded by the department.

Internship: There are currently 27 interns on the programme. In 2013/14, four existing interns will be furthering their studies at university. In 2013/14, an additional seven interns will be appointed, provided that they all pass their examinations.

4. Receipts and financing

4.1 Summary of receipts

Table 14.1 indicates the sources of funding for Vote 14 for the period 2009/10 to 2015/16. The table also compares actual and budgeted receipts against actual and budgeted payments. Note that The Devolution of Property Rate Funds grant is phased into the equitable share from 2013/14 onward. The department indicated in 2012/13 that there was an over-provision in the grant, and the funding for property rates is therefore reduced and adjusted accordingly. As a result, the amount which is less than the grant is being phased into the equitable share.

Table 14.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Provincial allocation	558 861	614 352	705 129	758 563	758 563	758 563	1 258 366	1 313 705	1 369 817
Conditional grants	236 544	713 331	465 546	552 608	552 608	552 608	3 000	-	-
Devolution of Property Rate Funds grant	236 264	709 891	463 585	551 100	551 100	551 100	-	-	-
EPWP Integrated Grant for Provinces	280	3 440	1 961	1 508	1 508	1 508	3 000	-	-
Total receipts	795 405	1 327 683	1 170 675	1 311 171	1 311 171	1 311 171	1 261 366	1 313 705	1 369 817
Total payments	796 169	1 114 209	1 182 268	1 311 171	1 352 388	1 352 388	1 261 366	1 313 705	1 369 817
Surplus/(Deficit) before financing	(764)	213 474	(11 593)	-	(41 217)	(41 217)	-	-	-
Financing									
of which									
Provincial roll-overs	1 118	2 600	42 295	-	14 185	14 185	-	-	-
Provincial cash resources	2 102	3 300	-	-	27 032	27 032	-	-	-
Surplus/(deficit) after financing	2 456	219 374	30 702	-	-	-	-	-	-

The Devolution of Property Rate Funds grant, which caters for the payment of property rates in the province, increased from R236.264 million from 2009/10, to R551.100 million in 2012/13. An additional once-off amount of R450 million was received in 2010/11 to address shortfalls in funding since the inception of the grant in 2008/09. As from 2013/14, this grant is phased into the equitable share, hence the table shows no allocation against the grant over the MTEF, and the Provincial allocation has increased significantly.

The department was allocated a new conditional grant in 2009/10, namely the EPWP Integrated Grant for Provinces. The department received an amount of R3 million against this grant in 2013/14, and no allocation in the two outer years of the MTEF yet.

A roll-over of R1.118 million from 2008/09, relating to the Devolution of Property Rate Funds grant, was received in 2009/10. The provincial cash resources of R2.102 million 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.

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. 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 amount of R3.300 million, allocated against the provincial cash resources in 2010/11, was mainly due to the payment of outstanding arrears for municipal services in the Ulundi Municipality.

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 delayed procurement processes.

An amount of R42.295 million was rolled over from 2010/11 to 2011/12 related to property rates commitments from the previous year. In 2011/12, the department under-spent by R30.702 million, emanating from R16.517 million in respect of the Devolution of Property Rate Funds grant due to unpaid municipal rates and R14.185 million for infrastructure commitments, for which a roll-over was requested.

An amount of R14.185 million was rolled over from 2011/12 to 2012/13 related to infrastructure commitments from the previous year. The department received R27.032 million additional funding in the 2012/13 Adjusted Appropriation, with R25 million relating to the purchase and development of a fixed asset management tool and R2.032 million for the EPWP Integrated Grant for Provinces.

The department's allocation over the 2013/14 MTEF is below the inflationary rate due to baseline cuts, as explained in Section 5.2 below, as well as the reduced allocation relating to property rates.

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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	3 032	3 432	4 717	4 071	4 071	5 760	5 105	5 552	6 088
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	310	422	198	170	170	225	150	164	180
Sale of capital assets	6	-	-	-	-	2 195	-	-	-
Transactions in financial assets and liabilities	1 634	2 754	1 201	1 257	1 257	721	779	872	959
Total	4 982	6 608	6 116	5 498	5 498	8 901	6 034	6 588	7 227

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. In 2011/12, the high collection was due to arrear rentals resulting from the regularisation of a number of cases of illegal occupancy of properties, where no payments were previously made. This category shows a steadily increasing trend over the 2013/14 MTEF.

The revenue collection against *Interest, dividends and rent on land* relates to the recovery of interest on out-of-service debts. The erratic trend over the seven-year period is a result of debt collections being unforeseen, which impacts on the collection of interest.

In 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. In 2012/13, the anticipated collection against this category relates to the sale of redundant motor vehicles.

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 prior years, hence the low collection in the 2012/13 Revised Estimate. This category shows a steadily increasing trend over the MTEF, as the department continues to focus on debt recovery.

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 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.
- Provision was made through internal reprioritisation for the carry-through costs of the 2012 wage agreement and an inflationary wage adjustment of 6.3, 6.1 and 5.9 per cent for each of the three years of the 2013/14 MTEF, respectively. The department also provided for the 1.5 per cent pay progression.
- The *Compensation of employees* budget is based on the department's human resource provisioning plan. However, with the moratorium on the filling of non-critical posts, these funds may be reallocated in the Adjustments Estimate process.
- The capital budget is based on the department's infrastructure plan.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2013/14, will continue to be adhered to over the 2013/14 MTEF.

5.2 Additional allocations for the 2011/12 to 2013/14 MTEF

Table 14.3 shows additional funding received by the department over the three MTEF periods: 2011/12, 2012/13 and 2013/14. 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 2011/12 and 2012/13 MTEF periods (i.e. for the financial year 2015/16) are based on the incremental percentage used in the 2013/14 MTEF.

Table 14.3: Summary of additional provincial allocations for the 2011/12 to 2013/14 MTEF

R thousand	2011/12	2012/13	2013/14	2014/15	2015/16
2011/12 MTEF period	56 870	58 880	60 937	64 593	67 565
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement	10 126	9 530	8 753	9 278	9 705
Government Immovable Asset Management Act (GIAMA)	44 795	46 961	49 542	52 515	54 930
Fixed Asset Register	2 319	2 865	3 239	3 433	3 591
National Cabinet decision to cut provinces by 0.3 per cent	(370)	(476)	(597)	(633)	(662)
2012/13 MTEF period		21 788	22 877	16 458	17 215
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement		3 788	3 977	4 176	4 368
Improving infrastructure support		18 000	18 900	19 845	20 758
Provincial priorities - Reduction of GIAMA allocation for 2014/15		-	-	(7 563)	(7 911)
2013/14 MTEF period			454 184	469 375	486 887
Census data update and 1%, 2% and 3% baseline cuts			(10 867)	(22 202)	(27 541)
Phasing in of Devolution of Property Rates grant into Equitable Share			465 051	491 577	514 428
Total	56 870	80 668	537 998	550 426	571 667

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.

In the 2012/13 MTEF, funding was 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 over the MTEF 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.

In the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period. These baseline cuts were effected against infrastructure by reducing the budget for the head office project, as well as *Transfers and subsidies to: Provinces and municipalities* in respect of Ulundi rates. This was previously allocated under equitable share, but now is funded for, from Devolution of Property Rate Funds grant.

The Devolution of Property Rate Funds grant is phased into the equitable share from 2013/14 onward. The department indicated to National DOPW in 2012/13 that there was an over-provision in the grant, and the funding for property rates is therefore reduced and adjusted accordingly. As a result, the amount which is less than the grant is being phased into the equitable share.

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, Property Management and Provision of Buildings, Structures and Equipment. The department's structure 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	229 376	238 887	273 601	283 304	278 966	278 966	317 077	337 871	354 502
2. Property Management	272 146	554 635	580 466	654 485	681 433	681 433	571 505	595 683	624 082
3. Provision of Buildings, Structures & Equipment	294 647	320 687	328 201	373 382	391 989	391 989	372 784	380 151	391 233
Total	796 169	1 114 209	1 182 268	1 311 171	1 352 388	1 352 388	1 261 366	1 313 705	1 369 817

Note: Programme 1 includes MEC remuneration: Salary: R1 652 224

Table 14.5: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	464 774	501 754	598 521	643 685	668 164	668 164	683 113	710 513	741 307
Compensation of employees	336 217	361 319	398 023	458 510	454 736	454 736	486 509	516 883	544 432
Goods and services	128 557	140 435	200 498	185 175	213 428	213 428	196 604	193 630	196 875
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	248 646	520 949	499 986	558 777	560 402	560 402	470 211	497 068	519 827
Provinces and municipalities	240 717	515 538	492 936	554 419	554 419	554 419	465 198	491 732	514 591
Departmental agencies and accounts	306	368	375	619	614	614	540	573	560
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	7 623	5 043	6 675	3 739	5 369	5 369	4 473	4 763	4 676
Payments for capital assets	78 518	82 233	73 381	108 709	123 822	123 822	108 042	106 124	108 683
Buildings and other fixed structures	72 090	65 916	42 669	84 744	98 929	98 929	84 639	78 934	79 173
Machinery and equipment	6 074	16 239	29 781	20 865	21 693	21 693	20 129	23 739	26 058
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	354	78	931	3 100	3 200	3 200	3 274	3 451	3 452
Payments for financial assets	4 231	9 273	10 380	-	-	-	-	-	-
Total	796 169	1 114 209	1 182 268	1 311 171	1 352 388	1 352 388	1 261 366	1 313 705	1 369 817

The department's baseline has increased significantly over the seven years, from R796.169 million in 2009/10 to R1.369 billion in 2015/16. There was a significant increase in 2010/11 related to the Devolution of Property Rate Funds grant to address arrears accumulated since the grant's inception in 2008/09. The increase in 2011/12 related to additional funding received for GIAMA and the fixed asset register, as well as the EPWP Integrated Grant for Provinces. The increase in the 2012/13 Adjusted Appropriation was for additional funding of R41.217 million, as follows:

- A roll-over of R14.185 million from 2011/12, in respect of commitments related to infrastructure projects namely, Southern regional office, head office and Ixopo office park.
- Additional funding of R25 million allocated for the purchase and development of a new integrated fixed asset management tool.
- Additional funds of R2.032 million in respect of the EPWP Integrated Grant for Provinces. This funding relates to spending in 2011/12, but was only transferred to the province in 2012/13.

As mentioned, the department indicated to the National Department of Public Works in 2012/13, that there was an over-provision against the Devolution of Property Rate Funds grant, which is being phased into the equitable share from 2013/14. As a result, the funding is reduced and adjusted downward accordingly, accounting for the significant decrease in the 2013/14 baseline as well as *Transfers and subsidies to: Provinces and municipalities*.

In Programme 1: Administration, the increase from 2010/11 to 2011/12 is mainly due to the higher than anticipated wage agreement, an increase in staff levels, the department's update of its IT infrastructure, as well as for the replacement of official vehicles. The decrease in the 2012/13 Adjusted Appropriation is attributed to the shifting of funds against *Compensation of employees* to the other two programmes related to the realignment exercise to correct the placement of budgets to ensure that staff are remunerated from the correct responsibility codes. The significant increase in 2013/14 relates to *Compensation of employees* for the shifting of support staff and their funding from Programme 3, as well as the re-linking of personnel to this programme. The two outer years show steady growth.

The sharp increase in 2010/11 against Programme 2: Property Management, 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 under-spent against *Transfers and subsidies to: Provinces and municipalities* in 2011/12 relating to the Devolution of Property Rate Funds grant due to disputed invoices with the eThekweni Metro. This issue was resolved, as the properties concerned were identified as belonging to the Metro and national departments. The decrease in the 2012/13 Adjusted Appropriation relates to *Goods and services*, to provide for the purchase and development of a fixed asset management

tool, for better management of the fixed assets of the province, as well as property payments in respect of municipal services. The decrease in 2013/14 is ascribed to the reduced property rates funding, which is being phased into the equitable share, as explained previously.

Programme 3: Provision of Buildings, Structures and Equipment shows an increase in 2010/11, largely due to Ulundi municipal services which could not be recovered from property tenants in previous years, the higher than anticipated 2010 wage agreement, and the OSD for professionals. In the 2012/13 Adjusted Appropriation, R14.185 million was rolled over from 2011/12 in respect of capital infrastructure projects, for the Ixopo office park, the Southern regional office and the head office. The decrease over the MTEF, and especially in 2013/14, is mainly due to realignment of the budget for the payment of skills development levies to Sector Education and Training Authority (SETA) shifted from this programme's *Compensation of employees* and *Transfers and subsidies to: Departmental agencies and accounts* to Programme 1 against the same categories.

The high *Compensation of employees* spending from 2010/11 onward is due to the carry-through costs of the various higher than anticipated wage agreements, OSD and provision for improving infrastructure support. The decrease in the 2012/13 Adjusted Appropriation was due to savings moved to *Transfers and subsidies to: Households* for staff exit costs. The category shows steady growth over the 2013/14 MTEF.

The increase under *Goods and services* 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 attributed to additional funding received for GIAMA and the fixed asset register, as well as for the EPWP Integrated Grant for Provinces. The increase in the 2012/13 Adjusted Appropriation is due to R25 million received for the fixed asset management tool. Also, the SCOA change in respect of capitalising finance leases such as cellphones resulted in funds moved from this category to *Machinery and equipment*, resulting in a decrease over the 2013/14 MTEF. The figures relating to the prior years was adjusted accordingly, to facilitate comparison.

Transfers and subsidies to: Provinces and municipalities consists largely 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 previously mentioned arrear payments in respect of the grant. There was a decrease in 2011/12 emanating from the disputed invoices with the eThekweni Metro, as mentioned previously. The decrease in 2013/14 is due to the previous over-provision for property rates, as explained earlier.

The fluctuating trend against *Transfers and subsidies to: Departmental agencies and accounts* over the entire period is due to expenditure on workmen's compensation, which is based on claims received.

The erratic trend against *Transfers and subsidies to: Households* relates to staff exit costs.

The high spending in 2009/10 against *Buildings and other fixed structures* was due to the costs for refurbishment of the head office 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. The increase in the 2012/13 Adjusted Appropriation emanates from a R14.185 million roll-over received in respect of capital infrastructure projects for the Southern regional office and the head office project, as well as for the Ixopo office park. This category shows negative growth over the 2013/14 MTEF, due to the baseline cuts, as mentioned previously.

The significant increase in *Machinery and equipment* from 2010/11 onward relates to the department's upgrade of its IT infrastructure and networks for new offices, as well as for the replacement of official vehicles. This category reflects significant growth over the 2013/14 MTEF, due to a SCOA change in respect of finance leases such as cellphones, as mentioned above, where funds were moved from *Goods and services* to this category.

Expenditure against *Software and other intangible assets* in 2009/10 was for SysAid Helpdesk software, printer software for library services and Cognos. The increase in 2011/12 was due to the renewal of Cognos user licences. The increase in 2012/13 was to cater for the purchase of a Microsoft enterprise

agreement. This category reflects steady growth over the MTEF to cater for the enterprise agreement with Microsoft, which requires a three-year commitment and annual billing.

The department wrote-off various losses of R4.231 million, R9.273 million and R10.380 million against *Payments for financial assets* in 2009/10, 2010/11 and 2011/12, respectively.

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 the payment of municipal rates.

Table 14.6: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15	2015/16
eThekweni	285 424	350 565	210 721	213 863	212 147
Ugu	8 455	15 795	8 922	9 341	9 552
uMgungundlovu	79 146	104 103	107 937	140 315	155 558
Uthukela	28 089	37 650	36 681	29 514	24 530
Umzinyathi	21 139	29 515	26 163	24 077	24 630
Amajuba	8 218	16 138	8 629	9 184	9 241
Zululand	45 332	36 083	40 873	27 274	21 007
Umkhanyakude	9 387	10 414	9 690	10 149	10 717
uThungulu	21 965	11 283	64 346	68 384	54 464
Ilembe	26 624	24 276	28 755	31 322	35 021
Sisonke	10 581	23 114	14 717	14 906	16 042
Total	544 360	658 936	557 434	578 329	572 909

Over the 2013/14 MTEF, the bulk of the department's service delivery spending is concentrated in eThekweni, uMgungundlovu, Uthukela, Zululand and uThungulu district municipal areas. The funding in uMgungundlovu is allocated for the infrastructure development of additional office accommodation for the head office, the Southern regional office and district offices, all situated in Pietermaritzburg, and which continue over subsequent years. One of the department's programmes is the upgrading of the Midlands regional office in Ladysmith (Uthukela) and district offices in Ulundi such as Mtubatuba and Umkhanyakude district office – Mkhuze portion (Zululand and Umkhanyakude).

There is erratic growth over the 2013/14 MTEF, that can be ascribed to the baseline cuts, and reduction in the Devolution of Property Rate Funds grant which is phased into the equitable share at a lower amount from 2013/14 onward.

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*.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Devolution of Property Rate Funds grant	237 205	509 939	489 480	551 100	551 100	551 100	-	-	-
EPWP Integrated Grant for Provinces	-	413	4 683	1 508	3 540	3 540	3 000	-	-
Total	237 205	510 352	494 163	552 608	554 640	554 640	3 000	-	-

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	-	2 864	9 318	6 357	8 389	8 389	3 000	-	-
Compensation of employees	-	2 451	4 635	4 849	4 849	4 849	-	-	-
Goods and services	-	413	4 683	1 508	3 540	3 540	3 000	-	-
Interest and rent on land									
Transfers and subsidies to:	237 205	507 488	484 845	546 251	546 251	546 251	-	-	-
Provinces and municipalities	237 205	507 488	484 845	546 251	546 251	546 251	-	-	-
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	237 205	510 352	494 163	552 608	554 640	554 640	3 000	-	-

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 (additional funding of R450 million was received for the grant in 2010/11). The decrease in 2011/12 emanates from the disputed invoices with the eThekweni Metro, as mentioned previously. As from 2013/14, the funding for the grant is being incorporated into the equitable share, hence there is no allocation over the MTEF.

The department received funding for the EPWP Integrated Grant for Provinces from 2010/11 to 2013/14, being the suspension of portion of the grant from the Department of Transport in terms of DORA. In the 2012/13 Adjusted Appropriation, the department received a roll-over of R2.032 million from 2011/12. This funding is allocated under *Goods and services*. In 2013/14, the department is allocated an amount of R3 million against this grant, with no funding in the two outer years of the MTEF at this stage.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
New and replacement assets	13 595	31 032	19 606	7 880	12 885	12 885	16 144	5 889	40
Existing infrastructure assets	67 021	42 946	31 987	82 864	92 044	92 044	76 495	81 145	87 333
Upgrades and additions	43 481	23 384	11 691	71 364	80 544	80 544	47 135	61 267	74 015
Rehabilitation, renovations and refurbishments	15 014	11 500	11 372	5 500	5 500	5 500	21 360	11 778	5 118
Maintenance and repairs	8 526	8 062	8 924	6 000	6 000	6 000	8 000	8 100	8 200
Infrastructure transfer	-	-	-	-	-	-	-	-	-
Current									
Capital									
Capital infrastructure	72 090	65 916	42 669	84 744	98 929	98 929	84 639	78 934	79 173
Current infrastructure	8 526	8 062	8 924	6 000	6 000	6 000	8 000	8 100	8 200
Total	80 616	73 978	51 593	90 744	104 929	104 929	92 639	87 034	87 373

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 additional funding in the 2012/13 Adjusted Appropriation is attributed to delays related to claims for under-floor heating pipe-work, as well as inclement weather, for which a roll-over was received from 2011/12. The allocations over the MTEF period can be ascribed to the

continuation costs for the uMgungundlovu district office's new administrative wing, with completion expected in 2014/15, as well as the Umzinyathi sub-district office, with completion expected in 2015/16.

The increase in 2012/13 against *Upgrades and additions* is due to continuation costs, particularly for the head office and CIDB satellite office in uMgungundlovu. The funding over the 2013/14 MTEF has been reduced as a result of the previously mentioned baseline cuts. The remaining funding is for the continuation costs of various projects, particularly the Midlands regional office, Greytown district office, commencement of the eThekweni office, the CIDB satellite office in uMgungundlovu, as well as the commencement of upgrades and additions to the Zululand district office (Vryheid sub-office).

Funding over the 2013/14 MTEF period against *Rehabilitation, renovations and refurbishments* is to cater for the administrative wing of the former Legislative Assembly (LA) Complex in Ulundi, comprising landscaping, air-conditioning and electrical maintenance. The decrease over the MTEF is due to finalisation of projects in respect of the LA Complex in Ulundi, namely maintenance contracting for air-conditioning, upgrade to lifts and the renewal of the palisade fencing.

The high spending against *Maintenance and repairs* from 2009/10 onward was due to unanticipated costs, in respect of planned projects. The budget over the 2013/14 MTEF is to accommodate planned projects such as maintenance of air-conditioners and lifts, as a result of an anticipated increase in costs of maintaining these.

Overall, a number of major projects, some of which are multi-year projects, will continue in 2013/14, including the continuation and commencement of phase 3 of the head office, Midlands regional office, Mtubatuba district office, Mkhuze district office and Ixopo district office, as well as the upgrading of the Greytown and uMgungundlovu 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 falls under *Transfers and subsidies to: Provinces and municipalities*, 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Category A	189 805	318 754	281 849	366 168	338 149	338 149	205 056	213 175	211 449
Category B	39 664	164 703	205 154	187 912	215 858	215 858	259 739	278 120	302 669
Category C	11 097	31 891	5 764	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	200	273	273	256	282	310
Total	240 566	515 348	492 767	554 280	554 280	554 280	465 051	491 577	514 428

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		
		2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Property Rates	2.1: Personnel & Admin. Related	240 566	515 348	492 767	554 280	554 280	554 280	465 051	491 577	514 428
Total		240 566	515 348	492 767	554 280	554 280	554 280	465 051	491 577	514 428

The significant increase in 2010/11 is related to arrear rates payments in respect of the Devolution of Property Rate Funds grant. The decrease in 2011/12 was due to disputed invoices with the eThekweni Metro which were resolved, as many of the properties concerned were identified as belonging to the Metro and national departments.

In the 2012/13 Adjusted Appropriation, savings were identified within category A municipalities due to budget allocations being made based on expected invoices, and amended once invoices were received. These funds were reprioritised to category B municipalities which had not been allocated a budget in the 2012/13 Main Appropriation. The decrease in 2013/14 relates to the reduction of the Devolution of Property Rates Fund grant, that is being phased into the equitable share, as mentioned previously. Note that the amounts indicated as Unallocated/unclassified from 2012/13 onward relate to property rates for properties owned by KZN, but 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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
1. Administration	4 179	3 255	3 676	2 608	3 002	3 002	3 644	4 008	4 036
Provinces and municipalities	151	190	169	137	137	137	145	153	161
Motor vehicle licences	151	190	169	137	137	137	145	153	161
Departmental agencies and accounts	306	368	375	157	551	551	481	513	499
Social security funds	-	-	-	157	157	157	65	74	57
Skills development levy	306	368	375	-	394	394	416	439	442
Households	3 722	2 697	3 132	2 314	2 314	2 314	3 018	3 342	3 376
Social benefits	1 181	1 486	1 336	213	243	243	801	1 005	1 037
Bursaries	2 541	1 211	1 796	2 101	2 071	2 071	2 217	2 337	2 339
2. Property Management	242 067	515 872	492 948	554 313	554 329	554 329	465 086	491 612	514 463
Provinces and municipalities	240 566	515 348	492 767	554 280	554 280	554 280	465 051	491 577	514 428
Property rates	240 566	515 348	492 767	554 280	554 280	554 280	465 051	491 577	514 428
Departmental agencies and accounts	-	-	-	5	-	-	5	5	5
Social security funds	-	-	-	5	-	-	5	5	5
Households	1 501	524	181	28	49	49	30	30	30
Social benefits	1 501	524	181	28	49	49	30	30	30
3. Provision of Buildings, Structures & Equip.	2 400	1 822	3 362	1 856	3 071	3 071	1 481	1 448	1 328
Provinces and municipalities	-	-	-	2	2	2	2	2	2
Motor vehicle licences	-	-	-	2	2	2	2	2	2
Departmental agencies and accounts	-	-	-	457	63	63	54	55	56
Social security funds	-	-	-	63	63	63	54	55	56
Skills development levy	-	-	-	394	-	-	-	-	-
Households	2 400	1 822	3 362	1 397	3 006	3 006	1 425	1 391	1 270
Social benefits	2 400	1 822	3 362	1 397	3 006	3 006	1 425	1 391	1 270
Total	248 646	520 949	499 986	558 777	560 402	560 402	470 211	497 068	519 827

Provinces and municipalities in Programmes 1 and 3 reflect the payment of motor vehicle licences.

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 2009/10 onward against *Households: Bursaries* is for the payment of bursaries to non-officials. In 2012/13, savings were identified under *Compensation of employees* and moved to this category to address pressures in staff exit costs, which are difficult to budget for accurately.

Departmental agencies and accounts payments against Programmes 1 and 2 are for workmen's compensation, with no payments shown in the prior years due to no relevant incidents occurring. The

skills development levy funding was shifted from Programme 3 to Programme 1 due to the realignment of budget and comparative figures were restated. The original purpose of the funding remains unchanged.

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 decrease in 2011/12 was due to the disputed invoices with the eThekweni Metro, as mentioned previously. The decrease in 2013/14 pertains to the previously explained property rates reduced allocation.

6. Programme description

The services rendered by the department are categorised under three programmes, the details of which are discussed in greater detail below. The information for each programme is summarised in terms of sub-programmes and economic classification. As mentioned the department's structure is currently not in line with the uniform budget and programme structure for the Public Works sector, and this is under review. 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 2009/10 to 2015/16.

Table 14.13: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Minister's Support	7 343	6 775	7 048	9 551	9 895	9 895	10 403	10 871	11 444
Management	222 033	232 112	266 553	273 753	269 071	269 071	306 674	327 000	343 058
Total	229 376	238 887	273 601	283 304	278 966	278 966	317 077	337 871	354 502

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	216 920	219 987	240 252	258 020	252 666	252 666	291 622	307 805	321 902
Compensation of employees	157 437	161 150	177 479	202 312	197 579	197 579	231 528	246 020	260 268
Goods and services	59 483	58 837	62 773	55 708	55 087	55 087	60 094	61 785	61 634
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	4 179	3 255	3 676	2 608	3 002	3 002	3 644	4 008	4 036
Provinces and municipalities	151	190	169	137	137	137	145	153	161
Departmental agencies and accounts	306	368	375	157	551	551	481	513	499
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 722	2 697	3 132	2 314	2 314	2 314	3 018	3 342	3 376
Payments for capital assets	5 535	15 297	29 673	22 676	23 298	23 298	21 811	26 058	28 564
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 181	15 219	28 742	19 576	20 098	20 098	18 537	22 607	25 112
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	354	78	931	3 100	3 200	3 200	3 274	3 451	3 452
Payments for financial assets	2 742	348	-	-	-	-	-	-	-
Total	229 376	238 887	273 601	283 304	278 966	278 966	317 077	337 871	354 502

The negative growth against the sub-programme: Minister's Support in 2010/11 was mainly due to cost-cutting. The increase in the 2012/13 Adjusted Appropriation was due to the realignment of the budget, in respect of *Compensation of employees*, as mentioned previously. The 2013/14 MTEF has been adjusted accordingly and shows steady growth.

The sub-programme: Management increased in 2011/12, mainly due to higher than anticipated wage agreements, increased staff levels, the filling of vacant posts, the updating of IT infrastructure, as well as the replacement of official vehicles. The decrease in the 2012/13 Adjusted Appropriation was due to the realignment of *Compensation of employees*, as mentioned previously.

With regard to *Compensation of employees*, the increasing trend from 2009/10 to 2011/12 was largely due to the various higher than anticipated wage agreements, as well as the filling of vacant posts. The reduction in the 2012/13 Adjusted Appropriation was due to a realignment exercise, with funds moved to Programme 3. However, this movement was in error and the budget from 2013/14 is now corrected, hence the significant increase in 2013/14.

The department reduced its *Goods and services* spending through cost-cutting, resulting in a reduction in 2010/11. The increase in 2011/12 was due to movements from Programme 3 for the special investigation unit's fraud investigation, for which no budget was allocated, as well as resettlement costs, mainly for those staff linked to the new Mkhuze district office. The decrease in the 2012/13 Adjusted Appropriation was mainly due to a SCOA change in respect of finance leases relating to cell phones from *Goods and services* to *Machinery and equipment*. The budget grows steadily over the 2013/14 MTEF.

Transfers and subsidies to: Provinces and municipalities caters for motor vehicle licences.

With regard to *Transfers and subsidies to: Departmental agencies and accounts*, the significant increase in the 2012/13 Adjusted Appropriation is due to a realignment of the budget, in respect of social security funds, for injury on duty/death payments, and for the payment of the skills development levy to SETA. The fluctuating growth over the MTEF relates to anticipated payments to injuries on duty.

The fluctuating expenditure in *Transfers and subsidies to: Households* is due to staff exit costs.

In respect of *Machinery and equipment*, the low expenditure in 2009/10 was due to cost-cutting. The substantial increase from 2010/11 onward is a result of the department upgrading its IT infrastructure and networks for new offices, as well as for the replacement of vehicles. The slight increase from the 2012/13 Main to the Adjusted Appropriation was due to a change in SCOA classification from *Goods and services*, in respect of finance leases. 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. In 2013/14, funding was decreased against this category and moved to *Goods and services* to cater for consultants in respect of SITA service level agreements, for information services and mainframe processing.

In 2009/10, *Software and other intangible assets* was for SysAid Helpdesk, printer software for library services and Cognos. The increase in 2011/12 is for the renewal of Cognos user licences. The increase from 2012/13 onward is to cater for the agreement with Microsoft, which requires a three-year commitment and annual billing, as mentioned previously.

The category *Payments for financial assets* reflects various losses which were written off.

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. Tables 14.15 and 14.16 below summarise payments and budgeted estimates for the period 2009/10 to 2015/16. 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Personnel & Admin. Related	269 680	551 571	577 636	651 209	677 960	677 960	568 146	592 188	620 392
Hiring	2 382	2 925	2 705	3 076	3 333	3 333	3 148	3 273	3 457
Acquisition of Land, Control & Disposal	84	139	125	200	140	140	211	222	233
Total	272 146	554 635	580 466	654 485	681 433	681 433	571 505	595 683	624 082

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	29 837	38 445	87 295	99 908	126 828	126 828	106 096	104 019	109 511
Compensation of employees	13 626	22 440	29 143	33 048	34 729	34 729	38 004	40 435	42 776
Goods and services	16 211	16 005	58 152	66 860	92 099	92 099	68 092	63 584	66 735
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	242 067	515 872	492 948	554 313	554 329	554 329	465 086	491 612	514 463
Provinces and municipalities	240 566	515 348	492 767	554 280	554 280	554 280	465 051	491 577	514 428
Departmental agencies and accounts	-	-	-	5	-	-	5	5	5
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 501	524	181	28	49	49	30	30	30
Payments for capital assets	242	318	223	264	276	276	323	52	108
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	242	318	223	264	276	276	323	52	108
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	272 146	554 635	580 466	654 485	681 433	681 433	571 505	595 683	624 082

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 the once-off payment of arrears in respect of the Devolution of Property Rate Funds grant, as mentioned previously, as well as Ulundi Municipality service payments. The increase in 2011/12 was due to a roll-over of R42.295 million to fund property rates commitments from the previous year. The growth in 2012/13 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 of 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 decrease over the MTEF relates to the budget for property rates grant, which was reduced in line with a request by the department.

The sub-programme: Hiring reflects an increase in 2010/11, which relates to the unanticipated hiring of office accommodation in Pietermaritzburg, namely the Fedsure Building, for administration staff until the head office renovation is complete. The increase in the 2012/13 Adjusted Appropriation relates to unanticipated pressures in operating leases for the rental of buildings included under *Goods and services* in this sub-programme. The budget grows steadily over the 2013/14 MTEF.

The erratic trend against the sub-programme: Acquisition of Land, Control and Disposal is attributed to the number of valuations of properties made by the department. The decrease in the 2012/13 Adjusted Appropriation relates to funding reprioritised to the Personnel and Admin Related sub-programme to provide for Windeed research and advisory cost for the system used to access information on property, in respect of property ownership, value of property, etc. The budget for this sub-programme shows steady growth over 2013/14 MTEF.

The increasing trend against *Compensation of employees* from 2010/11 onward caters for the carry-through costs associated with the filling of posts, as well as the various higher than anticipated wage agreements. In 2010/11, additional funding 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 slight increase in the 2012/13 Adjusted Appropriation was a result of the previously mentioned realignment between programmes. The 2013/14 MTEF includes reprioritised funding for the higher than anticipated 2012 wage agreement, as well as funding for vacant posts, while keeping in mind the moratorium on the filling of non-critical posts.

The slight decrease in *Goods and services* in 2010/11 was due to cost-cutting. The substantial increase from 2011/12 onward was due to additional funding received for GIAMA and the fixed asset register. The increase in the 2012/13 Adjusted Appropriation is as a result of additional funding received for the purchase and development of the fixed asset management tool, to better manage the assets under the departments' control. The decrease in 2013/14 is due to additional funding of R25 million received for the purchase and development of the fixed asset management tool being once-off funding, hence no carry-through costs are provided over the 2013/14 MTEF. The fluctuating growth in 2014/15 and 2015/16 is due to a reduction in the GIAMA allocation, based on a detailed costing exercise.

Transfers and subsidies to: Provinces and municipalities in 2010/11 is mainly due to the once-off payment of arrears in respect of the Devolution of Property Rate Funds grant, as mentioned previously, as well as Ulundi Municipality service payments. The increase in 2011/12 was due to a roll-over of R42.295 million to fund property rates commitments from the previous year. The department indicated that there is an over-provision against the property rates grant and as a result, the funding was reduced and adjusted accordingly. This explains the decrease in 2013/14, and the two outer years of the MTEF grow at an inflationary rate.

The funding against *Transfers and subsidies to: Departmental agencies and accounts* is for the payment of workmen's compensation, and is linked to claims received, and no payments were made in the prior years. There is a constant allocation over the 2013/14 MTEF period to cater for workmen's compensation, as this cannot be predetermined.

Transfers and subsidies to: Households was high in 2009/10 due to unanticipated staff exits.

The main reason for the varying trend under *Machinery and equipment* relates to actual requirements (once-off expenditure). The slight increase in 2010/11 was due to expenditure for GIAMA and the fixed asset register (additional funding was granted for these initiatives in 2010/11). The slight increase in the 2012/13 Adjusted Appropriation was attributed to the SCOA reclassification in respect of finance leases, which were originally budgeted for under *Goods and services*. The variable trend over the 2013/14 MTEF is based on equipment requirements. Purchases of computer equipment are anticipated for 2013/14, with minimal purchases planned in 2014/15.

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 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

Outputs		Performance indicators	Estimated performance	Medium-term targets			
			2012/13	2013/14	2014/15	2015/16	
1.	Acquisition of properties to satisfy land and building needs of provincial depts. through property acquisition, disposal, hiring and letting	• No. of properties acquired as per client depts	26	20	22	15	
2.	Timeous hiring of properties to satisfy land and building needs of provincial depts. through property acquisition, disposal, hiring and letting	• No. of land and buildings hired for KZN	97	144	100	110	

Table 14.17: Service delivery measures – Programme 2: Property Management

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
3. State properties valued	• No. of properties valued	750	750	500	100	
4. Implementation of GIAMA to effectively manage immovable assets	• Developed and approved U-AMPs (No. of U-AMPs)	1	1	1	1	
	• 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	• No. of beneficiaries (training-skills development) Property Incubator programme implemented	43	-	-	-	
6. Successful implementation of Izandla Ziyagezana programme to contribute to job creation (massification of EPWP)	• No. of jobs created through Izandla Ziyagezana programme on new sites	203	352	430	480	
7. Vesting of provincial properties to take transfer of all immovable assets	• No. of R293 provincial assets registered	529	950	-	-	
	• No. of vesting submitted to provincial state land vesting and disposal committee	1 018	2 956	-	-	
8. Effective projection and timely payment of municipal rates to facilitate payment of property rates (conditional grant)	• No. of existing properties	551	588	621	661	

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 2009/10 to 2015/16.

For the programme as a whole, the increasing expenditure trend from 2009/10 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 is largely due to the EPWP Integrated Grant for Provinces and the OSD for professionals. The increase in 2011/12 is mainly due to *Goods and services* for consultants in the North Coast region. The decrease over the 2013/14 MTEF, under the same category, is due to the moratorium on the filling of the non-critical posts, where non-critical consultants will not be appointed.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Personnel & Admin. Related	213 952	246 709	276 573	282 362	286 784	286 784	279 805	292 770	303 809
Buildings & Structures	80 695	73 978	51 628	91 020	105 205	105 205	92 979	87 381	87 424
Total	294 647	320 687	328 201	373 382	391 989	391 989	372 784	380 151	391 233

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	218 017	243 322	270 974	285 757	288 670	288 670	285 395	298 689	309 894
Compensation of employees	165 154	177 729	191 401	223 150	222 428	222 428	216 977	230 428	241 388
Goods and services	52 863	65 593	79 573	62 607	66 242	66 242	68 418	68 261	68 506
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	2 400	1 822	3 362	1 856	3 071	3 071	1 481	1 448	1 328
Provinces and municipalities	-	-	-	2	2	2	2	2	2
Departmental agencies and accounts	-	-	-	457	63	63	54	55	56
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 400	1 822	3 362	1 397	3 006	3 006	1 425	1 391	1 270
Payments for capital assets	72 741	66 618	43 485	85 769	100 248	100 248	85 908	80 014	80 011
Buildings and other fixed structures	72 090	65 916	42 669	84 744	98 929	98 929	84 639	78 934	79 173
Machinery and equipment	651	702	816	1 025	1 319	1 319	1 269	1 080	838
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	1 489	8 925	10 380	-	-	-	-	-	-
Total	294 647	320 687	328 201	373 382	391 989	391 989	372 784	380 151	391 233

With regard to the sub-programme: Buildings and Structures, the high spending in 2009/10 was due to infrastructure requirements, which included carry-through costs on projects, as well as existing projects reaching completion.

With regard to *Compensation of employees*, the increasing trend 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 increase in 2011/12 was due to the higher than anticipated wage agreement, as well as for increased infrastructure capacity support. The decrease in the 2012/13 Adjusted Appropriation relates to savings as a result of delays in recruitment processes (filling of vacant posts), as well as the difficulty in attracting suitable applicants for professional posts. These savings were moved to *Goods and services* to cater for the WIMS system, and *Transfers and subsidies to: Households* for staff exit costs.

The low expenditure 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 increase in 2011/12 was mainly attributable to the payment of consultants in the North Coast region. The increase in the 2012/13 Adjusted Appropriation was due to savings identified under *Compensation of employees* moved to this category for the WIMS system that is used to administer infrastructure payments, and *Machinery and equipment* in respect of finance leases. The decrease over the 2013/14 MTEF can be ascribed to the previously mentioned cost-cutting.

Transfers and subsidies to: Provinces and municipalities caters for motor vehicle licences.

Transfers and subsidies to: Departmental agencies and accounts mainly relates to social security funds for injury/death on duty payments. The decrease in the 2012/13 Adjusted Appropriation emanates from skills development levy funds shifted to Programme 1, explaining the decrease over the 2013/14 MTEF.

Transfers and subsidies to: Households relates to the payment of staff exit costs.

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 high 2009/10 spending includes the head office refurbishment and the Southern regional office. The increase in the 2012/13 Adjusted Appropriation was due to a roll-over of R14.185 million received for capital infrastructure projects, in respect of the Ixopo office park, the Southern regional office and the head office. There is a decrease over the 2013/14 MTEF, due to the baseline cuts, as mentioned previously.

The decrease in 2010/11 against *Machinery and equipment* is due to cost-cutting. The decrease in 2012/13 is linked to actual requirements in the programme. The increase in the 2012/13 Adjusted Appropriation was due to a shifting of funding from *Goods and services* to this category, as a result of a

SCOA reclassification, in respect of finance leases for cell phones. The decrease over the 2013/14 MTEF, is due to cost-cutting, as mentioned previously, in purchasing furniture and computer equipment.

The department wrote-off various losses of R1.489 million, R8.925 million and R10.380 million in 2009/10, 2010/11, and 2011/12, respectively, reflected against *Payments for financial assets*.

Service delivery measures – Programme 3: Provision of Buildings, Structures and Equipment

As mentioned under 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, 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 a mix of sectoral and non-sectoral measures, 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.

Table 14.20: Service delivery measures – Programme 3: Provision of Buildings, Structures and Equipment

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
1. Implementation of IDIP	• No. and % of <i>ad hoc</i> projects completed per client request (maintenance projects)	95 (100%)	100%	100%	100%	
	• No. and % of planned projects completed per IPIP	437 (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	30 000	35 000	40 000	45 000	
	• No. of people employed	4 000	5 000	6 000	7 000	
	• No. of FTEs	700	750	800	850	
3. Implementation of NYS	• No. of learners	70	150	150	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 further decrease in 2011/12 relates to delays in recruitment processes, which resulted in non-filling of vacant posts. The number of staff is anticipated to increase in 2012/13 to improve infrastructure support. The newly implemented moratorium has been considered, and only critical vacant posts will be filled.

The department appointed contract workers to provide support mainly to Programme 3, including works inspectors and industrial technicians. The increase in 2011/12 relates to the Property Incubator Programme trainees who receive a stipend while undergoing practical training. These numbers are expected to reduce in 2013/14, since training will be completed.

Table 14.21: Personnel numbers and costs per programme

Personnel numbers	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	As at 31 March 2016
1. Administration	849	814	921	976	1 037	1 037	1 037
2. Property Management	65	105	105	112	182	182	182
3. Prov. of Buildings, Structures & Equipment	1 253	1 177	1 052	1 171	1 149	1 149	1 149
Total	2 167	2 096	2 078	2 259	2 368	2 368	2 368
Total personnel cost (R thousand)	336 217	361 319	398 023	454 736	486 509	516 883	544 432
Unit cost (R thousand)	155	172	192	201	205	218	230

Table 14.22: Details of personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Total for department									
Personnel numbers (head count)	2 167	2 096	2 078	2 269	2 259	2 259	2 368	2 368	2 368
Personnel cost (R thousand)	336 217	361 319	398 023	458 510	454 736	454 736	486 509	516 883	544 432
Human resources component									
Personnel numbers (head count)	181	131	158	178	159	159	168	168	168
Personnel cost (R thousand)	21 022	17 481	27 775	27 337	29 676	29 676	33 100	34 830	36 655
Head count as % of total for department	8.35	6.25	7.60	7.84	7.04	7.04	7.09	7.09	7.09
Personnel cost as % of total for department	6.25	4.84	6.98	5.96	6.53	6.53	6.80	6.74	6.73
Finance component									
Personnel numbers (head count)	98	106	120	126	127	127	137	137	137
Personnel cost (R thousand)	10 148	14 652	19 423	18 284	21 564	21 564	25 268	26 692	28 196
Head count as % of total for department	4.52	5.06	5.77	5.55	5.62	5.62	5.79	5.79	5.79
Personnel cost as % of total for department	3.02	4.06	4.88	3.99	4.74	4.74	5.19	5.16	5.18
Full time workers									
Personnel numbers (head count)	2 150	2 056	2 016	2 212	2 147	2 147	2 256	2 256	2 256
Personnel cost (R thousand)	324 047	353 143	382 164	444 895	431 789	431 789	463 562	493 936	521 485
Head count as % of total for department	99.22	98.09	97.02	97.49	95.04	95.04	95.27	95.27	95.27
Personnel cost as % of total for department	96.38	97.74	96.02	97.03	94.95	94.95	95.28	95.56	95.79
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)	17	40	62	57	112	112	112	112	112
Personnel cost (R thousand)	12 170	8 176	15 859	13 615	22 947	22 947	22 947	22 947	22 947
Head count as % of total for department	0.78	1.91	2.98	2.51	4.96	4.96	4.73	4.73	4.73
Personnel cost as % of total for department	3.62	2.26	3.98	2.97	5.05	5.05	4.72	4.44	4.21

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 Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	3 778	2 313	2 257	3 879	4 252	4 252	4 452	4 688	4 332
2. Real Estate	-	9	6	232	232	232	203	216	115
3. Prov. of Buildings, Structures & Equipment	874	1 204	503	1 265	1 431	1 431	878	905	432
Total	4 652	3 526	2 766	5 376	5 915	5 915	5 533	5 809	4 879

The decrease in 2010/11 was largely attributed to cost-cutting. The decrease in 2011/12 was 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

Table 14.24: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Number of staff	2 167	2 096	2 078	2 269	2 259	2 259	2 368	2 368	2 368
Number of personnel trained	653	718	865	706	706	706	741	778	816
of which									
Male	318	349	446	382	382	382	401	421	442
Female	335	369	419	324	324	324	340	357	374
Number of training opportunities	197	217	857	903	903	903	946	992	1 040
of which									
Tertiary									
Workshops	55	61	457	479	479	479	502	527	553
Seminars	-	-	10	15	15	15	15	15	15
Other	142	156	390	409	409	409	429	450	472
Number of bursaries offered	76	76	35	36	36	36	37	38	39
External	45	42	8	8	8	8	8	8	8
Internal	31	34	27	28	28	28	29	30	31
Number of interns appointed	10	6	12	8	8	8	8	8	8
Number of learnerships appointed	10	20	3	3	3	3	3	3	3
Number of days spent on training	62	68	186	195	195	195	204	214	226

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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	3 032	3 432	4 717	4 071	4 071	5 760	5 105	5 552	6 088
Sale of goods and services produced by dept. (excl. capital assets)	2 628	3 428	4 711	3 563	4 069	5 756	5 103	5 550	6 086
Sales by market establishments	-	3 012	454	-	506	506	555	610	671
Administrative fees	-	-	1	-	-	1 433	679	737	791
Other sales	2 628	416	4 256	3 563	3 563	3 817	3 869	4 203	4 624
of which									
Housing rent recoveries	1 899	416	3 067	2 892	2 892	2 848	2 850	3 105	3 416
Rent for parking	126	-	115	171	171	125	164	179	197
Rental: State property	603	-	1 074	500	500	844	855	919	1 011
Transport of officers									
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	404	4	6	508	2	4	2	2	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	310	422	198	170	170	225	150	164	180
Interest	222	253	44	71	71	145	60	66	72
Dividends									
Rent on land	88	169	154	99	99	80	90	98	108
Sale of capital assets	6	-	-	-	-	2 195	-	-	-
Land and subsoil assets									
Other capital assets	6	-	-	-	-	2 195	-	-	-
Transactions in financial assets and liabilities	1 634	2 754	1 201	1 257	1 257	721	779	872	959
Total	4 982	6 608	6 116	5 498	5 498	8 901	6 034	6 588	7 227

Table 14.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
	2012/13								
Current payments	464 774	501 754	598 521	643 685	668 164	668 164	683 113	710 513	741 307
Compensation of employees	336 217	361 319	398 023	458 510	454 736	454 736	486 509	516 883	544 432
Salaries and wages	283 948	304 884	335 666	390 477	402 975	402 975	414 249	441 604	466 473
Social contributions	52 269	56 435	62 357	68 033	51 761	51 761	72 260	75 279	77 959
Goods and services	128 557	140 435	200 498	185 175	213 428	213 428	196 604	193 630	196 875
of which									
Administrative fees	9	-	23	-	14	14	21	23	24
Advertising	5 268	3 767	6 194	5 668	5 594	5 594	6 376	6 750	6 748
Assets <R5000	486	697	571	679	805	805	850	879	563
Audit cost: External	4 597	4 504	2 029	4 598	4 558	4 558	4 589	4 848	5 045
Bursaries (employees)	303	292	497	306	346	346	323	340	359
Catering: Departmental activities	1 544	367	506	132	290	290	202	184	171
Communication	10 776	8 656	7 359	8 436	8 260	8 260	7 638	8 181	8 564
Computer services	10 982	14 603	15 219	12 433	13 173	13 173	14 905	13 824	12 542
Cons/prof: Business & advisory services	122	185	585	272	280	280	318	332	344
Cons/prof: Infrastructure & planning	1 128	116	1 741	347	347	347	366	386	407
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	261	1 143	221	1 636	1 333	1 333	1 594	1 661	1 630
Contractors	8 392	8 689	1 483	6 946	6 547	6 547	8 851	8 947	9 100
Agency & support/outourced services	22 062	21 488	69 122	68 434	89 099	89 099	68 439	63 992	67 085
Entertainment	180	202	241	233	233	233	223	238	245
Fleet services (incl. GMT)	6 922	6 636	8 277	7 487	7 577	7 577	7 911	8 446	8 574
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	50	36	114	43	43	43	75	80	74
Inventory: Learner and teacher supp material	105	21	89	129	123	123	127	141	148
Inventory: Materials and supplies	219	250	209	194	184	184	200	211	222
Inventory: Medical supplies	5	7	9	28	32	32	35	28	29
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	1 845	1 940	2 329	2 123	2 385	2 385	2 461	2 863	2 421
Inventory: Stationery and printing	3 697	3 882	2 990	4 152	4 140	4 140	4 855	5 103	5 291
Operating leases	7 294	8 446	8 592	8 681	7 946	7 946	7 482	7 846	8 140
Property payments	26 108	38 277	45 889	32 869	38 278	38 278	35 919	37 692	39 237
Transport provided: Departmental activity	47	33	83	10	15	15	14	15	15
Travel and subsistence	12 451	12 310	16 827	13 249	13 199	13 199	14 699	15 432	16 090
Training and development	1 546	2 068	4 900	4 083	6 644	6 644	5 577	2 693	1 739
Operating expenditure	956	1 378	3 857	1 106	1 736	1 736	1 873	1 717	1 657
Venues and facilities	1 202	442	542	901	247	247	681	778	411
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	248 646	520 949	499 986	558 777	560 402	560 402	470 211	497 068	519 827
Provinces and municipalities	240 717	515 538	492 936	554 419	554 419	554 419	465 198	491 732	514 591
Provinces	151	190	169	139	139	139	147	155	163
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	151	190	169	139	139	139	147	155	163
Municipalities	240 566	515 348	492 767	554 280	554 280	554 280	465 051	491 577	514 428
Municipalities	240 566	515 348	492 767	554 280	554 280	554 280	465 051	491 577	514 428
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	306	368	375	619	614	614	540	573	560
Social security funds	-	-	-	225	220	220	124	134	118
Entities receiving funds	306	368	375	394	394	394	416	439	442
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	7 623	5 043	6 675	3 739	5 369	5 369	4 473	4 763	4 676
Social benefits	5 082	3 833	4 879	1 638	3 298	3 298	2 256	2 426	2 337
Other transfers to households	2 541	1 210	1 796	2 101	2 071	2 071	2 217	2 337	2 339
Payments for capital assets	78 518	82 233	73 381	108 709	123 822	123 822	108 042	106 124	108 683
Buildings and other fixed structures	72 090	65 916	42 669	84 744	98 929	98 929	84 639	78 934	79 173
Buildings	72 090	65 916	42 669	84 744	98 929	98 929	84 639	78 934	79 173
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 074	16 239	29 781	20 865	21 693	21 693	20 129	23 739	26 058
Transport equipment	1 155	6 295	16 055	11 508	11 508	11 508	9 408	10 945	12 483
Other machinery and equipment	4 919	9 944	13 726	9 357	10 185	10 185	10 721	12 794	13 575
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	354	78	931	3 100	3 200	3 200	3 274	3 451	3 452
Payments for financial assets	4 231	9 273	10 380	-	-	-	-	-	-
Total	796 169	1 114 209	1 182 268	1 311 171	1 352 388	1 352 388	1 261 366	1 313 705	1 369 817

Table 14.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	216 920	219 987	240 252	258 020	252 666	252 666	291 622	307 805	321 902
Compensation of employees	157 437	161 150	177 479	202 312	197 579	197 579	231 528	246 020	260 268
Salaries and wages	132 150	134 692	148 639	168 861	173 473	173 473	196 068	209 082	221 868
Social contributions	25 287	26 458	28 840	33 451	24 106	24 106	35 460	36 938	38 400
Goods and services	59 483	58 837	62 773	55 708	55 087	55 087	60 094	61 785	61 634
of which									
Administrative fees	9	-	14	-	14	14	16	16	16
Advertising	3 934	2 287	3 199	3 781	3 507	3 507	4 316	4 598	4 714
Assets <R5000	150	422	467	206	266	266	370	427	337
Audit cost: External	4 597	4 504	2 029	4 598	4 558	4 558	4 589	4 848	5 045
Bursaries (employees)	303	292	497	306	346	346	323	340	359
Catering: Departmental activities	942	251	391	95	228	228	127	106	112
Communication	9 341	7 993	7 041	7 053	6 971	6 971	6 701	7 182	7 535
Computer services	8 533	12 061	11 395	9 804	9 744	9 744	12 128	10 897	9 455
Cons/prof: Business & advisory services	23	55	354	37	51	51	27	29	29
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	249	1 031	118	752	752	752	760	782	765
Contractors	892	646	1 208	1 225	826	826	1 161	1 169	1 253
Agency & support/outourced services	9 524	9 027	13 693	6 130	6 104	6 104	6 474	6 824	7 131
Entertainment	164	189	217	177	177	177	184	196	211
Fleet services (incl. GMT)	5 040	5 037	6 204	5 255	5 295	5 295	5 413	5 793	5 956
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas	24	9	59	-	-	-	5	5	5
Inventory: Learner and teacher supp material	89	1	41	82	77	77	66	77	81
Inventory: Materials and supplies	53	166	54	53	38	38	47	49	51
Inventory: Medical supplies	1	1	1	23	27	27	26	23	24
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	381	402	358	245	243	243	536	796	816
Inventory: Stationery and printing	2 916	2 984	1 857	3 127	3 011	3 011	3 827	4 006	4 136
Operating leases	3 917	4 021	3 976	4 331	3 599	3 599	3 310	3 499	3 548
Property payments	889	1 001	978	1 083	1 578	1 578	1 328	1 399	1 468
Transport provided: Departmental activity	25	21	79	-	5	5	-	-	-
Travel and subsistence	5 752	4 652	5 911	5 163	5 123	5 123	5 628	5 921	6 161
Training and development	978	810	89	1 472	1 441	1 441	1 496	1 572	1 192
Operating expenditure	370	576	2 014	570	954	954	1 091	1 078	1 072
Venues and facilities	387	398	529	140	152	152	145	153	162
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	4 179	3 255	3 676	2 608	3 002	3 002	3 644	4 008	4 036
Provinces and municipalities	151	190	169	137	137	137	145	153	161
Provinces	151	190	169	137	137	137	145	153	161
Provincial Revenue Funds									
Provincial agencies and funds	151	190	169	137	137	137	145	153	161
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	306	368	375	157	551	551	481	513	499
Social security funds	-	-	-	157	157	157	65	74	57
Entities receiving funds	306	368	375	-	394	394	416	439	442
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	3 722	2 697	3 132	2 314	2 314	2 314	3 018	3 342	3 376
Social benefits	1 181	1 487	1 336	213	243	243	801	1 005	1 037
Other transfers to households	2 541	1 210	1 796	2 101	2 071	2 071	2 217	2 337	2 339
Payments for capital assets	5 535	15 297	29 673	22 676	23 298	23 298	21 811	26 058	28 564
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	5 181	15 219	28 742	19 576	20 098	20 098	18 537	22 607	25 112
Transport equipment	1 155	6 295	16 055	11 508	11 508	11 508	9 408	10 945	12 483
Other machinery and equipment	4 026	8 924	12 687	8 068	8 590	8 590	9 129	11 662	12 629
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	354	78	931	3 100	3 200	3 200	3 274	3 451	3 452
Payments for financial assets	2 742	348	-	-	-	-	-	-	-
Total	229 376	238 887	273 601	283 304	278 966	278 966	317 077	337 871	354 502

Table 14.D: Details of payments and estimates by economic classification - Programme 2: Property Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	29 837	38 445	87 295	99 908	126 828	126 828	106 096	104 019	109 511
Compensation of employees	13 626	22 440	29 143	33 048	34 729	34 729	38 004	40 435	42 776
Salaries and wages	11 666	19 388	25 016	29 511	31 348	31 348	32 981	35 181	37 303
Social contributions	1 960	3 052	4 127	3 537	3 381	3 381	5 023	5 254	5 473
Goods and services	16 211	16 005	58 152	66 860	92 099	92 099	68 092	63 584	66 735
of which									
Administrative fees	-	-	5	-	-	-	-	-	-
Advertising	152	(355)	145	58	258	258	161	169	178
Assets <R5000	192	23	21	92	158	158	92	107	113
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	68	72	42	-	25	25	25	26	28
Communication	83	83	70	116	113	113	118	127	132
Computer services	-	83	861	120	120	120	127	134	140
Cons/prof: Business & advisory services	95	127	196	235	229	229	291	303	315
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	12	112	102	884	581	581	834	879	865
Contractors	-	4	15	-	-	-	-	-	-
Agency & support/outourced services	12 175	11 336	50 467	59 799	80 490	80 490	60 935	56 081	59 013
Entertainment	-	3	10	13	13	13	14	15	16
Fleet services (incl. GMT)	14	9	20	26	26	26	28	31	32
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	-	2	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	1	-	5	5	-	-	-
Inventory: Medical supplies	2	-	3	-	-	-	-	-	-
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	13	5	50	30	249	249	20	25	26
Inventory: Stationery and printing	110	40	114	163	266	266	136	149	157
Operating leases	2 382	2 989	2 857	3 216	3 473	3 473	3 242	3 372	3 562
Property payments	238	443	1 281	274	4 375	4 375	259	273	288
Transport provided: Departmental activity	-	-	4	-	-	-	-	-	-
Travel and subsistence	468	674	1 599	1 358	1 348	1 348	1 423	1 474	1 547
Training and development	-	9	6	232	232	232	203	216	115
Operating expenditure	167	311	281	44	44	44	48	57	59
Venues and facilities	40	35	2	200	94	94	136	146	149
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	242 067	515 872	492 948	554 313	554 329	554 329	465 086	491 612	514 463
Provinces and municipalities	240 566	515 348	492 767	554 280	554 280	554 280	465 051	491 577	514 428
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	240 566	515 348	492 767	554 280	554 280	554 280	465 051	491 577	514 428
Municipalities	240 566	515 348	492 767	554 280	554 280	554 280	465 051	491 577	514 428
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	5	-	-	5	5	5
Social security funds	-	-	-	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	181	28	49	49	30	30	30
Social benefits	1 501	524	181	28	49	49	30	30	30
Other transfers to households									
Payments for capital assets	242	318	223	264	276	276	323	52	108
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	242	318	223	264	276	276	323	52	108
Transport equipment									
Other machinery and equipment	242	318	223	264	276	276	323	52	108
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	272 146	554 635	580 466	654 485	681 433	681 433	571 505	595 683	624 082

Table 14.E: Details of payments and estimates by economic classification - Prog. 3: Provision of Buildings, Structures & Equipment

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	218 017	243 322	270 974	285 757	288 670	288 670	285 395	298 689	309 894
Compensation of employees	165 154	177 729	191 401	223 150	222 428	222 428	216 977	230 428	241 388
Salaries and wages	140 132	150 804	162 011	192 105	198 154	198 154	185 200	197 341	207 302
Social contributions	25 022	26 925	29 390	31 045	24 274	24 274	31 777	33 087	34 086
Goods and services	52 863	65 593	79 573	62 607	66 242	66 242	68 418	68 261	68 506
of which									
Administrative fees	-	-	4	-	-	-	5	7	8
Advertising	1 182	1 835	2 850	1 829	1 829	1 829	1 899	1 983	1 856
Assets <R5000	144	252	83	381	381	381	388	345	113
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	534	44	73	37	37	37	50	52	31
Communication	1 352	580	248	1 267	1 176	1 176	819	872	897
Computer services	2 449	2 459	2 963	2 509	3 309	3 309	2 650	2 793	2 947
Cons/prof. Business & advisory services	4	3	35	-	-	-	-	-	-
Cons/prof. Infrastructure & planning	1 128	116	1 741	347	347	347	366	386	407
Cons/prof. Laboratory services									
Cons/prof. Legal cost	-	-	1	-	-	-	-	-	-
Contractors	7 500	8 039	260	5 721	5 721	5 721	7 690	7 778	7 847
Agency & support/outourced services	363	1 125	4 962	2 505	2 505	2 505	1 030	1 087	941
Entertainment	16	10	14	43	43	43	25	27	18
Fleet services (incl. GMT)	1 868	1 590	2 053	2 206	2 256	2 256	2 470	2 622	2 586
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas	26	27	55	43	43	43	70	75	69
Inventory: Learner and teacher supp material	16	18	48	47	46	46	61	64	67
Inventory: Materials and supplies	166	84	154	141	141	141	153	162	171
Inventory: Medical supplies	2	6	5	5	5	5	9	5	5
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	1 451	1 533	1 921	1 848	1 893	1 893	1 905	2 042	1 579
Inventory: Stationery and printing	671	858	1 019	862	863	863	892	948	998
Operating leases	995	1 436	1 759	1 134	874	874	930	975	1 030
Property payments	24 981	36 833	43 630	31 512	32 325	32 325	34 332	36 020	37 481
Transport provided: Departmental activity	22	12	-	10	10	10	14	15	15
Travel and subsistence	6 231	6 984	9 317	6 728	6 728	6 728	7 648	8 037	8 382
Training and development	568	1 249	4 805	2 379	4 971	4 971	3 878	905	432
Operating expenditure	419	491	1 562	492	738	738	734	582	526
Venues and facilities	775	9	11	561	1	1	400	479	100
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	2 400	1 822	3 362	1 856	3 071	3 071	1 481	1 448	1 328
Provinces and municipalities	-	-	-	2	2	2	2	2	2
Provinces	-	-	-	2	2	2	2	2	2
Provincial Revenue Funds									
Provincial agencies and funds	-	-	-	2	2	2	2	2	2
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	457	63	63	54	55	56
Social security funds	-	-	-	63	63	63	54	55	56
Entities receiving funds	-	-	-	394	-	-	-	-	-
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	2 400	1 822	3 362	1 397	3 006	3 006	1 425	1 391	1 270
Social benefits	2 400	1 822	3 362	1 397	3 006	3 006	1 425	1 391	1 270
Other transfers to households									
Payments for capital assets	72 741	66 618	43 485	85 769	100 248	100 248	85 908	80 014	80 011
Buildings and other fixed structures	72 090	65 916	42 669	84 744	98 929	98 929	84 639	78 934	79 173
Buildings	72 090	65 916	42 669	84 744	98 929	98 929	84 639	78 934	79 173
Other fixed structures									
Machinery and equipment	651	702	816	1 025	1 319	1 319	1 269	1 080	838
Transport equipment									
Other machinery and equipment	651	702	816	1 025	1 319	1 319	1 269	1 080	838
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	1 489	8 925	10 380	-	-	-	-	-	-
Total	294 647	320 587	328 201	373 382	391 989	391 989	372 784	380 151	391 233

Table 14.F: Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
Current payments	-	2 864	9 318	6 357	8 389	8 389	3 000	-	-
Compensation of employees	-	2 451	4 635	4 849	4 849	4 849	-	-	-
Salaries and wages	-	2 451	4 635	4 849	4 849	4 849	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	413	4 683	1 508	3 540	3 540	3 000	-	-
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	-	413	4 683	1 508	3 540	3 540	3 000	-	-
Operating expenditure	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	237 205	507 488	484 845	546 251	546 251	546 251	-	-	-
Provinces and municipalities	237 205	507 488	484 845	546 251	546 251	546 251	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	237 205	507 488	484 845	546 251	546 251	546 251	-	-	-
Municipalities	237 205	507 488	484 845	546 251	546 251	546 251	-	-	-
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	237 205	510 352	494 163	552 608	554 640	554 640	3 000	-	-

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		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
Current payments	-	2 451	4 635	4 849	4 849	4 849	-	-	-
Compensation of employees	-	2 451	4 635	4 849	4 849	4 849	-	-	-
Salaries and wages	-	2 451	4 635	4 849	4 849	4 849	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	237 205	507 488	484 845	546 251	546 251	546 251	-	-	-
Provinces and municipalities	237 205	507 488	484 845	546 251	546 251	546 251	-	-	-
Municipalities	237 205	507 488	484 845	546 251	546 251	546 251	-	-	-
Municipalities	237 205	507 488	484 845	546 251	546 251	546 251	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	237 205	509 939	489 480	551 100	551 100	551 100	-	-	-

Table 14.H: Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
Current payments	-	413	4 683	1 508	3 540	3 540	3 000	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	413	4 683	1 508	3 540	3 540	3 000	-	-
of which									
Training and development	-	413	4 683	1 508	3 540	3 540	3 000	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	413	4 683	1 508	3 540	3 540	3 000	-	-

Estimates of Provincial Revenue and Expenditure

Table 14.I: 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							2013/14	2014/15
R thousand													
New and replacement assets													
1. Ixopo: district office (d/o) - new d/o	Sisonke	Construct new office	1	01 Nov 2010	30 Mar 2014	Equitable share	Programme 3	-	21 310	1 305	690	-	-
2. Richmond NIP site - con.of Richmnd NIP site	Sisonke	Construct new office	1	01 Apr 2010	30 Mar 2014	Equitable share	Programme 3	-	650	96	404	-	-
3. Umzinyathi sub-district office (Uthukela Ferry)	Uthukela	Construct new office	1	01 Apr 2013	30 Aug 2016	Equitable share	Programme 3	-	-	-	5 500	3 289	40
4. uMgungundlovu - new admin wing	uMgungundlovu	Construct new wing	1	01 Apr 2013	30 Mar 2015	Equitable share	Programme 3	-	-	-	7 900	2 600	-
5. eThekwini Regional Office	eThekwini	Replacement lift	1	01 Apr 2013	30 Mar 2014	Equitable share	Programme 3	-	-	-	1 650	-	-
Total new and replacement assets								-	21 960	1 401	16 144	5 889	40
Upgrades and additions													
1. Nongoma d/o - LA Building	Zululand	Additions and alterations	1	26 Aug 2008	03 Dec 2014	Equitable share	Programme 3	-	15 600	9 532	6 831	230	-
2. eThekwini d/o - Conf. centre	eThekwini	Upgrades and additions	1	01 Apr 2012	30 Mar 2014	Equitable share	Programme 3	-	23 050	114	3 264	-	-
3. CIBD satellite office & uMgungun. d/o	uMgungundlovu	Upgrades and additions	1	01 Apr 2010	30 Mar 2015	Equitable share	Programme 3	-	14 760	2 362	9 200	1 930	-
4. 191 Prince Alfred Street - Phase 1/2/3	uMgungundlovu	Upgrades to existing office	1	01 Apr 2010	01 Mar 2016	Equitable share	Programme 3	-	335 611	57 857	16 222	56 921	74 015
5. Greytown sub. office - Uthukela	Umzinyathi	Extensions to Uthukela depot	1	15 Jan 2011	15 Jan 2014	Equitable share	Programme 3	-	20 000	908	1 423	-	-
6. Midlands r/o - emer. water supply/security/car port	Uthukela	Upgrades to existing office	1	02 Feb 2009	15 Jan 2015	Equitable share	Programme 3	-	34 432	19 930	8 395	2 186	-
7. Various	Various	Various	2				Programme 3	-	-	-	1 800	-	-
Total upgrades and additions								-	443 453	90 703	47 135	61 267	74 015
Rehabilitation, renovations and refurbishments													
1. LA Building - Ulundi Campus	Zululand	External Maint. and rehab. of landscape	1	11 May 2009	16 Dec 2015	Equitable share	Programme 3	-	11 600	6 958	3 600	3 800	3 225
2. LA Building - Ulundi Campus	Zululand	Maint. contract for air conditioning	1	12 Jul 2008	27 Jun 2014	Equitable share	Programme 3	-	18 400	6 900	4 500	3 978	-
3. LA Building - Ulundi Campus	Zululand	Preventative maint. contract for electrical	1	12 Mar 2009	12 Mar 2016	Equitable share	Programme 3	-	20 228	7 805	3 800	3 800	1 893
4. Umzinyathi d/o	Umzinyathi	Repair to leaking roof	1	01 Apr 2012	31 Mar 2015	Equitable share	Programme 3	-	800	-	2 000	200	-
5. LA Building - Ulundi Campus	Zululand	Upgrade 8 lifts	1	01 Apr 2013	30 Mar 2014	Equitable share	Programme 3	-	-	-	4 600	-	-
6. LA Building - Ulundi Campus	Zululand	Replace cracked glass	1	01 Apr 2013	30 Mar 2014	Equitable share	Programme 3	-	-	-	360	-	-
7. LA Building - Ulundi Campus	Zululand	Renew palasade fencing	1	01 Apr 2013	30 Mar 2014	Equitable share	Programme 3	-	-	-	2 500	-	-
Total rehabilitation, renovations and refurbishments								-	51 028	21 663	21 360	11 778	5 118
Maintenance and repairs													
1. Maintenance & Repairs	Various	Various	Various	01 Apr 2011	01 Mar 2016	Equitable share	Programme 3	-	-	-	2 000	2 025	2 050
2. Maintenance & Repairs	Various	Various	Various	01 Apr 2011	01 Mar 2016	Equitable share	Programme 3	-	-	-	2 000	2 025	2 050
3. Maintenance & Repairs	Various	Various	Various	01 Apr 2011	01 Mar 2016	Equitable share	Programme 3	-	-	-	2 000	2 025	2 050
4. Maintenance & Repairs	Various	Various	Various	01 Apr 2011	01 Mar 2016	Equitable share	Programme 3	-	-	-	2 000	2 025	2 050
Total maintenance and repairs								-	-	-	8 000	8 100	8 200
Infrastructure transfers - current								-	-	-	-	-	-
Infrastructure transfers - capital								-	-	-	-	-	-
Total Department Infrastructure								-	516 441	113 767	92 639	87 034	87 373

Table 14.J: Summary of transfers to local government (Property Rates)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
A KZN2000 eThekweni	189 805	318 754	281 849	366 168	338 149	338 149	205 056	213 175	211 449
Total: Ugu Municipalities	1 932	5 558	8 336	13 224	15 426	15 426	8 560	8 987	9 261
B KZN211 Vulamehlo	-	1 043	1 315	1 288	3 102	3 102	1 382	1 450	1 508
B KZN212 Umdoni	-	505	308	2 519	2 519	2 519	323	339	356
B KZN213 Umzumbe	-	1 787	1 430	2 103	2 119	2 119	1 502	1 577	1 609
B KZN214 uMuziwabantu	-	1 001	1 942	1 129	1 278	1 278	2 039	2 141	2 205
B KZN215 Ezinqoleni	-	15	109	588	588	588	114	120	122
B KZN216 Hibiscus Coast	-	295	3 232	5 597	5 820	5 820	3 200	3 360	3 461
C DC21 Ugu District Municipality	1 932	912	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	27 388	42 110	61 920	52 949	53 871	53 871	69 732	75 678	106 779
B KZN221 uMshwathi	-	6 255	8 696	950	1 725	1 725	9 131	9 588	10 067
B KZN222 uMngeni	-	1 271	8 891	2 569	2 581	2 581	9 780	10 269	11 090
B KZN223 Mpozana	-	120	716	2 562	2 562	2 562	752	790	830
B KZN224 Impendle	-	75	148	455	455	455	155	163	171
B KZN225 Msunduzi	27 388	34 203	42 750	45 841	45 841	45 841	49 161	54 077	83 814
B KZN226 Mkhambathini	-	186	713	327	327	327	748	785	801
B KZN227 Richmond	-	-	6	245	380	380	5	6	6
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	6 613	25 459	20 453	26 548	26 720	26 720	21 286	22 539	22 990
B KZN232 Emnambithi/Ladysmith	6 470	11 039	12 901	13 321	13 321	13 321	13 971	14 670	14 965
B KZN233 Indaka	143	549	1 378	675	847	847	1 446	1 518	1 548
B KZN234 Umtshezi	-	6 622	3 441	8 778	8 778	8 778	3 784	4 162	4 245
B KZN235 Okhahlamba	-	148	835	1 954	1 954	1 954	876	920	938
B KZN236 Imbabazane	-	1 180	1 152	1 820	1 820	1 820	1 209	1 269	1 294
C DC23 Uthukela District Municipality	-	5 921	746	-	-	-	-	-	-
Total: Umzinyathi Municipalities	318	26 213	20 497	19 363	20 385	20 385	22 740	23 877	24 630
B KZN241 Endumeni	-	17 718	9 257	8 000	8 000	8 000	10 182	10 691	11 180
B KZN242 Nqutu	-	380	6 294	8 002	8 002	8 002	7 552	7 930	8 089
B KZN244 Msinga	-	5 630	1 905	1 455	1 740	1 740	1 999	2 099	2 141
B KZN245 Umvoti	-	582	2 865	1 906	2 643	2 643	3 007	3 157	3 220
C DC24 Umzinyathi District Municipality	318	1 903	176	-	-	-	-	-	-
Total: Amajuba Municipalities	-	10 515	8 218	8 925	16 138	16 138	8 629	9 184	9 241
B KZN252 Newcastle	-	4 338	5 904	3 704	10 917	10 917	6 199	6 633	6 639
B KZN253 eMadlangeni	-	2 527	1 316	2 120	2 120	2 120	1 382	1 451	1 480
B KZN254 Dannhauser	-	788	998	3 101	3 101	3 101	1 048	1 100	1 122
C DC25 Amajuba District Municipality	-	2 862	-	-	-	-	-	-	-
Total: Zululand Municipalities	5 663	24 145	23 397	19 425	27 919	27 919	13 326	14 117	14 540
B KZN261 eDumbe	-	8 965	3 916	3 849	4 378	4 378	4 111	4 317	4 447
B KZN262 uPhongolo	-	122	2 919	746	2 039	2 039	3 065	3 218	3 379
B KZN263 Abaqulusi	-	1 874	4 896	1 823	2 063	2 063	5 141	5 552	5 663
B KZN265 Nongoma	-	1 070	371	1 498	2 106	2 106	378	386	394
B KZN266 Ulundi	5 663	7 632	6 981	11 509	17 333	17 333	631	644	657
C DC26 Zululand District Municipality	-	4 482	4 314	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	190	12 465	9 312	7 221	9 178	9 178	9 546	9 998	10 566
B KZN271 Umhlabuyalingana	-	3 286	4 234	3 628	5 374	5 374	4 446	4 668	4 902
B KZN272 Jozini	-	275	1 769	1 000	1 000	1 000	1 946	2 043	2 248
B KZN273 The Big 5 False Bay	-	1 129	879	975	1 000	1 000	923	969	1 017
B KZN274 Hlabisa	-	681	822	533	626	626	837	854	862
B KZN275 Mtubatuba	-	221	1 328	1 085	1 178	1 178	1 394	1 464	1 537
C DC27 Umkhanyakude District Municipality	190	6 873	280	-	-	-	-	-	-
Total: uThungulu Municipalities	3 933	23 300	21 587	9 286	11 283	11 283	64 346	68 384	54 464
B KZN281 Umfolozi	-	13 911	3 418	3 047	3 047	3 047	3 589	3 768	3 956
B KZN282 uMhlathuze	-	5 360	7 525	4 415	4 415	4 415	7 030	7 382	7 751
B KZN283 Ntambanana	-	174	280	536	536	536	293	308	323
B KZN284 uMlalazi	-	1 287	5 812	574	1 151	1 151	34 872	36 616	37 969
B KZN285 Mthonjaneni	-	29	2 837	500	500	500	17 022	18 724	2 767
B KZN286 Nkandla	-	1 217	1 467	214	1 634	1 634	1 540	1 586	1 698
C DC28 uThungulu District Municipality	3 933	1 322	248	-	-	-	-	-	-
Total: Ilembe Municipalities	533	18 846	26 617	20 123	23 662	23 662	28 006	30 510	34 219
B KZN291 Mandeni	-	2 707	10 205	2 263	2 846	2 846	11 225	12 122	13 581
B KZN292 KwaDukuza	-	10 709	10 526	5 211	7 282	7 282	10 044	11 048	12 153
B KZN293 Ndwedwe	-	566	319	274	1 159	1 159	335	362	387
B KZN294 Maphumulo	-	1 301	5 567	12 375	12 375	12 375	6 402	6 978	8 098
C DC29 Ilembe District Municipality	533	3 563	-	-	-	-	-	-	-
Total: Sisonke Municipalities	4 191	7 983	10 581	10 848	11 276	11 276	13 568	14 846	15 979
B KZN431 Ingwe	-	342	904	276	704	704	949	996	1 015
B KZN432 Kwa Sani	-	232	406	605	605	605	426	447	478
B KZN433 Greater Kokstad	-	2 132	7 219	5 225	5 225	5 225	7 941	8 758	9 609
B KZN434 Ubuhlebezwe	-	463	613	1 393	1 393	1 393	643	675	709
B KZN435 Umzimkulu	-	761	1 439	3 349	3 349	3 349	3 609	3 970	4 168
C DC43 Sisonke District Municipality	4 191	4 053	-	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	200	273	273	256	282	310
Total	240 566	515 348	492 767	554 280	554 280	554 280	465 051	491 577	514 428

VOTE 15

Arts and Culture

Operational budget	R 643 311 776
MEC remuneration	R 1 652 224
Total amount to be appropriated	R 644 964 000
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, library 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 enhance social cohesion by promoting programmes in moral regeneration, community participation and redress of previously marginalised languages in the province.
- 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)
- KwaZulu-Natal Archives and Records Services Act (Act No. 8 of 2011)
- Provincial Languages Bill

2. Review of the 2012/13 financial year

Section 2 provides a review of 2012/13, 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

The department successfully hosted a number of cultural events such as the National Freedom Day Celebration, *Umkhosi kaNomkhubulwane*, Reed Dance, Heritage Day Commemoration, *Umkhosi Wezithungo*, and First Fruit Ceremony. In addition, the department played a leading role in the Africa Day Celebrations. As part of Cabinet's initiative in embracing cultural diversity, the department participated in events such as the Traditional Cleansing Ceremony, Religious Cleansing/Prayer Day and *Umkhosi Woselwa*. With regard to visual arts and craft, artists were selected from the wards as part of the Operation *Sukuma Sakhe* (OSS) interventions. The local and district municipal structures played an active role in identifying participants, transporting artists and providing venues.

A structured programme of Community in Conversation, in partnership with the National Department of Arts and Culture and community organisations, was hosted in 11 districts as part of social cohesion and nation building. The programme attracted participants from all racial, cultural and linguistic groups. The outcome of these conversations was a delegation of 30 people representing the province at the National Social Cohesion Summit in Kliptown. Moral regeneration was addressed through campaigns that were arranged in all districts. The main focus was on drug and alcohol abuse, gender based violence, teenage pregnancy and suicides. Furthermore, the programmes specifically targeted maidens, matrons and *izinduna*, in preparation for the Reed Dance Festival and King Shaka Celebrations.

The department engaged a service provider for the development and training of artists in theatre, film and video. Financial support to arts and culture organisations continued, as per signed SLAs with these organisations.

Language services

Translation, interpreting and editing were provided to government institutions for equal access to information in the language of choice. Community conversations were co-ordinated at Msinga on the “Right to access information in the language of your choice”. The language policy was rolled out to government departments and municipalities and they were assisted in developing their institutional language policies. The Provincial Languages Bill was approved by Cabinet. Literature writing workshops were held in five correctional centres and eight reading and writing clubs were established. These workshops culminated in literature competitions. The Language Festival was successfully held, where more than 3 000 people attended. The International Translation Day was held and more than 400 people, including learners, attended the event.

With regard to terminology development, 420 accounting terms were excerpted and documented. In terms of name changes, 36 geographical names were reviewed. Research was conducted on the following names: Melmoth to Nketheni and Richards Bay to eMandlanzini. The department assisted in the change of name of King House to Dr. J. Langalibalele Dube.

Museum services

The department hosted an International Museums Day in the eThekweni Metro. The department participated in a time travel programme, in partnership with a programme run by Bridging Ages, an international NGO. Through this partnership, one official was afforded the opportunity to travel to Kalmar Lans museum in Sweden, with the aim of obtaining first hand training in time travel, and another participated in the Bridging Ages International Conference in Turkey. The time travel programme was hosted in three different locations, namely, Gamalakhe (Port Shepstone), uMzumbe and at Project Gateway Prison in Pietermaritzburg. The department and youth representatives participated in the World Gold Panning Championships which took place at the Pilgrims’ Rest Museum. The programme was aimed at sharing best practices and offered museum officials an opportunity to learn from each other.

Library services

The conversion to the SITA Library Information Management System (SLIMS) automated library system in libraries continued in 2012/13. Delays were experienced in relation to the appointment of a service provider for internet connectivity at libraries through a National Library initiative. Extensive training and acquisition of computers and other ICT equipment for libraries for this initiative was carried out. Additional internet cafés, providing free access to the public, were established in libraries. These cafés were managed by cyber cadets, and access to the internet was provided through connectivity to the SLIMS system.

Innovative digital services for the blind were introduced in seven libraries during the year, with support from the National Library for the Blind. This service allows for access to a number of resources for the blind, such as listening equipment, books, information on CDs and literature in Braille.

A resource centre at the BAT Centre in Durban was established for artists. Due to delays in the completion of buildings, plans to install art centre libraries at new structures were postponed. The department continued to support education and reading, through purchasing appropriate literature for clubs in public libraries. Promotional initiatives included the celebration of National Library Week in

March with the theme “Educate yourself at your library”. Travelling displays on information for the youth and transformation of libraries were produced and distributed, in celebration of the 60th anniversary of public libraries in KZN. Displays and information pamphlets were created and distributed, reflecting prominent figures in the liberation process of the country.

Construction began on the new library at Maphumulo, with the new combined library and museum completed at Qhudeneni in Nkandla. The Mpophomeni library was renovated and re-furbished. A tribal court building in Ndulinde in Mandeni was extensively renovated to create a new library with an internet café for the public. Plans were finalised for the design of the new concept of a study library, and construction began at Nkungumathe in Nkandla. Plans were also approved for the first new library in Vulamehlo. At the Ndumo orphan village project, the library plans were approved and will form part of a major construction initiative to be carried out by the Department of Public Works (DOPW) in 2013/14.

With regard to the provincialisation of libraries in 2012/13, all municipalities, including the Msunduzi Municipality and the eThekweni Metro, received a 50 per cent subsidy toward their staffing costs. The Mbazwana library was staffed by provincial staff and became the first fully provincialised library in the province, opening to the public in April 2012. A comprehensive study of actual costs required to replace municipal expenditure on libraries, including operational costs, was undertaken to assess the cost of fully funding all libraries.

Community Library Services grant funding was used to purchase library material to support school curricula and tertiary textbooks for distance learners. In addition, staffed mobile library units were 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 was provided to the Msunduzi Municipality and the eThekweni Metro, while the subsidy funding toward the new mega-library in Durban was transferred, and support for the Family Literacy project continued.

Archives

The department’s collaboration with the Genealogical Society of Utah proved very successful, and the digitising project of fragile documents was completed. The department engaged SITA to provide guidance to all record managers on electronic record management. An official was appointed to undertake the duties relating to oral history. Recordings were made of the ANC struggles, which lead to sound relations being cemented with the *Umkhonto we Sizwe* (MK) structure within the ANC. Oral history was also extended to schools, to equip students in the development of their own family tree.

3. Outlook for the 2013/14 financial year

Section 3 looks at the key focus areas of 2013/14, 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 will continue with the training of crafters and artists in specialised programmes to empower women and youth in recycling material. More emphasis will be placed on social transformation, moral regeneration and nation building programmes. Furthermore, emphasis will be placed on establishment and support of arts and culture centres, cultural villages and creation of cultural precincts. The financial support to arts and culture organisations and cultural institutions will continue to be supported. The department will continue with the hosting of the main events and will also be hosting provincial signature events on arts and culture.

Language services

The department plans to continue to promote access to information in the language preferred by clients. The Provincial Languages Bill will be implemented through translation and interpreting all requests from government institutions. As part of the implementation of the language policy, government departments and municipalities will be assisted to develop their institutional language policy. In developing the vocabulary for indigenous languages, terminology term lists will be developed in technical fields. The promotion of multi-lingualism through learning another language will be done through short courses on

Swahili, French, and isiZulu for non-mother tongue speakers, to be offered by the University of KwaZulu-Natal (UKZN). The Language Festival and International Translation Day Celebration will be hosted in collaboration with the Department of Education (DOE) as part of the promotion of multilingualism. Prescribed text books for Grade 12 in indigenous languages will be dramatised by emerging artists and learners and be showcased to Grade 12 learners in preparation for their final exams in 2013. Skills development and promotion of writing through literature writing workshops will continue through reading and writing clubs.

Museum services

The department will embark on three major research projects, namely the 1913 Land Act, the proposed Margaret Mncadi museum, and the Museum project. Furthermore, the department will host exhibitions. The department plans to stage three temporary exhibitions and two permanent exhibitions. One of the exhibitions will be a Struggle T-Shirt exhibition that will travel to France, and other exhibitions will be staged at Gerhard Bhengu museum in Creighton and Qhudeneni Museum at Nkandla.

Two new provincial museums are to be officially opened. Three major museum infrastructure projects are to be developed. A new museum in Newcastle is to be built, due to the old museum building being too small to accommodate the existing collection. Another new museum will be built in KwaDukuza to replace an existing one due to structural defects that have long been identified by the DOPW. The existing Ugu museum in Port Shepstone will be relocated to a new site.

Two major time travel events are to be held in Richmond and in Pietermaritzburg. The themes of the time travel are relevant to the commemoration of the 1913 Land Act and its impact.

Library services

Full automation of all public libraries will be completed by the end of 2013/14. This initiative will ensure provision of improved internet access in all libraries. Over three million items in the provincial collection will be tagged with Radio Frequency Identification (RFID) system, for ease of stock-taking and control of resources, with seven libraries installed with self check systems for the public. These are aimed at tagging all stock held by the provincial library services.

Construction of new libraries in Maphumulo, Nkungumathe and Vulamehlo will be completed and study libraries will be established in two rural communities. Additional mobile library units will be provided to impoverished communities to enable access to learning and reading material. Over 160 000 new books will be added to the collection, with promotional initiatives rolled out to encourage the use of libraries and a reading culture in the province. Interest Group Forums and the Annual Library, Museum, Archive and Language Conference will continue to provide sound inter-governmental relationships in the rendering of services. All libraries will receive increased funding toward addressing the constitutional mandate whereby public libraries are an exclusive provincial legislative mandate.

Archives

The department will draft a provincial policy on electronic records management and records management in general. In addition, the department will continue to build capacity within the electronic records management section, to guide records managers in various governmental bodies on the implementation of electronic records management. Oral history will continue to be extended to schools and the department will continue interviewing struggle heroes, people of note and individuals who have contributed to the liberation of South Africa.

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 2009/10 to 2015/16. 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 department receives a provincial allocation in the form of an equitable share, and national conditional grant allocations in respect of the Community Library Service grant and the EPWP Integrated Grant for Provinces, included in the 2012/13 provincial cash resources in the Adjusted Appropriation.

Table 15.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Provincial allocation	231 734	321 648	320 847	420 205	420 205	420 205	548 573	573 892	597 257
Conditional grants	35 589	38 282	48 971	48 619	48 619	48 619	63 695	122 754	160 042
Community Library Services grant	35 589	38 282	48 971	48 619	48 619	48 619	63 145	122 754	160 042
EPWP Integrated Grant for Provinces	-	-	-	-	-	-	550	-	-
Total receipts	267 323	359 930	369 818	468 824	468 824	468 824	612 268	696 646	757 299
Total payments	259 157	349 369	369 752	470 392	479 857	479 857	644 964	696 646	757 299
Surplus/(Deficit) before financing	8 166	10 561	66	(1 568)	(11 033)	(11 033)	(32 696)	-	-
Financing									
of which									
Provincial roll-overs	-	4 992	-	-	-	-	-	-	-
Provincial cash resources	-	-	-	1 568	11 033	11 033	32 696	-	-
Surplus/(deficit) after financing	8 166	15 553	66	-	-	-	-	-	-

The high spending from 2009/10 relates to the 2009, 2010 and 2011 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 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.

Community Library Services conditional grant under-spending of R4.992 million, was rolled over from 2009/10 to 2010/11 in respect of the Mbazwana library and a mobile library bus. The significant increase in the department's baseline can also be attributed to the once-off funding received for renovations to the hall and campsites of the department. 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 increase in 2011/12 is due to a significant increase in the Community Library Services grant. The department under-spent by R66 000 due to minor delays in the construction of the Mbazwana library.

In 2012/13, the department received R1.568 million, recovered from the initial contractor for the building of the Mbazwana library. In addition, the department's allocation was increased by R9.465 million in the Adjusted Appropriation, included in the provincial cash resources. Of which, R50 000 was from KZN Oils toward the department's service excellence awards, R410 000 was from Hibiscus Coast Municipality for the installation of air-conditioning at the KwaNdwane library, R5.404 million as additional funding for assistance with regard to spending pressures associated with the department's main events such as the Reed Dance, Africa Day Celebrations etc, R3.054 million for the higher than anticipated 2012 wage agreement, and R547 000 in respect of the EPWP Integrated Grant for Provinces.

In 2013/14, the department received a contribution of R1 million from the uMgungundlovu District Municipality for various arts and culture projects to be held within the district. Due to the lack of capacity and competency within the municipality, the funds were transferred to the department. Furthermore, the department was allocated R31.696 million as once-off funding for the RFID system for library books. These are combined in the provincial cash resources. The budget over the MTEF shows growth, mainly due to significant growth in the conditional grant as it provides a complementary service to education.

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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	189	195	241	194	194	242	205	225	248
Transfers received	-	-	459	-	-	5	-	-	-
Fines, penalties and forfeits	169	101	76	100	100	100	100	100	100
Interest, dividends and rent on land	2	-	-	-	-	-	-	-	-
Sale of capital assets	-	184	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	110	129	1 871	100	100	1 108	100	100	100
Total	470	609	2 647	394	394	1 455	405	425	448

Revenue collection against *Sale of goods and services other than capital assets* is derived from rentals of hiring of 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 DOE in 2010/11. With regard to campsites, the RS Skinner camp was operational in 2010/11, while the Cathedral Peak camp is still under renovation. This category is difficult to project as it is driven by the demand for the campsites and the hall, hence the fluctuation over the seven-year period.

Fines, penalties and forfeits relates to fines collected by libraries for lost library material. 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 high collection in 2011/12, relates to the recovery of over-paid salaries of ex-employees. In 2011/12, an amount of R1.851 million was recorded as an over-collection, made up of the following:

- R1.568 million recovered from the original contractor of the Mbazwana library project due to the cancellation of the contract because the original contractor failed to meet deadlines on more than one occasions. The funding was allocated back to the department in 2012/13, as mentioned earlier.
- The balance relates to the recovery of over-paid salaries in respect of ex-employees whose salaries were not discontinued when their employment was terminated.

The high 2012/13 Revised Estimate is due to the contribution of R1 million from uMgungundlovu District Municipality in respect of various arts and cultural projects to be held within the district. Due to the lack of capacity and competency within the district municipality, a decision was taken to transfer the funds to the department for the promotion of arts and culture. This amount was allocated for spending in 2013/14. As this category is difficult to project, a conservative R100 000 is budgeted for over the MTEF.

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:

- No funding was received for the carry-through costs of the 2012 above-budget wage agreement, and these costs will therefore be absorbed from within the department's baseline. An inflationary wage adjustment of 6.3 per cent for 2013/14, 6.1 per cent for 2014/15 and 5.9 per cent for 2015/16 is provided through internal reprioritisation.

- 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, and in line with the moratorium on the filling of non-critical posts.
- All inflation related increases are based on CPI projections.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2013/14, will continue to be adhered to over the 2013/14 MTEF.

5.2 Additional allocations for the 2011/12 to 2013/14 MTEF

Table 15.3 shows the additional funding received by the department over the three MTEF periods: 2011/12, 2012/13 and 2013/14. 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 2011/12 and 2012/13 MTEF periods (i.e. for the financial year 2015/16) are based on the incremental percentage used in the 2013/14 MTEF.

Table 15.3: Summary of additional provincial allocations for the 2011/12 to 2013/14 MTEF

R thousand	2011/12	2012/13	2013/14	2014/15	2015/16
2011/12 MTEF period	36 365	109 106	227 935	241 611	252 725
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement	3 274	3 228	3 135	3 323	3 476
Provincial priorities - Provincialisation of libraries and museums	33 259	106 148	225 227	238 741	249 723
National Cabinet decision to cut provinces by 0.3 per cent	(168)	(270)	(427)	(453)	(473)
2012/13 MTEF period		3 162	1 674	1 758	1 839
Carry-through of 2011/12 Adjustment Estimate - 2011 wage agreement		1 594	1 674	1 758	1 839
Guarantee amount received for termination of contractor (Mbazwana)		1 568	-	-	-
2013/14 MTEF period			(6 564)	(15 597)	(19 348)
Census data update and 1%, 2% and 3% baseline cuts			(7 564)	(15 597)	(19 348)
Radio frequency ID for library books			31 696	-	-
Funds from uMgungundlovu DM received for various arts and culture event			1 000	-	-
Total	36 365	112 268	223 045	227 772	235 216

In the 2011/12 MTEF, the department received additional funding for the carry-through costs of the higher than anticipated 2010 wage agreement and further funding for the provincialisation of public libraries and museums. 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 reduction in KZN was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus. The balance was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus. The effect of this on the department's budget was a slight reduction over the entire period.

The additional funding over the 2012/13 MTEF makes provision for the carry-through costs of the 2011 wage agreement. In addition, the department received once-off additional funding of R1.568 million for the building of the Mbazwana Library which was recovered from the initial contractor, whose contract was terminated due to non-performance.

In the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. national, provincial and local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced allocations as a result of the reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period. The department effected these baseline cuts against the following entities:

- The KZN Philharmonic Orchestra and the Playhouse Company due to the fact that these entities have other sources of revenue such as ticket sales to offset the cut-back.

- Due to the eThekweni Metro being able to source funding for itself from sources such as rates, it will be able to provide for staffing costs and will use the provincialisation funding for the construction of the mega-library.

Also, the department received once-off funding in 2013/14 only, for RFID system for library books and an amount of R1 million from the uMgungundlovu District Municipality in respect of various arts and culture projects to be held within the district.

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 2009/10 to 2015/16. 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 Resource Services sub-programme which falls under Vote 1: Office of the Premier in KZN. There is a steady increase in actual spending and the budget over the seven-year period, as explained below the tables.

Table 15.4: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	68 413	77 340	84 662	88 590	88 679	88 679	92 275	97 692	102 231
2. Cultural Affairs	82 199	132 328	122 844	131 625	139 149	139 149	129 055	135 666	142 112
3. Library and Archive Services	108 545	139 701	162 246	250 177	252 029	252 029	423 634	463 288	512 956
Total	259 157	349 369	369 752	470 392	479 857	479 857	644 964	696 646	757 299

Note: Programme 1 includes MEC remuneration: Salary: R1 652 224

Table 15.5: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	193 248	221 011	230 887	250 814	256 687	256 687	301 861	308 023	343 461
Compensation of employees	98 317	107 481	117 359	145 354	143 658	143 658	151 282	165 072	180 369
Goods and services	94 931	113 530	113 528	105 460	113 029	113 029	150 579	142 951	163 092
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	41 259	48 951	84 759	176 422	183 767	183 767	283 478	298 994	299 001
Provinces and municipalities	16 870	22 637	56 083	146 752	150 729	150 729	259 387	273 554	272 181
Departmental agencies and accounts	5 751	6 096	6 401	6 721	6 721	6 721	4 755	5 143	5 485
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	18 420	19 349	21 901	22 949	26 077	26 077	19 236	20 197	21 235
Households	218	869	374	-	240	240	100	100	100
Payments for capital assets	24 634	79 386	53 863	43 156	39 403	39 403	59 625	89 629	114 837
Buildings and other fixed structures	20 288	68 487	46 081	36 425	31 172	31 172	53 219	78 382	99 072
Machinery and equipment	2 802	10 364	7 685	6 731	8 231	8 231	6 106	10 897	15 365
Heritage assets	-	-	97	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 544	535	-	-	-	-	300	350	400
Payments for financial assets	16	21	243	-	-	-	-	-	-
Total	259 157	349 369	369 752	470 392	479 857	479 857	644 964	696 646	757 299

The increase against Programme 1: Administration from 2010/11 to 2011/12 relates mainly to the 2010 and 2011 wage agreements. The increase in 2011/12 can also be attributed to the shifting of funds from Programme 2: Cultural Affairs and Programme 3: Library and Archive Services to this programme for the My School Cultural Adventure programme and security contracts. The increase in the 2012/13 Adjusted Appropriation is mainly due to the higher than anticipated 2012 wage agreement, as well as additional funding received from KZN Oils for the departmental service excellence awards. The allocation increases steadily over the 2013/14 MTEF due to the department's anticipation to fill vacant posts, while being mindful of the moratorium on the filling of non-critical posts.

Programme 2: Cultural Affairs shows a significant increase in 2010/11 due to the once-off costs for renovations to the hall and campsites of the department. The slight decrease in 2011/12 is a result of the

shifting of funding to Programme 1 for the My School Cultural Adventure programme, as previously mentioned. The increase in the 2012/13 Main Appropriation is due to additional funding received for the provincialisation of museums. The increase in the 2012/13 Adjusted Appropriation is a result of once-off additional funding for the Reed Dance, Africa Day Celebrations and the payment of artists for the Jazz Festival, this explains the reduction in the 2013/14 MTEF.

Programme 3: Library and Archive Services reflects high growth in 2010/11 and 2011/12 as a result of substantial increases in funding for the provincialisation of public libraries and additional funding for the Mbazwana library. The increase in 2012/13 relates to further funding for the provincialisation of public libraries, which includes funding for the eThekweni Metro and Msunduzi Municipality. The increase in the 2012/13 Adjusted Appropriation is due to the higher than anticipated 2012 wage agreement, as well as additional funding in respect of the EPWP Integrated Grant for Provinces. The increase in 2013/14 is due to additional funding received for the RFID system for library books, and the increase over the 2013/14 MTEF is due to the increase in the Community Library Services grant.

The increase from 2010/11 to 2012/13 against *Compensation of employees* is due to the carry-through costs of previous wage agreements, as well as the filling of posts. The savings realised in 2011/12 through the non-filling of budgeted vacant posts due to delays in the completion of the Mbazwana library, were reprioritised to increase the provincialisation of libraries transfers to the uMgungundlovu and Umzimkulu Municipalities. The decrease in the 2012/13 Adjusted Appropriation is due to delays in the filling of posts, offsetting the adjustment for the higher than anticipated 2012 wage agreement. The 2013/14 MTEF allocation includes provision for wage agreements, pay progression and the payment of performance bonuses. Within the conditional grant, provision, has been made for the appointment of systems' administrators within the four regional depots and head office to deal with the emphasis on ICT projects, as well as book processors, for the increased number of library material to be purchased with the additional funding received.

Goods and services includes the cost of the main events hosted by the department. In 2009/10, funds were reprioritised to offset spending pressures in *Compensation of employees* and various transfer payments, explaining the low spending in that year. The increase in 2010/11 is due to the once-off costs for skills development training of artists and performers, the purchase of books for the Mbazwana library, and the cost of public viewing areas for the 2010 Soccer World Cup. This explains the low growth in 2011/12. The increase from 2013/14 onward relates to increases in the costs of library material, computer connectivity costs for public libraries, as well as the cost of artists and performers at the department's various events.

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. The low spending against 2009/10 compared to 2010/11 is due to the shifting of funds, originally allocated for transfer to municipalities, to *Buildings and other fixed structures*, as a result of a policy change regarding the building of libraries, whereby the department undertakes the building of these libraries itself, rather than using municipalities as implementing agents. Spending in 2010/11 includes transfers for provincialisation of public libraries and museums. The increase in 2011/12 is due 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 significant increase in the 2012/13 Main Appropriation relates to the provincialisation of public libraries, as well as transfers to the eThekweni Metro for the completion of the mega-library. The increase in the 2012/13 Adjusted Appropriation is due to funds being reprioritised from *Buildings and other fixed structures* for a provincialisation transfer to the Umtshezi Municipality, museum projects managed by municipalities such as KwaDukuza Municipality and the Carnegie Art Gallery (Newcastle Municipality), as well as revamping of the Gerhard Bhengu museum (Ingwe Municipality). Funds were also shifted from *Transfers and subsidies to: Non-profit institutions* to *Transfers and subsidies to: Provinces and municipalities* in order to correct a payment made to the Zululand District Municipality in respect of art centre subsidies for the Indonsa Art Centre. The increase in the 2013/14 MTEF is due to certain museum projects, such as the Mpophomeni and Newcastle projects, being transferred to the municipalities as part of the department's contribution to much larger projects carried out by these municipalities.

Transfers and subsidies to: Departmental agencies and accounts reflects the transfer payments made to the Playhouse Company. Due to the above-mentioned baseline cuts, the department reduced allocations against this category over the MTEF, explaining the decrease from 2013/14.

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. The increase from 2010/11 to 2011/12 is due to increased transfers to the KZN Philharmonic Orchestra, new transfer payments to the Sakhisizwe Organisation, NB Productions, Twist Theatre Development and Jambo Art Centre, as well as transfers to various museums such as the Mpophomeni community museum and the Phansi museum. The 2012/13 Main Appropriation provides for the introduction of new transfers to the Catalina Theatre and Ewushini Art Centre. The increase in the 2012/13 Adjusted Appropriation is due to the increased allocation to the BAT Centre, and new transfers made to various organisations such as Audio Describe, Khandempevu Productions and South African Library for the Blind. The allocation over the 2013/14 MTEF provides for the continuation of most transfers. The slight decrease over 2013/14 MTEF is due to the baseline cuts also being effected against the KZN Philharmonic Orchestra.

The allocation to *Transfers and subsidies to: Households* relates to staff exit costs.

The significant increase against *Buildings and other fixed structures* in 2010/11 is due to once-off costs relating to the renovations to the hall and campsites of the department, explaining the decrease in 2011/12. The decrease in the 2012/13 Main Appropriation is due to the completion of the Mbazwana and Ntambanana libraries. The department received additional funding in respect of the EPWP Integrated Grant for Provinces, used for infrastructure projects, in 2012/13. This was offset by a decrease in the 2012/13 Adjusted Appropriation due to the department's change in strategy, whereby funding was transferred to various municipalities for projects managed by the municipalities such as the Carnegie Art Gallery (Newcastle Municipality) and Gerhard Bhengu museum (Ingwe Municipality). The savings realised from this change in strategy were reprioritised to *Transfers and subsidies to: Provinces and municipalities*, *Transfers and subsidies to: Non-profit institutions* and *Machinery and equipment*. The increased allocation over the 2013/14 MTEF relate to additional grant funding. Provision has been made for the completion of the Maphumulo, Vulamehlo and Nkungumathe libraries and the commencement of the following projects: Nibela, Maniseni, Bruntville, Charlestown, Bilanyoni, Umshwathi, Imbali and Harding. The Estcourt, Port Shepstone, Umzimkulu, and Abaqulusi libraries have been prioritised for upgrading over the 2013/14 MTEF.

The high spending against *Machinery and equipment* in 2010/11 is due to the procurement of four mobile library buses to service areas where there are no libraries, and the upgrading of computer equipment, explaining the decrease in 2011/12. The increase in the 2012/13 Adjusted Appropriation is due to funds reprioritised from *Buildings and other fixed structures*, as mentioned above, for two mobile museum buses and vehicles ordered in 2011/12, but not delivered before year-end. The 2013/14 allocation relates mainly to furniture and computer equipment requirements for new libraries.

The expenditure against *Software and other intangible assets* in 2009/10 and 2010/11 relates to the upgrading of the library management system. Provision was made over the 2013/14 MTEF for software relating to the installation of the RFID system.

Spending against *Payments for financial assets* from 2009/10 to 2011/12 relate to the write off of staff debts.

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		
	2011/12	2012/13	2013/14	2014/15	2015/16
eThekweni	51 346	125 657	198 885	204 230	196 151
Ugu	18 812	22 824	34 750	44 815	57 135
uMgungundlovu	19 760	27 391	86 200	55 444	84 571
Uthukela	13 751	9 202	13 717	17 223	16 584
Umkhanyathi	7 626	8 698	17 465	18 618	15 180
Amajuba	10 235	8 761	14 527	18 325	21 336
Zululand	12 373	15 098	18 377	27 064	46 208
Umkhanyakude	22 554	13 940	20 511	41 862	24 218
uThungulu	28 982	17 220	29 411	20 707	22 710
Ilembe	9 406	28 428	28 317	22 215	17 574
Sisonke	6 930	7 693	10 524	11 355	18 914
Total	201 775	284 912	472 684	481 858	520 581

The eThekweni Metro reflects the highest spending due to substantial funding for the provincialisation of public libraries and museums, transfers to the Playhouse Company and the KZN Philharmonic Orchestra, and the department's contribution to a new mega-library building project. Furthermore, the increase against the eThekweni Metro is due to the fact that a majority of the art centres are situated within this area. Although the department implemented the baseline cuts against the eThekweni Metro over the 2013/14 MTEF, the cuts will have no implications on service delivery, as the Metro is able to source its own funds through sources such as municipal rates.

The second highest spending is in the uMgungundlovu District Municipality. This is due to transfers for the provincialisation of libraries and museums and for the appointment of cyber cadets.

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 and 2015/16. Funding has also been provided for the provincialisation of libraries and museums and the appointment of cyber cadets.

The decrease in 2012/13 against the uThungulu District Municipality is due to the completion of library projects in Ntambanana and Nkandla. The increase over the 2013/14 MTEF 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 and of the EPWP Integrated Grant for Provinces.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Community Library Services grant	30 597	41 261	49 444	48 619	48 619	48 619	63 145	122 754	160 042
EPWP Integrated Grant for Provinces	-	-	-	-	547	547	550	-	-
Total	30 597	41 261	49 444	48 619	49 166	49 166	63 695	122 754	160 042

Table 15.8: Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	8 141	12 574	10 123	13 933	12 939	12 939	15 085	38 810	55 969
Compensation of employees	-	-	-	-	-	-	1 300	5 450	5 800
Goods and services	8 141	12 574	10 123	13 933	12 939	12 939	13 785	33 360	50 169
Other									
Transfers and subsidies to:	6 391	9 908	17 433	23 141	24 135	24 135	23 983	25 194	15 673
Provinces and municipalities	6 391	9 840	17 334	23 032	23 015	23 015	23 741	24 928	15 380
Departmental agencies and accounts									
Universities and technikons									
Foreign government and international organisations									
Public corporations and private enterprises									
Non-profit institutions	-	68	99	109	1 120	1 120	242	266	293
Households									
Payments for capital assets	16 065	18 779	21 888	11 545	12 092	12 092	24 627	58 750	88 400
Buildings and other fixed structures	13 751	12 431	19 347	8 045	8 592	8 592	22 000	50 000	75 000
Machinery and equipment	798	6 348	2 541	3 500	3 500	3 500	2 327	8 400	13 000
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	1 516	-	-	-	-	-	300	350	400
Payments for financial assets									
Total	30 597	41 261	49 444	48 619	49 166	49 166	63 695	122 754	160 042

The Community Library Services grant increases steadily over the seven-year period. The increases in 2010/11 and 2011/12 are due to the carry-through costs of the Mbazwana library, explaining the decrease in the 2012/13 Main Appropriation. The increase over the 2013/14 MTEF will enhance the department's capacity, as it provides complementary services to education. The allocation also provides for dual purpose libraries (community and school libraries) where needed.

The amount in the 2012/13 Adjusted Appropriation relate to EPWP Integrated Grant for Provinces.

Provision has been made over the MTEF for the appointment of systems administrators against *Compensation of employees* within the four regional depots and head office to deal with ICT projects, as well as book processors to process the increased number of library matter, for which additional funding was received.

The fluctuation in *Goods and services* over the seven years is mainly due to various once-off costs. 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. The expenditure in 2011/12 includes internet access connectivity costs and library material. The decrease in the 2012/13 Adjusted Appropriation is due to funds being reprioritised to *Non-profit institutions* for a new transfer payment to the South African Library for the Blind. Furthermore, the department increased transfer funds to the Family Literacy project due to the outstanding performance and achievements of this project. The savings identified against *Goods and services* were as a result of the department reprioritising funds from within SITA connectivity costs under the conditional grant as per the approved business plan. The department realised a surplus under the administration portion of the grant. The substantial increase over the 2013/14 MTEF, especially in the two outer years, is as a result of the expansion of the library material collections within libraries throughout the province.

The increase against *Transfers and subsidies to: Provinces and municipalities* in 2010/11 relates to transfers to the eThekwin Metro and the Msunduzi Municipality for the purchase of library materials, and the acquisition of ICT facilities. The substantial increase in 2011/12 is due to the transfer to the eThekwin Metro for the building of a new mega-library. The slight decrease in the 2012/13 Adjusted Appropriation is due to the department reprioritising funds to *Non-profit institutions* for a new transfer payment to the South African Library for the Blind, and an increase in transfers to the Family Literacy project. The department continued to fund the building of the new mega-library in 2012/13 and will continue to do so in 2013/14 and 2014/15, explaining the decrease in 2015/16 as the department anticipates the building to be complete in that year. The funding over the 2013/14 MTEF includes the payment of mobile library unit and salaries of the cyber cadets.

Transfers and subsidies to: Non-profit institutions caters for the newly created transfer payment for a Family Literacy project which is run by an NGO that trains mothers in rural areas to read so that they can, in turn, promote literacy to their children. The increase in the 2012/13 Adjusted Appropriation was due to a new transfer payment to the South African Library for the Blind. The aim of this transfer was to make seven public libraries accessible to the blind and visually impaired people through the provision of the necessary equipment such as reading material, and other facilities. In addition, the department increased transfers to the Family Literacy project, as mentioned above.

The expenditure in respect of *Buildings and other fixed structures* in 2009/10 and 2010/11 relate to the construction of the Mbazwana library. In 2011/12, the Mbazwana library was completed and funding was allocated for a library building project in the Qhudeneni area. In addition, the Dannhauser, Steadville and Camperdown libraries were renovated. Spending in 2012/13 relates to the completion of the Qhudeneni library and the construction of the Maphumulo library, which was partly funded from the department's equitable share allocation. The allocation over the 2013/14 MTEF includes the construction of the Nkungumathe, Nibela, Vulamehlo, Maniseni, Bruntville, Charlestown, Bilanyoni, Umshwathi, Imbali and Harding libraries. The Estcourt, Port Shepstone, Umzimkulu and Abaqulusi libraries have been prioritised for upgrading over the 2013/14 MTEF.

The high spending in 2010/11 against *Machinery and equipment* relate 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 amount in 2011/12 is for two mobile library buses, the upgrading of computer equipment in libraries, the ongoing conversion to the new SLIMS system, additional internet sites and furniture for the Mbazwana library. The allocations in 2012/13 and over the 2013/14 MTEF are for the further upgrading of computer equipment in public libraries, as well as the furnishing and equipping of the Qhudeneni library.

The expenditure against *Software and other intangible assets* 2009/10 relate to the upgrading of the library management system. Provision was made over the 2013/14 MTEF for software relating to the installation of the RFID system.

The department was allocated an amount of R547 000 for the EPWP Integrated Grant for Provinces in the 2012/13 Adjusted Appropriation. This amount was added to *Buildings and other fixed structures* for the payment of labour relating to infrastructure projects.

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 managed 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
New and replacement assets	18 722	52 076	34 585	31 425	26 172	26 172	36 719	68 882	82 072
Existing infrastructure assets	1 566	16 411	11 496	5 000	5 000	5 000	16 500	9 500	17 000
Upgrades and additions	-	-	1 413	5 000	5 000	5 000	16 500	9 000	17 000
Rehabilitation, renovations and refurbishments	1 566	16 411	10 083	-	-	-	-	500	-
Maintenance and repairs	-	-	-	-	-	-	-	-	-
Infrastructure transfer	9 336	421	6 409	13 600	18 176	18 176	17 100	19 023	-
Current	-	-	-	-	-	-	-	-	-
Capital	9 336	421	6 409	13 600	18 176	18 176	17 100	19 023	-
Capital infrastructure	29 624	68 908	52 490	50 025	49 348	49 348	70 319	97 405	99 072
Current infrastructure	-	-	-	-	-	-	-	-	-
Total	29 624	68 908	52 490	50 025	49 348	49 348	70 319	97 405	99 072

The 2009/10 spending against *New and replacement assets* relate to the roll-over of commitments from 2008/09 and costs in respect of the Mbazwana library. The substantial increase in 2010/11 relate to once-off funding for renovations to the hall and campsites and the building of art centres, explaining the lower

expenditure in 2011/12. The reduction in the 2012/13 Adjusted Appropriation relates to the department's strategy, whereby funding was transferred to various municipalities for projects managed by the municipalities such as the Carnegie Art Gallery (Newcastle Municipality) and Gerhard Bhengu museum (Ingwe Municipality) and also for the renovations of the Mpophomeni community museum. The allocation over the 2013/14 MTEF increases substantially due to increased conditional grant funding which will be utilised for the construction of the following libraries: Nkungumathe, Nibela, Vulamehlo, Maniseni, Bruntville, Charlestown, Bilanyoni, Umshwathi, Imbali and Harding.

The 2011/12 spending against the category *Upgrades and additions* relate to the upgrading of the Dannhauser library. The 2012/13 funding includes the expansion of existing art centres in line with the department's strategy, whereby existing art centres will be extended and renovated rather than commencing with the building of new art centres. The allocations over the 2013/14 MTEF provide for the costs of upgrading existing art centres, museums and libraries. Provision has also been made for the upgrading of the four regional library depots and the department's head office.

The spending against *Rehabilitation, renovations and refurbishments* reflects the cost of renovations to the hall and campsites of the department. The bulk of the spending for this was incurred in 2010/11 and 2011/12. The department was allocated once-off funding for these renovations in 2010/11, with the final work was done in 2011/12, explaining the higher spending in these years. The spending in 2010/11 also included the cost of renovations to the Hopewell and Umzimkulu libraries. The allocation in 2014/15 relates to funding for the rehabilitation of the Tatham Art Gallery in Pietermaritzburg.

Infrastructure transfer: Capital reflects transfers to municipalities for the building of libraries and museums. The reduction from 2009/10 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 spending in 2010/11 relate to the costs of completing the Impendle library building by the municipality. Spending in 2011/12 includes the department's contribution toward building a new mega-library in the eThekweni Metro. The 2012/13 Adjusted Appropriation includes funding for the mega-library, museum projects managed by municipalities such as the Carnegie Art Gallery and Gerhard Bhengu museum, and renovations to the Mpophomeni community museum. The allocation provided in 2013/14 and 2014/15 relates to the department's contribution toward the completion of the mega-library in the eThekweni Metro and the Carnegie Art Gallery (Newcastle municipality). Furthermore, funding for the construction of a cultural museum within the KwaDukuza Municipality has been provided for in the 2013/14 and 2014/15.

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 Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
The Playhouse Company	5 751	6 096	6 401	6 721	6 721	6 721	4 755	5 143	5 485
Total	5 751	6 096	6 401	6 721	6 721	6 721	4 755	5 143	5 485

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 decrease over the 2013/14 MTEF is due to the above-mentioned baseline cuts. Due to the entity being able to raise funds for itself, this will not adversely affect its operations.

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*.

Table 15.11: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
		2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
						2012/13				
KZN Philharmonic Orchestra	2.1 Arts and Culture	7 573	8 377	8 796	9 236	9 236	9 236	6 535	7 068	7 580
Community art centres		3 938	4 134	4 198	5 465	4 246	4 246	4 461	4 643	4 820
	2.1 Arts and Culture	552	580	609	645	1 745	1 745	1 780	1 817	1 853
	Bulwer Art Centre	-	-	-	158	-	-	-	-	-
	Catalina Theatre	-	-	-	100	100	100	158	166	174
	Ekhaya Art Centre	221	232	-	-	-	-	-	-	-
	Ewushini Art Centre	-	-	-	150	150	150	158	166	174
	Gobhela Art Centre	166	174	183	192	192	192	202	213	224
	Indonsa Art Centre	1 349	1 416	1 487	1 561	-	-	-	-	-
	Jambo Art Centre	-	-	100	150	150	150	158	166	174
	Khula Art Centre	150	158	166	174	174	174	183	193	203
	Ladysmith Art Centre	-	-	-	150	-	-	-	-	-
	Mbazwana Art Centre	-	-	-	150	-	-	-	-	-
	Osizweni Art Centre	-	-	-	150	-	-	-	-	-
	Rorkes Drift Art Centre	150	158	166	174	174	174	183	193	203
	Stable Theatre	1 350	1 416	1 487	1 561	1 561	1 561	1 639	1 729	1 815
	uThungulu Art Centre	-	-	-	150	-	-	-	-	-
Arts and culture support		4 135	3 817	3 833	2 585	5 206	5 206	2 653	2 600	2 656
	African Sinakho Trust	95	-	-	-	-	-	-	-	-
	Amandla Production Centre Trust	50	-	-	-	-	-	-	-	-
	Comrades Marathon Association	-	28	-	-	-	-	-	-	-
	iTunga (Street Parade)	300	196	-	-	-	-	-	-	-
	Jazz Festival	-	-	-	150	900	900	150	150	150
	NB Productions	-	-	400	-	-	-	-	-	-
	Sakhisizwe Organisation	-	-	200	220	220	220	220	220	220
	Stable Theatre (2010 project)	-	250	-	-	-	-	-	-	-
	Ugu Jazz Festival	100	-	-	-	-	-	-	-	-
	Umgababa Youth Festival	-	200	250	250	250	250	250	250	250
	Young Fashion Designers	97	-	-	-	-	-	-	-	-
	Youth ID Campaign	-	100	-	-	-	-	-	-	-
	Absa Inniriet Festival	10	-	-	-	-	-	-	-	-
	Art in the Park	50	100	50	-	50	50	50	50	50
	Audio Describe	-	-	-	-	40	40	-	-	-
	Centre for Creative Arts UKZN	15	100	100	100	100	100	100	100	100
	Crown Gospel Music Award	250	250	250	250	250	250	-	-	-
	Dolostees	50	50	50	-	-	-	-	-	-
	Fodo Cultural Village	-	80	80	-	80	80	80	80	80
	Hilton Arts Festival	150	100	100	100	100	100	100	100	100
	Imvunge Choral Music Association	84	-	-	-	-	-	-	-	-
	Indigenous Orchestra (Renamed)	300	500	-	-	-	-	-	-	-
	Inter-cultural Food Tasting	66	65	80	-	100	100	100	100	100
	Isihlahla Sobuntu (Renamed)	400	-	-	-	-	-	-	-	-
	Kizo Heritage Arts Festival	370	-	-	-	-	-	-	-	-
	KZN African Film Festival	300	300	544	556	556	556	561	584	613
	Khandempevu Productions	-	-	-	-	120	120	120	120	120
	Love to Live	80	80	80	-	80	80	80	80	80
	MTN Jazz Festival	500	500	500	500	500	500	-	-	-
	Performing Arts Network of SA	18	-	-	-	-	-	-	-	-
	KwaCulture	-	-	-	-	-	-	150	150	150
	S A Traditional Music Awards	500	500	500	-	-	-	-	-	-
	Twist Theatre Development	-	-	200	100	100	100	100	-	-
	Ushaka Marine	250	250	250	250	540	540	250	250	250
	Wildfees	100	100	100	-	100	100	100	100	100
	Family Literacy Project	-	68	99	109	220	220	242	266	293
	South African Library for the blind	-	-	-	-	900	900	-	-	-
Arts Councils	2.1 Arts and Culture	1 261	1 445	1 575	1 623	1 623	1 623	1 705	1 798	1 888
Museum subsidies		1 513	1 576	3 499	4 040	5 766	5 766	3 882	4 088	4 291
	Baynesfield Museum	-	240	341	360	270	270	284	299	314
	Comrades House Museum	-	180	341	360	270	270	284	299	314
	DCO Matwana	-	-	100	106	270	270	284	299	314
	Deutsche Schule Hermannsburg	-	120	341	360	270	270	284	299	314
	East Griqualand Museum Trust	-	140	341	360	270	270	284	299	314
	Himeville Museum	-	120	341	360	270	270	284	299	314
	Macrorie House Museum	-	240	341	360	371	371	284	299	314
	Mazisi Kunene Museum	-	-	100	106	270	270	284	299	314
	Mpophomeni Museum	-	-	100	226	2 245	2 245	284	299	314
	Natal Arts Trust	-	30	30	30	30	30	30	30	30
	Other museum subsidies - historic	1 513	-	-	-	-	-	-	-	-
	Phansi Museum	-	-	100	106	270	270	284	299	314
	Richmond, Byrne & District Museum	-	151	341	360	270	270	284	299	314
	School Museum	-	-	-	226	-	-	-	-	-
	Utrecht Museum	-	120	341	360	270	270	284	299	314
	Vukani Museum	-	235	341	360	270	270	284	299	314
	Heritage Centre: Doc Centre	-	-	-	-	150	150	160	171	179
Total		18 420	19 349	21 901	22 949	26 077	26 077	19 236	20 197	21 235

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. The allocation rises steadily from 2010/11 onward. The reduction over the MTEF is due to the baseline cuts, as the entity is able to raise funds for itself. This will not adversely affect its operations.

Community art centres

The department continues to fund community art centres, which contribute to the development and training of artists. In the 2012/13 Adjusted Appropriation, the transfer to the BAT Centre was increased by R1.100 million for the development and training of artists in poetry, spoken word, folk music, etc. The increased allocation was maintained over the 2013/14 MTEF. The re-establishment of the Jambo Art Centre resulted in the transfer payment being re-introduced in 2011/12, and also two new transfer payments to the Catalina and Ewushini Art Centres were introduced in 2012/13. The transfer payment to Indonsa Art Centre was shifted from *Transfers and subsidies to: Non-profit institutions* to *Provinces and municipalities*, as it was incorrectly allocated to *Non-profit institutions*. However, the funds were paid to the Zululand District Municipality for the same function. The funds in respect of transfer payments to Bulwer, Ladysmith, Mbazwana, Osizweni and uThungulu Art Centres were shifted from *Non-profit institutions* to *Goods and services* for the procurement of services such as municipal services, cleaning, security and operational requirements required by these art centres, since Section 21 entities have not yet been established to oversee the operations of the centres. The department will continue funding all existing transfers to art centres, with inflationary increases over the 2013/14 MTEF.

Arts and culture support

Arts and culture support funding is provided to various organisations to assist in 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 2010/11, the transfer to Fodo Cultural Village and a once-off transfer to the Comrades Marathon Association were introduced. The 2011/12 spending includes new transfer payments, namely the Sakhisizwe Organisation and Twist Theatre Development and a once-off transfer to NB Productions for a television documentary on KZN artists. In the 2012/13 Adjusted Appropriation, the transfer payment in respect of Ugu Jazz Festival was increased by R750 000 and a once-off transfer of R900 000 in respect of the South African Library for the Blind was introduced. The decrease over the 2013/14 MTEF is due to the cancellation of transfers to the Crown Gospel Music Awards and the MTN Jazz Festival.

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 and shows an inflationary increase over the 2013/14 MTEF.

Museum subsidies

Funding is provided to non-profit institutions to cover operational and staffing costs for museums. 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. In 2011/12, the provincialisation programme was introduced, therefore explaining the increased allocations made to these museums from 2011/12 onward. The increase in the 2012/13 Adjusted Appropriation is due to a once-off allocation toward the construction of Mpophomeni museum, explaining the decrease in 2013/14. Furthermore, the decrease was due to the department's change in strategy, as previously mentioned. The allocation reflects an inflationary increase over the 2013/14 MTEF.

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*. The tables do not include funding for 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Category A	2 634	4 642	14 709	93 363	93 363	93 363	158 845	167 563	164 628
Category B	14 171	17 925	41 303	53 289	55 705	55 705	98 803	104 162	105 638
Category C	-	-	-	-	1 561	1 561	1 639	1 729	1 815
Total	16 805	22 567	56 012	146 652	150 629	150 629	259 287	273 454	272 081

Table 15.13: Summary of departmental transfers to local government by grant name

		Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	Sub-programme	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Art Centre (Operational costs)	2.2 Arts and Culture	-	-	400	-	1 561	1 561	1 639	1 729	1 815
Museum subsidies	2.4 Museum Services	1 078	1 170	7 168	7 065	10 049	10 049	8 796	10 395	7 595
Library building projects	3.2 Library Services	9 336	421	-	-	-	-	-	-	-
Provincialisation of museums	3.2 Library Services	-	11 136	31 110	116 555	116 004	116 004	225 111	236 402	247 291
Community Lib Services grant	3.3 Comm. Libr Serv	6 391	9 840	17 334	23 032	23 015	23 015	23 741	24 928	15 380
Total		16 805	22 567	56 012	146 652	150 629	150 629	259 287	273 454	272 081

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 categories 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 2011/12 in respect of 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 Categories 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 low 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 substantially increased allocations in 2012/13 and over the 2013/14 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 to 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 themselves, 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 increase from 2011/12 to 2012/13 is due to provincialisation transfers for public libraries and museums. The increase in 2013/14 MTEF is 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 2013/14 MTEF.

5.11 Transfers and subsidies

Table 15.14 gives a summary of spending on *Transfers and subsidies* by programme and main category. The total amount transferred shows a generally steady increase from 2009/10 to 2015/16.

Transfers and subsidies under Programme 1 fluctuate over the seven-year period, largely due to the nature of transfers made. For example:

- *Provinces and municipalities* under Programme 1: Administration relates to funding for motor vehicle licences.
- *Non-profit institutions* relates to various projects. The decrease in 2010/11 compared to 2009/10 is due to a once-off transfer payment to iThunga Development (Street Parade) for 2010 Soccer 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. The increase in 2011/12 is due to a new transfer payment to Sakhisizwe Organisation and a once-off transfer payment to NB Productions, explaining the decrease in the 2012/13 Main Appropriation. The increase in the 2012/13 Adjusted Appropriation is due to an increase in transfer payments made to the Jazz Festival.
- *Households* caters for staff exits, which are difficult to predict, accounting for fluctuations.

Table 15.14: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
1. Administration	727	781	939	720	1 470	1 470	720	720	720
Provinces and municipalities	65	70	24	100	100	100	100	100	100
Motor vehicle licences	65	70	24	100	100	100	100	100	100
Non-profit institutions	642	578	850	620	1 370	1 370	620	620	620
Comrades Marathon Association	-	28	-	-	-	-	-	-	-
iTunga Development (Street Parade)	300	-	-	-	-	-	-	-	-
Jazz Festival	-	-	-	150	900	900	150	150	150
NB Productions	-	-	400	-	-	-	-	-	-
Non-profit institutions - historic	242	-	-	-	-	-	-	-	-
Sakhisizwe Organisation	-	-	200	220	220	220	220	220	220
Stable Theatre (2010 project)	-	250	-	-	-	-	-	-	-
Ugu Jazz Festival	100	-	-	-	-	-	-	-	-
Umgababa Youth Festival	-	200	250	250	250	250	250	250	250
Youth ID Campaign	-	100	-	-	-	-	-	-	-
Households	20	133	65	-	-	-	-	-	-
Termination benefits	20	133	65	-	-	-	-	-	-
2. Cultural Affairs	24 712	26 403	35 129	36 006	42 038	42 038	33 664	36 678	35 317
Provinces and municipalities	1 078	1 170	7 568	7 065	11 610	11 610	10 435	12 124	9 410
Museum subsidies	1 078	1 170	7 168	7 065	10 049	10 049	8 796	10 395	7 595
Indonsa Art Centre Operational Cost	-	-	400	-	1 561	1 561	1 639	1 729	1 815
Departmental agencies and accounts	5 751	6 096	6 401	6 721	6 721	6 721	4 755	5 143	5 485
The Playhouse Company	5 751	6 096	6 401	6 721	6 721	6 721	4 755	5 143	5 485
Non-profit institutions	17 778	18 703	20 952	22 220	23 587	23 587	18 374	19 311	20 322
KZN Philharmonic Orchestra	7 573	8 377	8 796	9 236	9 236	9 236	6 535	7 068	7 580
Arts and Culture support to:	3 493	3 171	2 884	1 856	2 716	2 716	1 791	1 714	1 743
Art in the Park	50	100	50	-	50	50	50	50	50
Arts and Culture - historic	512	-	-	-	-	-	-	-	-
Audio Describe	-	-	-	-	40	40	-	-	-
Centre for Creative Arts UKZN	15	100	100	100	100	100	100	100	100
Crown Gospel Music Award	250	250	250	250	250	250	-	-	-
Dolosfees	50	50	50	-	-	-	-	-	-
Fodo Cultural Village	-	80	80	-	80	80	80	80	80
Hilton Arts Festival	150	100	100	100	100	100	100	100	100
Indigenous Orchestra (Combined & renamed)	300	500	-	-	-	-	-	-	-
Inter-cultural Food Tasting	66	65	80	-	100	100	100	100	100
iTunga Development (Street Parade)	-	196	-	-	-	-	-	-	-
Khandampevu Productions	-	-	-	-	120	120	120	120	120
Kizo Heritage Arts Festival (Renamed)	370	-	-	-	-	-	-	-	-
KwaCulture	-	-	-	-	-	-	150	150	150
KZN African Film Festival (Renamed)	300	300	544	556	556	556	561	584	613
Love to Live	80	80	80	-	80	80	80	80	80
MTN Jazz Festival	500	500	500	500	500	500	-	-	-
S A Traditional Music Awards (SATMA)	500	500	500	-	-	-	-	-	-
Twist Theatre Development	-	-	200	100	100	100	100	-	-
Ushaka Marine	250	250	250	250	540	540	250	250	250
Wildsfees	100	100	100	-	100	100	100	100	100
Transfers to Art Centres	3 938	4 134	4 198	5 465	4 246	4 246	4 461	4 643	4 820
BAT Centre	552	580	609	645	1 745	1 745	1 780	1 817	1 853
Bulwer Art Centre	-	-	-	158	-	-	-	-	-
Catalina Theatre	-	-	-	100	100	100	158	166	174
Ekhaya Art Centre	221	232	-	-	-	-	-	-	-
Ewushini Art Centre	-	-	-	150	150	150	158	166	174
Gobhela Art Centre	166	174	183	192	192	192	202	213	224
Indonsa Art Centre	1 349	1 416	1 487	1 561	-	-	-	-	-
Jambo Art Centre	-	-	100	150	150	150	158	166	174
Khula Art Centre	150	158	166	174	174	174	183	193	203
Ladysmith Art Centre	-	-	-	150	-	-	-	-	-
Mbazwana Art Centre	-	-	-	150	-	-	-	-	-
Osizweni Art Centre	-	-	-	150	-	-	-	-	-
Rorkes Drift Art Centre	150	158	166	174	174	174	183	193	203
Stable Theatre	1 350	1 416	1 487	1 561	1 561	1 561	1 639	1 729	1 815
uThungulu Art Centre	-	-	-	150	-	-	-	-	-
Transfers to Art Councils	1 261	1 445	1 575	1 623	1 623	1 623	1 705	1 798	1 888
Transfers to museums	1 513	1 576	3 499	4 040	5 766	5 766	3 882	4 088	4 291
Heritage Centre Doc Centre	-	-	-	-	150	150	160	171	179
Bavnesfield Museum	-	240	341	360	270	270	284	299	314
Comrades House Museum	-	180	341	360	270	270	284	299	314
DCO Mafiwana	-	-	100	106	270	270	284	299	314
Deutsche Schule Hermannsburg	-	120	341	360	270	270	284	299	314
East Griqualand Museum Trust	-	140	341	360	270	270	284	299	314
Himeville Museum	-	120	341	360	270	270	284	299	314
Macrorie House Museum	-	240	341	360	371	371	284	299	314
Mazisi Kunene Museum	-	-	100	106	270	270	284	299	314
Moophomeni Community Museum	-	-	100	226	2 245	2 245	284	299	314
Natal Arts Trust	-	30	30	30	30	30	30	30	30
Other museum subsidies - historic	1 513	-	-	-	-	-	-	-	-
Phansi Museum	-	-	100	106	270	270	284	299	314
School museum	-	-	-	226	-	-	-	-	-
The Richmond, Byrne and District Museum	-	151	341	360	270	270	284	299	314
Utrecht Museum	-	120	341	360	270	270	284	299	314
Vukani Museum	-	235	341	360	270	270	284	299	314
Households	105	434	208	-	120	120	100	100	100
Termination benefits	105	434	208	-	20	20	-	-	-
Bursaries to non-employees	-	-	-	-	100	100	100	100	100
3. Library and Archive Services	15 820	21 767	48 691	139 696	140 259	140 259	249 094	261 596	262 964
Provinces and municipalities	15 727	21 397	48 491	139 587	139 019	139 019	248 852	261 330	262 671
Community Library Services grant	6 391	9 840	17 334	23 032	23 015	23 015	23 741	24 928	15 380
Library Building Programme	9 336	421	-	-	-	-	-	-	-
Motor vehicle licences	-	-	47	-	-	-	-	-	-
Provincialisation of libraries	-	11 136	31 110	116 555	116 004	116 004	225 111	236 402	247 291
Non-profit institutions	-	68	99	109	1 120	1 120	242	266	293
Family literacy project	-	68	99	109	220	220	242	266	293
South African library for the blind	-	-	-	-	900	900	-	-	-
Households	93	302	101	-	120	120	-	-	-
Termination benefits	93	302	101	-	120	120	-	-	-
Total	41 259	48 951	84 759	176 422	183 767	183 767	283 478	298 994	299 001

Transfers and subsidies under Programme 2 fluctuates markedly over the seven-year period, as follows:

- *Provinces and municipalities* relates to subsidies paid to municipalities for the operational costs of museums. The increase in 2011/12 is due to funding provided for the support of the provincialisation of museum services process. The increase in the 2012/13 Adjusted Appropriation is due to funds reprioritised from *Buildings and other fixed structures* for provincialisation transfers to Umtshezi Municipality, museum projects managed by municipalities such as KwaDukuza Municipality and the Carnegie Art Gallery (Newcastle Municipality) and revamping of the Gerhard Bhengu museum (Ingwe Municipality). Furthermore, funds were shifted from *Non-profit institutions* to *Provinces and municipalities* in respect of art centre subsidies for the Indonsa Art Centre, which is in the Zululand District Municipality. This was incorrectly allocated to *Non-profit institutions* and relates to a payment to the Zululand District Municipality, explaining the decrease in 2013/14 compared to 2012/13 Adjusted Appropriation.
- *Departmental agencies and accounts* relates to the subsidy paid to the Playhouse Company. The allocation was reduced over the 2013/14 MTEF as a result of the baseline cuts, as mentioned earlier.
- *Non-profit institutions* caters for many different transfers, including transfers to the KZN Philharmonic Orchestra, various art centres, art organisations, art councils and subsidies paid to museums which are managed by Boards of Trustees. The decrease over the 2013/14 MTEF is due to the above-mentioned baseline cuts, as previously mentioned.

With regard to Programme 3, these transfers show a large increase over the seven-year period as follows:

- *Provinces and municipalities* relates to a number of transfer payments made in respect of the provincialisation of libraries and the Community Library Services grant. As mentioned, the department changed its strategy in 2009/10, to build libraries itself rather than use municipalities. 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 strategy. The substantial increase from 2011/12 onward is due to additional funds for the provincialisation of libraries, from 2010/11. The substantial increase in the 2012/13 Main Appropriation is due to the inclusion of transfers to the eThekweni Metro and Msunduzi Municipality for the provincialisation of libraries. The slight decrease in the 2012/13 Adjusted Appropriation is a result of an adjustment to salaries of cyber cadets in affiliated public libraries based on the status of appointments by the municipalities, as well as a reduction in funding for the Village of Happiness library in Umhlabuyalingana and the Nottingham Road library in the uMgeni District, as these are independent institutions and funding was rationalised based on the needs of other libraries in the districts. The increase over the 2013/14 MTEF is mainly due to the continuation of funding relating to the provincialisation of public libraries.
- *Non-profit institutions* caters for transfers to the Family Literacy project. The increase in the 2012/13 Adjusted Appropriation is due to the outstanding performance and achievements of this project. Furthermore, the department made a once-off transfer payment in respect of the South African Library for the Blind, in order to make seven public libraries accessible to the blind.
- *Households* caters for staff exits, which are difficult to predict, accounting for the fluctuations.

6. Programme description

The services rendered by this department are categorised under three programmes, as discussed in greater length below. The programme is aligned to the uniform programme and budget structure of the sector. 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 complies with the structure set for the sector.

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 2009/10 to 2015/16.

Table 15.15: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Office of the MEC	8 867	10 247	10 222	10 047	10 177	10 177	10 589	11 227	11 743
Corporate Services	59 546	67 093	74 440	78 543	78 502	78 502	81 686	86 465	90 488
Total	68 413	77 340	84 662	88 590	88 679	88 679	92 275	97 692	102 231

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	67 275	75 867	81 158	87 531	86 870	86 870	91 190	96 517	101 046
Compensation of employees	34 689	38 627	42 192	50 769	50 408	50 408	53 450	57 512	61 768
Goods and services	32 586	37 240	38 966	36 762	36 462	36 462	37 740	39 005	39 278
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	727	781	939	720	1 470	1 470	720	720	720
Provinces and municipalities	65	70	24	100	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	642	578	850	620	1 370	1 370	620	620	620
Households	20	133	65	-	-	-	-	-	-
Payments for capital assets	396	671	2 322	339	339	339	365	455	465
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	396	594	2 322	339	339	339	365	455	465
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	77	-	-	-	-	-	-	-
Payments for financial assets	15	21	243	-	-	-	-	-	-
Total	68 413	77 340	84 662	88 590	88 679	88 679	92 275	97 692	102 231

There is a steady increase against Programme 1 over the seven-year period.

The high 2010/11 spending of the Office of the MEC sub-programme includes increased travelling costs relating to the 2010 Soccer World Cup events. The slight increase in the 2012/13 Adjusted Appropriation is due to additional funding received from KZN Oils for the departmental service excellence awards.

In 2011/12, funding was shifted to the Corporate Services sub-programme 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. Also, security contracts were centralised under this programme and additional funding provided for the 2011 wage agreement. This also explains the increase in *Goods and services*. The slight decrease in the 2012/13 Adjusted Appropriation is due the department reprioritising funds to Programme 2: Arts and Culture for the increased transfer to the BAT Centre. The transfer caters for the training of artists on poetry, spoken word, folk music, etc. The allocation over the 2013/14 MTEF reflects an inflationary adjustment.

The growth in *Compensation of employees* from 2009/10 to the 2012/13 Main Appropriation is due to the annual wage agreements, as well as the filling of critical posts. In the 2012/13 Adjusted Appropriation, the budget was reduced due to delays in the filling of posts, offsetting an adjustment for the higher than anticipated 2012 wage agreement. These savings were reprioritised to *Transfers and subsidies to: Non-profit institutions* within Programme 1, and to Programme 2 for the increased transfer to the BAT Centre and the Jazz Festival. Provision is made for salary adjustments, pay progression and the payment of performance bonuses over the 2013/14 MTEF.

The 2009/10 spending against *Goods and services* includes operational costs such as lease agreements, SITA, security and cleaning services. The social mobilisation campaign and the cost of public viewing areas for the 2010 Soccer World Cup resulted in the high 2010/11 spending. In the 2012/13 Adjusted Appropriation, funding was moved to Programme 2 for the increased transfer payment to the Jazz Festival. The allocation against *Goods and services* increases steadily over the 2013/14 MTEF, although slowly over the latter part of the MTEF.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences.

Expenditure against *Transfers and subsidies to: Non-profit institutions* from 2009/10 onward relates to transfers to projects managed by the Special Projects unit. The high spending in 2009/10 compared to 2010/11 relates to a once-off transfer to iThunga Development (Street Parade), as previously mentioned. The increase in 2011/12 is due to new transfer payments made to Sakhisizwe Organisation, as well as a once-off transfer to NB Productions, as previously mentioned. The increase in the 2012/13 Adjusted Appropriation is as a result of funds reprioritised from *Compensation of employees* and *Goods and services* within Programme 1 for the Jazz Festival. The transfer payments for the Ugu Jazz Festival, Sakhisizwe Organisation and Umgababa Youth Festival are maintained over the 2013/14 MTEF.

The 2009/10 and 2010/11 expenditure against *Machinery and equipment* relates to the purchase of vehicles and equipment. The expenditure in 2011/12 includes the procurement of vehicles, computer and office equipment for the department's Ministry. The amounts reflected in 2012/13 and over the 2013/14 MTEF relate mainly 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 aim of the Museum Services sub-programme is to act as the custodian of tangible and intangible heritage to preserve, protect, conserve and appreciate for future generations.

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.

Tables 15.17 and 15.18 below summarise payments and estimates from 2009/10 to 2015/16. The spending and budget against Programme 2 fluctuates over the seven-year period.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Management	1 974	2 515	3 137	2 900	2 952	2 952	3 059	3 243	3 392
Arts and Culture	66 611	114 763	93 176	90 860	98 002	98 002	89 798	93 989	98 518
Museum Services	6 814	7 449	18 188	28 814	28 969	28 969	26 666	28 334	29 637
Language Services	6 800	7 601	8 343	9 051	9 226	9 226	9 532	10 100	10 565
Total	82 199	132 328	122 844	131 625	139 149	139 149	129 055	135 666	142 112

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	52 150	62 434	70 637	75 351	81 553	81 553	81 987	86 171	92 895
Compensation of employees	30 311	33 312	36 392	45 425	45 195	45 195	47 282	50 875	54 640
Goods and services	21 839	29 122	34 245	29 926	36 358	36 358	34 705	35 296	38 255
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	24 712	26 403	35 129	36 006	42 038	42 038	33 664	36 678	35 317
Provinces and municipalities	1 078	1 170	7 568	7 065	11 610	11 610	10 435	12 124	9 410
Departmental agencies and accounts	5 751	6 096	6 401	6 721	6 721	6 721	4 755	5 143	5 485
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	17 778	18 703	20 952	22 220	23 587	23 587	18 374	19 311	20 322
Households	105	434	208	-	120	120	100	100	100
Payments for capital assets	5 336	43 491	17 078	20 268	15 558	15 558	13 404	12 817	13 900
Buildings and other fixed structures	4 819	42 266	16 182	20 068	13 858	13 858	12 900	12 275	13 500
Machinery and equipment	517	945	799	200	1 700	1 700	504	542	400
Heritage assets	-	-	97	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	280	-	-	-	-	-	-	-
Payments for financial assets	1	-	-	-	-	-	-	-	-
Total	82 199	132 328	122 844	131 625	139 149	139 149	129 055	135 666	142 112

The high expenditure against the sub-programme Management in 2011/12 relates to increased operational costs relating to the main events hosted by the department. The 2012/13 Adjusted Appropriation includes additional funding provided for the 2012 wage agreement, and shows an inflationary increase over the 2013/14 MTEF.

The increase against the Arts and Culture sub-programme in 2010/11 is due to the once-off funding relating to renovations to the hall and campsites of the department, as previously mentioned, explaining the decrease in 2011/12. The increase in the 2012/13 Adjusted Appropriation is due to the department reprioritising funds from Programme 1 for the increased allocation to the BAT Centre for the development and training of artists, as previously mentioned. Furthermore, the increase is also due to additional funding for the higher than anticipated 2012 wage agreement, accounting for the increase against *Compensation of employees*, and for the hosting of the Reed Dance and Africa Day Celebrations. This also explains the increase against *Goods and services*. The reduction in 2013/14 is a result of the reduced allocation for infrastructure projects. The increase over the outer years of the 2013/14 MTEF is due to inflationary increases.

Expenditure rises steadily from 2009/10 to 2010/11 against the Museum Services sub-programme. The high expenditure in 2011/12 relates to 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. The increase in the 2012/13 Adjusted Appropriation is due to additional funding received for the 2012 wage agreement. The allocation over the 2013/14 MTEF reflects funding for the provincialisation of museums and the construction and renovations to museums. The decrease over the 2013/14 MTEF is due to a decrease in transfers to the Playhouse Company and the KZN Philharmonic Orchestra as a result of the baseline cuts, and this explains the decrease against *Transfers and subsidies to: Non-profit institutions* and *Transfers and subsidies to: Departmental agencies and accounts* over the MTEF.

The spending against the Language Services sub-programme reflects steady growth over the seven-year period. The increase in the 2012/13 Adjusted Appropriation is due to additional funding for the higher than anticipated 2012 wage agreement.

The increase in *Compensation of employees* from 2009/10 to 2012/13 caters for the annual wage agreements, as well as the filling of posts. The decrease in the 2012/13 Adjusted Appropriation is due to delays in filling vacant posts as a result of the difficulty in finding suitable candidates. These savings were moved to *Goods and services* and *Transfers and subsidies to: Non-profit institutions*. The allocation increases steadily over the 2013/14 MTEF.

The cost for the main events hosted by the department is included under *Goods and services*. Spending in 2010/11 included the cost of equipment for the newly renovated campsites of the department. The 2011/12 spending includes funding for the control of the provincialisation of museums process. In the 2012/13 Adjusted Appropriation, once-off additional funding of R5.404 million was allocated to assist the department with spending pressures associated with the Reed Dance, Africa Day Celebrations and the payment of artists relating to the Ugu Jazz Festival, therefore explaining the reduction in 2013/14. The allocation increases steadily over the 2013/14 MTEF.

Transfers and subsidies to: Provinces and municipalities relates to transfers made to municipalities in respect of museum subsidies and the operational costs of the Indonsa Art Centre. The higher spending in 2011/12 relates to the provincialisation of museums. The increase in the 2012/13 Adjusted Appropriation is a result of funds reprioritised from *Buildings and other fixed structures*, as mentioned. The funds catered for the provincialisation transfer, museum projects managed by municipalities and the revamping of museums. In addition, funds were moved from *Transfers and subsidies to: Non-profit institutions* as these were incorrectly allocated, in respect of the operational costs of the Indonsa Art Centre, which is paid to the Zululand District Municipality. The allocation in 2013/14 and 2014/15 provides for the completion of the Carnegie Art Gallery (Newcastle Municipality) and the KwaDukuza museum, explaining the reduced allocation in 2015/16.

Transfers and subsidies to: Departmental agencies and accounts reflects the transfer made to the Playhouse Company. The allocation was reduced over the 2013/14 MTEF as a result of the baseline cuts.

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 2009/10 and 2010/11 figures reflect a number of new transfer payments, which were introduced in these years, including the KZN African Film Festival, MTN Jazz Festival and Fodo Cultural Village. The increase in 2011/12 is due to an introduction of new transfers to the Twist Theatre Development and Jambo Art Centre, an increase in transfers to the KZN African Film Festival due to the cancellation of a transfer payment to Ekhaya Art Centre and an increase to the BAT Centre. The increase in the 2012/13 Adjusted Appropriation is due to funds reprioritised from *Buildings and other fixed structures* for renovations and minor repairs to the Mpophomeni community museum and Macrorie House museum. Furthermore, the increase is due to funds reprioritised from *Goods and services* for an increase in transfers to Ushaka Marine, as well as an introduction of new transfers to Khandempevu Productions and Audio Describe. The decrease over the 2013/14 MTEF is due to the reduction against the KZN Philharmonic Orchestra as a result of the baseline cuts, as previously mentioned.

The allocation to *Transfers and subsidies to: Households* relates to staff exits. In the 2012/13 Adjusted Appropriation, provision was made for the payment of bursaries to non-employees.

The high spending against *Buildings and other fixed structures* in 2010/11 relates to the once-off costs of renovations to the hall and campsites, explaining the reduced spending in 2011/12, which was for renovations to existing museums, the construction of new museums, as well as the construction of art centres. This category was reduced in the 2012/13 Adjusted Appropriation to make provision for museum infrastructure projects managed by various municipalities and Board of Trustees as previously explained. In addition, R1.500 million was moved to *Machinery and equipment* to provide for two mobile museum buses and vehicles ordered in 2011/12, but not delivered before year-end. The decrease over the 2013/14 MTEF is due to the department's change in strategy, where funding for certain museum projects will be transferred to the municipalities concerned, being the department's contribution to much larger projects carried out by these municipalities.

The expenditure under *Machinery and equipment* includes the purchase of computer and office equipment and the replacement of obsolete vehicles. In the 2012/13 Adjusted Appropriation, provision was made for two mobile museum buses and vehicles ordered in 2011/12, but not delivered before year-end. The 2013/14 MTEF makes provision for the purchase of computer and office equipment for newly appointed staff.

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. 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		
		2012/13	2013/14	2014/15	2015/16
1	Arts and Culture standardised performance measures				
1.1	To establish structures and to provide institutional support	<ul style="list-style-type: none"> No. of structures supported No. of significant days hosted in a cultural calendar 	76 6	16 8	16 8
2	Arts and Culture non standardised performance measures				
2.1	To establish structures and to provide institutional support	<ul style="list-style-type: none"> No. of artists trained No. of SLAs concluded 	4 715 66	2 745 29	2 745 29
2.2	To facilitate access to facilities and programmes	<ul style="list-style-type: none"> No. of sponsorships /bursaries awarded No. of participants attracted No. of sector integrated programmes delivered No. of awareness and promotional programmes rolled out to communities 	51 73 000 3 -	51 73 000 3 87	51 73 000 3 87
2.3	To facilitate capacity building	<ul style="list-style-type: none"> No. of documents/guidelines/procedure manuals developed, implemented and monitored 	9	7	7
2.4	To facilitate and support excellence enhancing programmes	<ul style="list-style-type: none"> No. of performance programmes to enhance sustainability of cultural practitioners No. of cultural exchange programmes facilitated and hosted No. of community art centres established 	2 1 -	2 1 3	2 1 1
3	Language Services standardised performance measures				
3.1	To establish and support the structures	<ul style="list-style-type: none"> No. of language co-ordinating structures supported 	32	45	50
4	Language Services non standardised performance measures				
4.1	To provide language services	<ul style="list-style-type: none"> No. of literary exhibitions conducted No. of documents translated No. of interpreting services conducted No. of persons empowered to deliver translations No. of documents edited No. of language planning programmes: <ul style="list-style-type: none"> Status planning Corpus planning No. of literary development and promotion programmes 	1 75 15 6 85 4 3 -	1 140 16 6 150 3 2 6	1 150 17 6 160 2 2 6
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 	10 200	116 000	120 000
5.2	To facilitate access to museum facilities and programmes	<ul style="list-style-type: none"> No. of brochures and publications distributed 	4	5	5
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 provided with provincial funding 	40	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 No. of outreach programmes implemented No. of exhibitions staged 	60 4 2	65 4 3	65 4 3
6.3	To facilitate access to museum facilities and programmes	<ul style="list-style-type: none"> No. of school visits undertaken by Museum Services No. of museum professionals trained No. of training sessions offered to museums No. of events participated in nationally/internationally No. of collections digitised No. of events participated in provincially No. of museums renovated and new museums built 	25 50 3 3 3 000 5 12	25 50 3 3 3 000 5 4	25 50 3 3 3 000 5 4

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 2009/10 to 2015/16. The spending and budget against Programme 3 increase steadily over the seven-year period. The significant increase in the 2013/14 MTEF is mainly due to additional funding allocated for the installation of a RFID system for library material.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Management	1 250	1 091	1 296	1 411	1 436	1 436	1 487	1 576	1 649
Library Services	64 085	84 655	98 417	184 019	185 520	185 520	341 933	320 802	332 274
Archives	12 613	12 694	13 089	16 128	16 454	16 454	17 069	18 156	18 991
Community Library Services grant	30 597	41 261	49 444	48 619	48 619	48 619	63 145	122 754	160 042
Total	108 545	139 701	162 246	250 177	252 029	252 029	423 634	463 288	512 956

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	73 823	82 710	79 092	87 932	88 264	88 264	128 684	125 335	149 520
Compensation of employees	33 317	35 542	38 775	49 160	48 055	48 055	50 550	56 685	63 961
Goods and services	40 506	47 168	40 317	38 772	40 209	40 209	78 134	68 650	85 559
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	15 820	21 767	48 691	139 696	140 259	140 259	249 094	261 596	262 964
Provinces and municipalities	15 727	21 397	48 491	139 587	139 019	139 019	248 852	261 330	262 671
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	68	99	109	1 120	1 120	242	266	293
Households	93	302	101	-	120	120	-	-	-
Payments for capital assets	18 902	35 224	34 463	22 549	23 506	23 506	45 856	76 357	100 472
Buildings and other fixed structures	15 469	26 221	29 899	16 357	17 314	17 314	40 319	66 107	85 572
Machinery and equipment	1 889	8 825	4 564	6 192	6 192	6 192	5 237	9 900	14 500
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 544	178	-	-	-	-	300	350	400
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	108 545	139 701	162 246	250 177	252 029	252 029	423 634	463 288	512 956

The spending against the Management sub-programme is low in 2010/11 due to cost-cutting, thereafter increasing steadily over the remainder of the period.

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 in the 2012/13 Main Appropriation and over the 2013/14 MTEF, due to the incorporation of the eThekweni Metro and Msunduzi Municipality into the provincialisation process. Additional funding of R31.696 million was allocated in 2013/14 for the installation of the RFID system, which is aimed at enabling accurate and efficient asset management and control of books in regional depots and public libraries throughout the province. The National Treasury Guidelines for accounting for library material also formulate

requirements for the recognition and measurement of library materials in the financial records of departments, and require departments to account for library materials in accordance with the guide.

The 2012/13 Main Appropriation in respect of the sub-programme: Archives provides funding for the appointment of oral history researchers to collect and document oral history within the province. The allocation increases slightly over the 2013/14 MTEF.

The Community Library Services grant sub-programme increased substantially in 2010/11, due to unspent grant funding from 2009/10 being rolled over in respect of the Mbazwana library. In addition, funding was allocated for a library building project in the Qhudeneni area. The spending in 2011/12 includes the roll-over from 2010/11 for the completion of the Mbazwana library, therefore explaining the reduction in the 2012/13 Main Appropriation. Additional grant funding was received over the 2013/14 MTEF, resulting in a significant increase in the two outer years of the MTEF. The additional grant funding will be utilised for the construction of libraries, the expansion of the library material collection and greater emphasis will be placed on ICT and library promotion projects.

Compensation of employees increases over the seven-year period due to the costs of various wage agreements, as well as filling of posts. In the 2012/13 Adjusted Appropriation, savings were realised due to delays in the filling of posts, and reprioritised for the acquisition of library material and the increased operational cost of the Mbazwana library. The allocation over the 2013/14 MTEF includes a provision for the filling of critical posts, salary adjustments, pay progression and the payment of performance bonuses. Provision was also made for the appointment of systems administrators within the four regional depots and head office to deal with the emphasis on ICT projects, as well as book processors to process the increased number of library material, for which additional funding was received.

The high 2010/11 spending against *Goods and services* 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 spending. In the 2012/13 Adjusted Appropriation, savings identified in *Compensation of employees*, due to delays in filling of posts, were reprioritised toward the purchase of library material and the increased operational cost of the Mbazwana library. The significant increase in 2013/14 relates to additional funding for the installation of the RFID system, as explained previously. The increased conditional grant funding in 2014/15 and 2015/16 resulted in an increase to this category. The increased funding will be utilised for ICT projects and the expansion of the library material collection.

Transfers and subsidies to: Provinces and municipalities provides mainly for the provincialisation of libraries and the Community Library Services grant, as mentioned above. In addition, it includes the purchase of library material and the salary costs of cyber cadets. The high spending in 2011/12 is a result of provincialisation transfers, the purchase of library material, as well as costs of building a mega-library in the eThekweni Metro. The decrease in the 2012/13 Adjusted Appropriation is due to an adjustment to salaries of the cyber cadets in affiliated public libraries, as well as a reduction in funding for the Village of Happiness Library in the Umhlaluyalingana district and the Nottingham Road Library in the uMgeni district, as these are independent institutions and funding was rationalised based on the needs of the other libraries in the districts, as mentioned above. The increase over the MTEF is due to the continuation of funding relating to the provincialisation of public libraries.

Transfers and subsidies to: Non-profit institutions from 2010/11 onward relates to a newly created transfer payment for a Family Literacy project, which is run by a NGO that trains mothers in rural areas to read so that they can, in turn, promote literacy to their children. In the 2012/13 Adjusted Appropriation, this transfer was increased by R111 000 due to the outstanding performance and achievements of this project. In addition, a new once-off transfer of R900 000, in respect of the South African Library for the Blind, was introduced to make seven public libraries accessible to blind and visually impaired people.

The allocation to *Transfers and subsidies to: Households* relates to staff exit costs.

With regard to *Buildings and other fixed structures*, 2009/10 mainly reflects 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 onward. 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 KwaNdwalane library. The spending in 2011/12 included funding for the construction of the KwaNdwalane, Ntambanana, Mbazwana and Qhudeneni libraries, as well as the planning of the Maphumulo library. In 2011/12, R3.570 million in respect of the Mbazwana library was rolled over from the previous financial year. The decrease in 2012/13 is due to the completion of the Mbazwana library, and includes funding for the construction of Ntambanana and Qhudeneni libraries and the commencement of libraries in Maphumulo and Nkungumathe. The increase over the MTEF relates to additional grant funding. Provision has been made for the completion of the Maphumulo, Vulamehlo and Nkungumathe libraries and the commencement of the following projects: Nibela, Maniseni, Bruntville, Charlestown, Bilanyoni, Umshwathi, Imbali and Harding. The Estcourt, Port Shepstone, Umzimkulu and Abaqulusi libraries have been prioritised for upgrading over the MTEF.

Machinery and equipment is high in 2010/11, due to 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, the Mbazwana library was furnished, and computer equipment for affiliated libraries was purchased. The 2012/13 Main Appropriation and over the 2013/14 MTEF provide for further head count systems, furniture, shelving and equipment for new libraries, as well as computer equipment for affiliated libraries.

The expenditure against *Software and other intangible assets* in 2009/10 and 2010/11 relates to the upgrading of the library management system. Provision was made over the 2013/14 MTEF for software relating to the installation of the RFID 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. Significant non-standardised measures have also been included, as reflected below.

Table 15.22: Service delivery measures: Programme 3: Library and Archives Services

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2012/13	2013/14	2014/15	2015/16
1	Library Services standardised performance measures					
1.1	Provide infrastructure required for public libraries	• No. of library materials procured	100 000	120 000	100 000	100 000
1.2	Monitor and support public libraries	• No. of monitoring visits done	100	100	100	100
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 existing library buildings upgraded	2	2	2	2
		• No. of libraries provided with free public internet access	10	10	10	10
2.2	To promote the awareness of libraries to enhance usage	• No. of training progs. provided to community librarians	-	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	211	222	225	231
		• No. of mobile library unit sites established	4	4	4	4
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
		• No. of books tagged with radio frequency identification	-	1 530 000	2 540 000	100 000
2.5	To promote user awareness of libraries and culture of reading	• No. of automated libraries (SLIMS)	35	20	2	2
3	Archives 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	11	11	11
		• No. of awareness	12	12	12	12
4	Archives non standardised performance measures					
4.1	To ensure sound records management services within governmental bodies	• No. of disposal authorities issued	10	8	8	8
		• No. of enquiries received and processed	1 559	1 200	1 300	1 300
		• No. of records management staff trained	300	400	400	400

Table 15.22: Service delivery measures: Programme 3: Library and Archives Services

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2012/13	2013/14	2014/15	2015/16	
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	4 400	4 400	4 400	
	• No. of researchers visiting repositories	2 200	2 400	2 400	2 400	
	• No. of archival groups arranged for retrieval	3	3	4	4	
	• No. of linear metres of transfers received from govt. bodies	100	200	200	200	
4.3 To promote awareness and use of archives	• No. of oral history programmes conducted	3	16	16	16	
	• No. of oral history interviews transcribed and documented	-	12	12	12	
	• No. of items digitised	300 000	700 000	700 000	700 000	

7. Other programme information

7.1 Personnel numbers and costs

Table 15.23 provides details of the personnel numbers per programme. Table 15.24 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 15.23: Personnel numbers and costs per programme

	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	As at 31 March 2016
Personnel numbers							
1. Administration	124	117	136	143	149	149	149
2. Cultural Affairs	100	122	124	148	151	151	151
3. Library and Archive Services	208	184	198	232	236	236	236
Total	432	423	458	523	536	536	536
Total personnel cost (R thousand)	98 317	107 481	117 359	143 658	151 282	165 072	180 369
Unit cost (R thousand)	228	254	256	275	282	308	337

Table 15.24: Details of personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Total for department									
Personnel numbers (head count)	432	423	458	523	523	523	536	536	536
Personnel cost (R thousand)	98 317	107 481	117 359	145 354	143 658	143 658	151 282	165 072	180 369
Human resources component									
Personnel numbers (head count)	30	30	35	40	40	40	39	39	39
Personnel cost (R thousand)	7 106	7 558	8 767	11 481	11 688	11 688	11 595	12 476	13 399
Head count as % of total for department	7	7	8	8	8	8	7	7	7
Personnel cost as % of total for department	7	7	7	8	8	8	8	8	7
Finance component									
Personnel numbers (head count)	38	36	41	45	45	45	47	47	47
Personnel cost (R thousand)	8 674	9 962	11 410	14 000	13 837	13 837	14 736	15 856	17 029
Head count as % of total for department	9	9	9	9	9	9	9	9	9
Personnel cost as % of total for department	9	9	10	10	10	10	10	10	9
Full time workers									
Personnel numbers (head count)	432	423	458	523	523	523	536	536	536
Personnel cost (R thousand)	98 317	107 481	117 359	145 354	143 658	143 658	151 282	165 072	180 369
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 filling of critical posts within Financial Management and Human Resource Management and Development resulted in the increase in personnel numbers from 2011 to 2012 under Programme 1. The department is in the process of filling critical vacant posts which includes the post of the Head of Department, Chief Financial Officer and other senior management positions. The drop in 2010/11 is due to unanticipated staff exits. The substantial increase in personnel numbers from 2013 onward relates mainly to the appointment of critical staff within Museum Services to administer and oversee the provincialisation of museums, in line with the moratorium. The reduction in Programme 3 from 2010 to 2011 is due to staff leaving the department. The significant increase from 31 March 2012 onward is due to the filling of funded posts, as well as researchers to conduct oral history.

The number of posts for all programmes remains the same over the MTEF, as the department anticipates to have filled all of its funded vacant posts, in line with the moratorium on the filling of non-critical posts.

7.2 Training

Table 15.25 and 15.26 provide details of expenditure on training by the department over the seven years. The funding for training and development of staff in Programme 1 includes bursaries for internal employees. Programme 2 includes training material provided to artists and performers. Programme 3 includes the SLIMS training of public library Liberians. In addition, provision has been made for rolling out the literacy training and reading promotion projects at all public libraries through KZN in 2014/15 and 2015/16. The decrease in the 2012/13 Adjusted Appropriation reflects that the department has been optimising on the training opportunities that are offered by the Provincial Public Service Training Academy for training programmes, such as customer care, diversity management, coaching and mentoring, etc., which are free of charge. The funding over the MTEF caters for skills development in terms of the Workplace Skills Plan. The department is complying with the requirement 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	572	1 105	946	1 435	1 256	1 256	1 448	1 456	1 464
2. Cultural Affairs	121	120	80	-	15	15	-	-	-
3. Library and Archive Services	60	124	42	135	135	135	63	1 871	2 075
Total	753	1 349	1 068	1 570	1 406	1 406	1 511	3 327	3 539

Table 15.26: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Number of staff	432	423	458	523	523	523	536	536	536
Number of personnel trained	270	278	212	292	292	292	294	305	313
of which									
Male	104	97	78	110	110	110	111	115	119
Female	166	181	134	182	182	182	183	190	194
Number of training opportunities	270	278	333	292	292	292	294	296	298
of which									
Tertiary	45	24	52	40	40	40	40	40	40
Workshops	50	45	187	50	50	50	50	50	50
Seminars	17	15	3	20	20	20	20	20	20
Other	158	194	91	182	182	182	184	186	188
Number of bursaries offered	23	45	63	45	45	45	63	63	63
External	-	-	12	-	-	-	12	12	12
Internal	23	45	51	45	45	45	51	51	51
Number of interns appointed	25	50	34	50	50	50	50	51	41
Number of learnerships appointed	-	40	40	40	40	40	40	41	41
Number of days spent on training	-	200	200	200	200	200	200	202	204

The department conducted a skills audit in 2010/11 and training has been in line with the outcome of this skills audit. All senior managers have undergone competency tests and the department has addressed skills gaps. The high number of workshop training opportunities in 2011/12 relates to the department addressing gaps that were revealed from the results of the competency tests. During the 2013/14 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 skills shortages in the arts and culture sector.

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	189	195	241	194	194	242	205	225	248
Sale of goods and services produced by dept. (excl. capital assets)	189	195	241	194	194	242	205	225	248
Sales by market establishments	67	24	103	-	-	-	100	100	100
Administrative fees									
Other sales	122	171	138	194	194	242	105	125	148
of which									
Other	122	171	138	194	194	242	105	125	148
Sale of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:	-	-	459	-	-	5	-	-	-
Other governmental units	-	-	409	-	-	5	-	-	-
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises	-	-	50	-	-	-	-	-	-
Households and non-profit institutions									
Fines, penalties and forfeits	169	101	76	100	100	100	100	100	100
Interest, dividends and rent on land	2	-	-	-	-	-	-	-	-
Interest	2	-	-	-	-	-	-	-	-
Dividends									
Rent on land									
Sale of capital assets	-	184	-	-	-	-	-	-	-
Land and subsoil assets									
Other capital assets	-	184	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	110	129	1 871	100	100	1 108	100	100	100
Total	470	609	2 647	394	394	1 455	405	425	448

Table 15.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	193 248	221 011	230 887	250 814	256 687	256 687	301 861	308 023	343 461
Compensation of employees	98 317	107 481	117 359	145 354	143 658	143 658	151 282	165 072	180 369
Salaries and wages	84 242	91 975	100 428	126 458	124 983	124 983	131 614	143 611	156 921
Social contributions	14 075	15 506	16 931	18 896	18 675	18 675	19 668	21 461	23 448
Goods and services	94 931	113 530	113 528	105 460	113 029	113 029	150 579	142 951	163 092
of which									
Administrative fees	327	215	301	295	196	196	349	368	376
Advertising	2 755	4 511	4 056	4 317	4 360	4 360	4 250	4 327	4 469
Assets <R5000	1 107	984	19 923	17 369	19 042	19 042	22 153	38 427	53 313
Audit cost: External	907	1 490	1 551	2 168	2 168	2 168	2 240	2 327	2 351
Bursaries (employees)	202	84	204	248	248	248	250	257	259
Catering: Departmental activities	5 068	7 574	529	302	623	623	444	460	472
Communication	4 421	4 314	4 414	4 438	4 550	4 550	4 491	4 874	5 103
Computer services	9 810	6 923	11 580	11 451	8 926	8 926	13 128	14 224	15 607
Cons/prof: Business & advisory services	61	36	261	90	179	179	90	93	95
Cons/prof: Infrastructure & planning	-	-	-	-	43	43	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	15	67	294	136	136	136	136	143	145
Contractors	9 131	13 029	9 828	11 535	8 197	8 197	11 453	11 122	11 549
Agency & support/outourced services	372	1 353	8 609	8 414	9 225	9 225	40 926	11 834	12 492
Entertainment	41	57	44	59	62	62	60	61	61
Fleet services (incl. GMT)	1 992	1 979	2 238	2 322	2 665	2 665	2 422	2 734	2 918
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	45	45	-	-	-
Inventory: Fuel, oil and gas	35	5	5	10	42	42	10	11	11
Inventory: Learner and teacher supp material	22 945	31 838	1 627	68	414	414	68	71	72
Inventory: Materials and supplies	115	221	139	252	247	247	272	281	289
Inventory: Medical supplies	4	-	-	-	-	-	-	-	-
Inventory: Medicine	-	10	-	6	6	6	6	6	6
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	214	933	226	357	398	398	405	425	437
Inventory: Stationery and printing	2 623	4 076	3 636	3 583	4 468	4 468	3 731	4 643	4 856
Operating leases	8 785	8 297	10 113	12 231	11 629	11 629	12 308	12 457	12 525
Property payments	3 324	3 990	4 534	3 630	4 732	4 732	3 955	4 143	4 294
Transport provided: Departmental activity	4 541	3 602	4 331	4 673	6 047	6 047	4 685	4 626	4 994
Travel and subsistence	11 531	12 395	15 770	11 962	16 235	16 235	15 702	16 133	16 792
Training and development	551	1 265	864	1 322	1 158	1 158	1 261	3 070	3 280
Operating expenditure	509	269	3 032	585	2 289	2 289	742	773	795
Venues and facilities	3 545	4 013	1 890	2 428	1 992	1 992	2 105	2 224	2 275
Rental and hiring	-	-	3 529	1 209	2 707	2 707	2 937	2 837	3 256
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	41 259	48 951	84 759	176 422	183 767	183 767	283 478	298 994	299 001
Provinces and municipalities	16 870	22 637	56 083	146 752	150 729	150 729	259 387	273 554	272 181
Provinces	65	70	71	100	100	100	100	100	100
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	65	70	71	100	100	100	100	100	100
Municipalities	16 805	22 567	56 012	146 652	150 629	150 629	259 287	273 454	272 081
Municipalities	16 805	22 567	56 012	146 652	150 629	150 629	259 287	273 454	272 081
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	5 751	6 096	6 401	6 721	6 721	6 721	4 755	5 143	5 485
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	5 751	6 096	6 401	6 721	6 721	6 721	4 755	5 143	5 485
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	18 420	19 349	21 901	22 949	26 077	26 077	19 236	20 197	21 235
Households	218	869	374	-	240	240	100	100	100
Social benefits	198	685	189	-	140	140	-	-	-
Other transfers to households	20	184	185	-	100	100	100	100	100
Payments for capital assets	24 634	79 386	53 766	43 156	39 403	39 403	59 625	89 629	114 837
Buildings and other fixed structures	20 288	68 487	46 081	36 425	31 172	31 172	53 219	78 382	99 072
Buildings	20 288	68 487	46 081	36 425	31 172	31 172	53 219	78 382	99 072
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 802	10 364	7 685	6 731	8 231	8 231	6 106	10 897	15 365
Transport equipment	1 268	5 536	3 072	-	1 500	1 500	-	-	-
Other machinery and equipment	1 534	4 828	4 613	6 731	6 731	6 731	6 106	10 897	15 365
Heritage assets	-	-	97	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 544	535	-	-	-	-	300	350	400
Payments for financial assets	16	21	243	-	-	-	-	-	-
Total	259 157	349 369	369 752	470 392	479 857	479 857	644 964	696 646	757 299

Table 15.C: Details of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	67 275	75 867	81 158	87 531	86 870	86 870	91 190	96 517	101 046
Compensation of employees	34 689	38 627	42 192	50 769	50 408	50 408	53 450	57 512	61 768
Salaries and wages	30 320	33 719	36 759	44 169	43 855	43 855	46 501	50 035	53 738
Social contributions	4 369	4 908	5 433	6 600	6 553	6 553	6 949	7 477	8 030
Goods and services	32 586	37 240	38 966	36 762	36 462	36 462	37 740	39 005	39 278
of which									
Administrative fees	74	132	68	139	49	49	141	144	145
Advertising	1 483	2 248	2 659	2 219	2 219	2 219	2 306	2 353	2 356
Assets <R5000	177	31	166	394	394	394	297	222	254
Audit cost: External	907	1 490	1 551	2 168	2 168	2 168	2 240	2 327	2 351
Bursaries (employees)	132	84	204	248	248	248	250	257	259
Catering: Departmental activities	1 229	1 254	222	56	150	150	56	58	59
Communication	2 203	1 999	2 124	1 843	1 843	1 843	1 855	2 173	2 197
Computer services	1 859	1 540	3 082	2 180	2 043	2 043	2 193	2 240	2 260
Cons/prof: Business & advisory services	11	-	41	58	58	58	58	60	60
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	15	67	294	136	136	136	136	143	145
Contractors	5 390	7 224	3 086	3 295	2 045	2 045	3 165	3 204	3 229
Agency & support/outourced services	139	816	1 442	1 249	1 178	1 178	1 257	1 374	1 375
Entertainment	30	50	31	51	51	51	51	52	52
Fleet services (incl. GMT)	877	562	1 036	649	968	968	657	685	697
Housing									
Inventory: Food and food supplies	-	-	-	-	8	8	-	-	-
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	-	8	3	-	-	-	-	-	-
Inventory: Materials and supplies	61	83	21	-	2	2	-	-	-
Inventory: Medical supplies	4	-	-	-	-	-	-	-	-
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	3	1	23	22	110	110	22	23	23
Inventory: Stationery and printing	835	1 945	1 327	1 237	1 137	1 137	1 246	1 278	1 285
Operating leases	7 734	7 908	9 671	11 847	10 941	10 941	11 857	11 981	12 014
Property payments	2 194	1 903	3 039	2 005	3 288	3 288	2 116	2 192	2 199
Transport provided: Departmental activity	768	272	388	-	43	43	-	-	-
Travel and subsistence	4 760	6 152	6 677	5 016	5 416	5 416	5 825	6 179	6 240
Training and development	440	1 021	742	1 187	1 008	1 008	1 198	1 199	1 205
Operating expenditure	320	146	630	266	234	234	268	275	279
Venues and facilities	941	304	69	297	297	297	306	326	329
Rental and hiring	-	-	370	200	428	428	240	260	265
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	727	781	939	720	1 470	1 470	720	720	720
Provinces and municipalities	65	70	24	100	100	100	100	100	100
Provinces	65	70	24	100	100	100	100	100	100
Provincial Revenue Funds									
Provincial agencies and funds	65	70	24	100	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	642	578	850	620	1 370	1 370	620	620	620
Households	20	133	65	-	-	-	-	-	-
Social benefits									
Other transfers to households	20	133	65	-	-	-	-	-	-
Payments for capital assets	396	671	2 322	339	339	339	365	455	465
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	396	594	2 322	339	339	339	365	455	465
Transport equipment	396	222	1 575	-	-	-	-	-	-
Other machinery and equipment	-	372	747	339	339	339	365	455	465
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	77	-	-	-	-	-	-	-
Payments for financial assets	15	21	243	-	-	-	-	-	-
Total	68 413	77 340	84 662	88 590	88 679	88 679	92 275	97 692	102 231

Table 15.D: Details of payments and estimates by economic classification - Programme 2: Cultural Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	52 150	62 434	70 637	75 351	81 553	81 553	81 987	86 171	92 895
Compensation of employees	30 311	33 312	36 392	45 425	45 195	45 195	47 282	50 875	54 640
Salaries and wages	26 200	28 754	31 391	39 520	39 320	39 320	41 135	44 261	47 537
Social contributions	4 111	4 558	5 001	5 905	5 875	5 875	6 147	6 614	7 103
Goods and services	21 839	29 122	34 245	29 926	36 358	36 358	34 705	35 296	38 255
of which									
Administrative fees	24	14	17	12	12	12	12	13	15
Advertising	522	1 412	1 078	1 036	1 048	1 048	1 058	1 079	1 211
Assets <R5000	116	375	1 012	328	432	432	328	340	874
Audit cost: External									
Bursaries (employees)	70	-	-	-	-	-	-	-	-
Catering: Departmental activities	3 575	6 135	178	45	281	281	145	146	152
Communication	1 185	1 125	1 162	1 158	1 352	1 352	1 397	1 370	1 496
Computer services	202	74	87	65	65	65	89	95	99
Cons/prof: Business & advisory services	50	36	220	32	106	106	32	33	35
Cons/prof: Infrastructure & planning	-	-	-	-	43	43	-	-	-
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	3 267	5 624	6 308	7 493	5 469	5 469	6 934	7 067	7 441
Agency & support/outsourced services	242	440	6 831	6 617	7 530	7 530	7 310	7 607	7 921
Entertainment	10	6	6	5	8	8	5	5	5
Fleet services (incl. GMT)	683	980	699	875	813	813	900	1 106	1 196
Housing									
Inventory: Food and food supplies	-	-	-	-	37	37	-	-	-
Inventory: Fuel, oil and gas	35	5	5	10	42	42	10	11	11
Inventory: Learner and teacher supp material	117	78	(3)	68	96	96	68	71	72
Inventory: Materials and supplies	52	123	98	252	231	231	252	261	269
Inventory: Medical supplies									
Inventory: Medicine	-	10	-	6	6	6	6	6	6
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	69	814	72	103	91	91	102	106	109
Inventory: Stationery and printing	343	568	1 126	497	1 270	1 270	696	714	769
Operating leases	600	201	211	176	305	305	199	210	232
Property payments	447	565	549	494	489	489	565	572	598
Transport provided: Departmental activity	3 712	3 285	3 772	4 524	5 855	5 855	4 526	4 464	4 829
Travel and subsistence	4 546	4 442	6 701	4 167	7 892	7 892	6 913	6 954	7 402
Training and development	51	120	80	-	15	15	-	-	-
Operating expenditure	150	70	1 009	61	199	199	161	169	181
Venues and facilities	1 771	2 620	255	893	457	457	300	320	341
Rental and hiring	-	-	2 772	1 009	2 214	2 214	2 697	2 577	2 991
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	24 712	26 403	35 129	36 006	42 038	42 038	33 664	36 678	35 317
Provinces and municipalities	1 078	1 170	7 568	7 065	11 610	11 610	10 435	12 124	9 410
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	1 078	1 170	7 568	7 065	11 610	11 610	10 435	12 124	9 410
Municipalities	1 078	1 170	7 568	7 065	11 610	11 610	10 435	12 124	9 410
Municipal agencies and funds									
Departmental agencies and accounts	5 751	6 096	6 401	6 721	6 721	6 721	4 755	5 143	5 485
Social security funds									
Entities receiving funds	5 751	6 096	6 401	6 721	6 721	6 721	4 755	5 143	5 485
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	17 778	18 703	20 952	22 220	23 587	23 587	18 374	19 311	20 322
Households	105	434	208	-	120	120	100	100	100
Social benefits	105	383	88	-	20	20	-	-	-
Other transfers to households	-	51	120	-	100	100	100	100	100
Payments for capital assets	5 336	43 491	17 078	20 268	15 558	15 558	13 404	12 817	13 900
Buildings and other fixed structures	4 819	42 266	16 182	20 068	13 858	13 858	12 900	12 275	13 500
Buildings	4 819	42 266	16 182	20 068	13 858	13 858	12 900	12 275	13 500
Other fixed structures									
Machinery and equipment	517	945	799	200	1 700	1 700	504	542	400
Transport equipment	297	196	270	-	1 500	1 500	-	-	-
Other machinery and equipment	220	749	529	200	200	200	504	542	400
Heritage assets	-	-	97	-	-	-	-	-	-
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	-	280	-	-	-	-	-	-	-
Payments for financial assets	1	-	-	-	-	-	-	-	-
Total	82 199	132 328	122 844	131 625	139 149	139 149	129 055	135 666	142 112

Table 15.E: Details of payments and estimates by economic classification - Programme 3: Library and Archive Services

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
Current payments	73 823	82 710	79 092	87 932	88 264	88 264	128 684	125 335	149 520
Compensation of employees	33 317	35 542	38 775	49 160	48 055	48 055	50 550	56 685	63 961
Salaries and wages	27 722	29 502	32 278	42 769	41 808	41 808	43 978	49 315	55 646
Social contributions	5 595	6 040	6 497	6 391	6 247	6 247	6 572	7 370	8 315
Goods and services	40 506	47 168	40 317	38 772	40 209	40 209	78 134	68 650	85 559
of which									
Administrative fees	229	69	216	144	135	135	196	211	216
Advertising	750	851	319	1 062	1 093	1 093	886	895	902
Assets <R5000	814	578	18 745	16 647	18 216	18 216	21 528	37 865	52 185
Audit cost: External									
Bursaries (employees)									
Catering: Departmental activities	264	185	129	201	192	192	243	256	261
Communication	1 033	1 190	1 128	1 437	1 355	1 355	1 239	1 331	1 410
Computer services	7 749	5 309	8 411	9 206	6 818	6 818	10 846	11 889	13 248
Cons/prof: Business & advisory services	-	-	-	-	15	15	-	-	-
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	474	181	434	747	683	683	1 354	851	879
Agency & support/outourced services	(9)	97	336	548	517	517	32 359	2 853	3 196
Entertainment	1	1	7	3	3	3	4	4	4
Fleet services (incl. GMT)	432	437	503	798	884	884	865	943	1 025
Housing									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher supp material	22 828	31 752	1 627	-	318	318	-	-	-
Inventory: Materials and supplies	2	15	20	-	14	14	20	20	20
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	142	118	131	232	197	197	281	296	305
Inventory: Stationery and printing	1 445	1 563	1 183	1 849	2 061	2 061	1 789	2 651	2 802
Operating leases	451	188	231	208	383	383	252	266	279
Property payments	683	1 522	946	1 131	955	955	1 274	1 379	1 497
Transport provided: Departmental activity	61	45	171	149	149	149	159	162	165
Travel and subsistence	2 225	1 801	2 392	2 779	2 927	2 927	2 964	3 000	3 150
Training and development	60	124	42	135	135	135	63	1 871	2 075
Operating expenditure	39	53	1 393	258	1 856	1 856	313	329	335
Venues and facilities	833	1 089	1 566	1 238	1 238	1 238	1 499	1 578	1 605
Rental and hiring	-	-	387	-	65	65	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	15 820	21 767	48 691	139 696	140 259	140 259	249 094	261 596	262 964
Provinces and municipalities	15 727	21 397	48 491	139 587	139 019	139 019	248 852	261 330	262 671
Provinces	-	-	47	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds	-	-	47	-	-	-	-	-	-
Municipalities	15 727	21 397	48 444	139 587	139 019	139 019	248 852	261 330	262 671
Municipalities	15 727	21 397	48 444	139 587	139 019	139 019	248 852	261 330	262 671
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	109	1 120	1 120	242	266	293
Households	93	302	101	-	120	120	-	-	-
Social benefits	93	302	101	-	120	120	-	-	-
Other transfers to households									
Payments for capital assets	18 902	35 224	34 463	22 549	23 506	23 506	45 856	76 357	100 472
Buildings and other fixed structures	15 469	26 221	29 899	16 357	17 314	17 314	40 319	66 107	85 572
Buildings	15 469	26 221	29 899	16 357	17 314	17 314	40 319	66 107	85 572
Other fixed structures									
Machinery and equipment	1 889	8 825	4 564	6 192	6 192	6 192	5 237	9 900	14 500
Transport equipment	575	5 118	1 227	-	-	-	-	-	-
Other machinery and equipment	1 314	3 707	3 337	6 192	6 192	6 192	5 237	9 900	14 500
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	1 544	178	-	-	-	-	300	350	400
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	108 545	139 701	162 246	250 177	252 029	252 029	423 634	463 288	512 956

Table 15.F: Payments and estimates by economic classification: Conditional grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	8 141	12 574	10 123	13 933	12 939	12 939	15 085	38 810	55 969
Compensation of employees	-	-	-	-	-	-	1 300	5 450	5 800
Salaries and wages	-	-	-	-	-	-	1 131	4 741	5 046
Social contributions	-	-	-	-	-	-	169	709	754
Goods and services	8 141	12 574	10 123	13 933	12 939	12 939	13 785	33 360	50 169
of which	-	-	-	-	-	-	-	-	-
Administrative fees	3	-	-	-	-	-	-	-	-
Advertising	1	45	-	-	-	-	-	-	-
Assets <R5000	458	294	5 322	5 820	5 837	5 837	5 859	21 154	35 000
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	7	4	31	200	200	200	120	200	250
Communication	-	-	-	-	-	-	-	-	-
Computer services	1 376	4 348	4 059	6 094	5 083	5 083	6 808	8 356	10 500
Cons/prof: Business & advisory services	-	-	-	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	-	-	5	-	-	-	550	-	-
Agency & support/outourced services	-	-	76	220	220	220	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	420	420	420	176	250	519
Housing	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher supp material	5 955	7 609	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	6	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Military stores	-	-	-	-	-	-	-	-	-
Inventory: Other consumables	-	-	-	-	-	-	-	-	-
Inventory: Stationery and printing	43	8	14	60	60	60	-	800	900
Lease payments	-	-	13	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	66	261	-	-	-	-	-	-
Transport provided: Departmental activity	-	30	-	-	-	-	-	-	-
Travel and subsistence	238	74	156	350	350	350	272	400	600
Training and development	-	65	-	300	300	300	-	1 800	2 000
Operating expenditure	-	-	128	-	-	-	-	-	-
Venues and facilities	60	31	52	469	469	469	-	400	400
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	6 391	9 908	17 433	23 141	24 135	24 135	23 983	25 194	15 673
Provinces and municipalities	6 391	9 840	17 334	23 032	23 015	23 015	23 741	24 928	15 380
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	6 391	9 840	17 334	23 032	23 015	23 015	23 741	24 928	15 380
Municipalities	6 391	9 840	17 334	23 032	23 015	23 015	23 741	24 928	15 380
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	109	1 120	1 120	242	266	293
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	16 065	18 779	21 888	11 545	12 502	12 502	24 627	58 750	88 400
Buildings and other fixed structures	13 751	12 431	19 347	8 045	9 002	9 002	22 000	50 000	75 000
Buildings	13 751	12 431	19 347	8 045	9 002	9 002	22 000	50 000	75 000
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	798	6 348	2 541	3 500	3 500	3 500	2 327	8 400	13 000
Transport equipment	-	4 647	180	-	-	-	-	-	-
Other machinery and equipment	798	1 701	2 361	3 500	3 500	3 500	2 327	8 400	13 000
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 516	-	-	-	-	-	300	350	400
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	30 597	41 261	49 444	48 619	49 576	49 576	63 695	122 754	160 042

Table 15.G: Payments and estimates by economic classification: Community Library Services grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
				2012/13					
Current payments	8 141	12 574	10 123	13 933	12 939	12 939	14 535	38 810	55 969
Compensation of employees	-	-	-	-	-	-	1 300	5 450	5 800
Salaries and wages	-	-	-	-	-	-	1 131	4 741	5 046
Social contributions	-	-	-	-	-	-	169	709	754
Goods and services	8 141	12 574	10 123	13 933	12 939	12 939	13 235	33 360	50 169
of which									
Administrative fees	3	-	-	-	-	-	-	-	-
Advertising	1	45	-	-	-	-	-	-	-
Assets <R5000	458	294	5 322	5 820	5 837	5 837	5 859	21 154	35 000
Catering: Departmental activities	7	4	31	200	200	200	120	200	250
Computer services	1 376	4 348	4 059	6 094	5 083	5 083	6 808	8 356	10 500
Contractors	-	-	5	-	-	-	-	-	-
Agency & support/outourced services	-	-	76	220	220	220	-	-	-
Fleet services (incl. GMT)	-	-	-	420	420	420	176	250	519
Inventory: Learner and teacher supp material	5 955	7 609	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	6	-	-	-	-	-	-
Inventory: Stationery and printing	43	8	14	60	60	60	-	800	900
Lease payments	-	-	13	-	-	-	-	-	-
Property payments	-	66	261	-	-	-	-	-	-
Transport provided: Departmental activity	-	30	-	-	-	-	-	-	-
Travel and subsistence	238	74	156	350	350	350	272	400	600
Training and development	-	65	-	300	300	300	-	1 800	2 000
Operating expenditure	-	-	128	-	-	-	-	-	-
Venues and facilities	60	31	52	469	469	469	-	400	400
Transfers and subsidies to	6 391	9 908	17 433	23 141	24 135	24 135	23 983	25 194	15 673
Provinces and municipalities	6 391	9 840	17 334	23 032	23 015	23 015	23 741	24 928	15 380
Municipalities	6 391	9 840	17 334	23 032	23 015	23 015	23 741	24 928	15 380
Municipalities	6 391	9 840	17 334	23 032	23 015	23 015	23 741	24 928	15 380
Non-profit institutions	-	68	99	109	1 120	1 120	242	266	293
Payments for capital assets	16 065	18 779	21 888	11 545	11 545	11 545	24 627	58 750	88 400
Buildings and other fixed structures	13 751	12 431	19 347	8 045	8 045	8 045	22 000	50 000	75 000
Buildings	13 751	12 431	19 347	8 045	8 045	8 045	22 000	50 000	75 000
Machinery and equipment	798	6 348	2 541	3 500	3 500	3 500	2 327	8 400	13 000
Transport equipment	-	4 647	180	-	-	-	-	-	-
Other machinery and equipment	798	1 701	2 361	3 500	3 500	3 500	2 327	8 400	13 000
Software and other intangible assets	1 516	-	-	-	-	-	300	350	400
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	30 597	41 261	49 444	48 619	48 619	48 619	63 145	122 754	160 042

Table 15.H: Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
				2012/13					
Current payments	-	-	-	-	-	-	550	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	550	-	-
of which									
Contractors	-	-	-	-	-	-	550	-	-
Transfers and subsidies to	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	957	957	-	-	-
Buildings and other fixed structures	-	-	-	-	957	957	-	-	-
Buildings	-	-	-	-	957	957	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	957	957	550	-	-

Table 15.I: 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					
			Project/admin block; water; electricity; sanitation; etc.	Units (i.e. number of facilities)	Date: Start	Date: Finish						MTEF forward estimates					
												2013/14	2014/15	2015/16			
R thousand																	
New and replacement assets																	
1.	Construction of libraries	Various	Library building	2	01 Apr 2013	31 Mar 2016	Conditional grant	Programme 3	-	-	-	20 400	49 000	58 000			
2.	Construction of libraries	Various	Library building	2	01 Apr 2013	31 Mar 2016	Equitable share	Programme 3	-	-	-	9 319	10 107	10 572			
3.	Construction of museums	Various	Museum	4	01 Apr 2013	31 Mar 2016	Equitable share	Programme 2	-	-	-	2 000	1 500	3 500			
4.	Construction of art centres	Various	Art centre	3	01 Apr 2013	31 Mar 2016	Equitable share	Programme 2	-	-	-	5 000	8 275	10 000			
Total New and replacement assets									-	-	-	36 719	68 882	82 072			
Upgrades and additions																	
1.	Upgrade of art centres	Various	Art centre	3	01 Apr 2013	31 Mar 2015	Equitable share	Programme 2	-	-	-	5 000	2 000	-			
2.	Upgrade of museums	Various	Museum	1	01 Apr 2013	31 Mar 2014	Equitable share	Programme 2	-	-	-	900	-	-			
3.	Upgrade of libraries	Various	Library building	1	01 Apr 2013	31 Mar 2016	Conditional grant	Programme 3	-	-	-	1 600	1 000	17 000			
4.	Upgrade of depots	Various	Library depots	4	01 Sep 2013	01 Dec 2015	Equitable share	Programme 3	-	-	-	9 000	6 000	-			
Total Upgrades and additions									-	-	-	16 500	9 000	17 000			
Rehabilitation, renovations and refurbishments																	
1.	Renovation of museum	Various	Museum	2	01 Apr 2013	31 Mar 2015	Equitable share	Programme 2	-	-	-	-	500	-			
Total Rehabilitation, renovations and refurbishments									-	-	-	-	500	-			
Maintenance and repairs												-	-	-	-	-	-
Infrastructure transfers - current												-	-	-	-	-	-
Infrastructure transfers - capital																	
1.	Construction of mega-library	eThekwini	Library building	1	01 Apr 2011	31 Mar 2015	Conditional grant	Programme 3	-	-	-	15 000	15 750	-			
2.	Construction of museum	Amajuba	Museum	1	01 Apr 2013	31 Mar 2015	Equitable share	Programme 2	-	-	-	1 000	1 000	-			
3.	Construction of museum	Ilembe	Museum	1	01 Apr 2013	31 Mar 2015	Equitable share	Programme 2	-	-	-	1 100	2 273	-			
Total Infrastructure transfers - capital									-	-	-	17 100	19 023	-			
Total Infrastructure									-	-	-	70 319	97 405	99 072			

Table 15.J: Summary of transfers to local government (Library building projects, Comm. Lib. Serv. grant, Museums and Provincialisation)

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
A KZN2000 eThekweni	2 634	4 642	14 709	93 363	93 363	93 363	158 845	167 563	164 628
Total: Ugu Municipalities	6 660	607	6 324	6 790	6 643	6 643	12 940	13 645	14 277
B KZN211 Vulamehlo	-	-	-	-	-	-	-	126	132
B KZN212 Umdoni	4 355	90	2 138	2 247	2 247	2 247	4 476	4 720	4 939
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	90	96	334	351	351	351	634	668	699
B KZN215 Ezinqoleni	1 902	90	329	346	346	346	634	668	699
B KZN216 Hibiscus Coast	313	331	3 523	3 846	3 699	3 699	7 196	7 463	7 808
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	1 349	1 791	3 912	14 655	14 584	14 584	28 242	28 732	30 074
B KZN221 uMshwathi	-	-	194	454	454	454	657	693	725
B KZN222 uMngeni	254	253	904	1 752	1 475	1 475	2 844	2 987	3 134
B KZN223 Mpofana	41	42	319	470	555	555	968	1 021	1 076
B KZN224 Impendle	-	421	220	335	341	341	634	668	699
B KZN225 Msunduzi	964	979	1 812	10 963	11 055	11 055	21 709	21 856	22 863
B KZN226 Mkhambathini	90	96	248	283	301	301	653	688	720
B KZN227 Richmond	-	-	215	398	403	403	777	819	857
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	524	472	4 052	4 150	3 998	3 998	8 378	8 834	9 260
B KZN232 Emnambithi/Ladysmith	57	175	1 687	1 774	1 773	1 773	3 594	3 790	3 973
B KZN233 Indaka	-	-	318	335	263	263	653	688	720
B KZN234 Umtshezi	185	195	1 187	1 134	1 162	1 162	2 404	2 535	2 654
B KZN235 Okhahlamba	-	12	531	561	470	470	950	1 002	1 056
B KZN236 Imbabazane	282	90	329	346	330	330	777	819	857
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	1 317	2 748	3 277	3 454	3 364	3 364	6 195	6 531	6 845
B KZN241 Endumeni	159	1 363	1 666	1 757	1 651	1 651	3 173	3 346	3 503
B KZN242 Nqutu	180	646	686	721	737	737	1 306	1 376	1 441
B KZN244 Msinga	910	233	341	360	360	360	653	688	720
B KZN245 Umvoti	68	506	584	616	616	616	1 063	1 121	1 181
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	248	355	3 367	3 339	4 334	4 334	7 630	7 991	7 316
B KZN252 Newcastle	248	355	2 876	2 822	3 800	3 800	6 362	6 655	5 918
B KZN253 eMadlangeni	-	-	254	267	267	267	634	668	699
B KZN254 Dannhauser	-	-	237	250	267	267	634	668	699
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	68	2 886	3 104	3 367	4 947	4 947	8 057	8 495	8 903
B KZN261 eDumbe	-	434	459	482	500	500	939	990	1 036
B KZN262 uPhongolo	-	471	498	523	541	541	1 025	1 080	1 130
B KZN263 Abaqulusi	68	1 276	1 486	1 565	1 565	1 565	2 975	3 137	3 291
B KZN265 Nongoma	-	311	233	346	330	330	634	668	699
B KZN266 Ulundi	-	394	428	451	450	450	845	891	932
C DC26 Zululand District Municipality	-	-	-	-	1 561	1 561	1 639	1 729	1 815
Total: Umkhanyakude Municipalities	679	5 835	6 522	6 367	5 912	5 912	6 296	6 638	6 946
B KZN271 Umhlabyalingana	90	1 320	1 602	1 573	1 334	1 334	1 420	1 496	1 565
B KZN272 Jozini	-	1 021	1 395	1 036	836	836	886	934	977
B KZN273 The Big 5 False Bay	-	644	586	600	600	600	630	665	696
B KZN274 Hlabisa	210	765	711	836	820	820	905	954	998
B KZN275 Mtubatuba	379	2 085	2 228	2 322	2 322	2 322	2 455	2 589	2 710
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	2 887	1 092	6 111	6 519	6 748	6 748	12 135	12 793	13 401
B KZN281 Umfolozi	-	-	169	177	177	177	372	392	410
B KZN282 uMhlathuze	429	632	3 372	3 539	3 538	3 538	6 709	7 074	7 410
B KZN283 Ntambanana	-	-	318	330	335	335	634	668	699
B KZN284 uMlalazi	2 271	254	1 566	1 648	1 647	1 647	3 128	3 299	3 460
B KZN285 Mthonjaneni	90	96	334	370	351	351	634	668	699
B KZN286 Nkandla	97	110	352	455	700	700	658	692	723
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	248	367	2 355	2 477	3 647	3 647	6 428	7 879	5 875
B KZN291 Mandeni	-	90	563	591	676	676	1 602	1 677	1 756
B KZN292 KwaDukuza	158	169	1 445	1 521	2 606	2 606	4 173	5 514	3 399
B KZN293 Ndwedwe	90	108	347	365	365	365	653	688	720
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	191	1 772	2 279	2 171	3 089	3 089	4 141	4 353	4 556
B KZN431 Ingwe	-	446	627	501	1 351	1 351	939	990	1 036
B KZN432 Kwa Sani	-	144	237	249	249	249	454	467	489
B KZN433 Greater Kokstad	-	693	740	778	778	778	1 461	1 540	1 612
B KZN434 Ubuhlebezwe	90	317	334	351	351	351	634	668	699
B KZN435 Umzimkulu	101	172	341	292	360	360	653	688	720
C DC43 Sisonke District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	16 805	22 567	56 012	146 652	150 629	150 629	259 287	273 454	272 081

Table 15. K: Transfers to local government - Museum subsidies

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
A KZN2000 eThekweni	134	142	4 300	4 547	4 547	4 547	3 865	4 133	4 390
Total: Ugu Municipalities	138	145	250	268	268	268	286	302	317
B KZN216 Hibiscus Coast	138	145	250	268	268	268	286	302	317
Total: uMgungundlovu Municipalities	176	198	943	589	589	589	629	664	712
B KZN222 uMngeni	68	73	125	134	134	134	143	151	166
B KZN223 Mpofana	41	42	125	134	134	134	143	151	166
B KZN225 Msunduzi	67	83	693	321	321	321	343	362	380
Total: Uthukela Municipalities	152	172	500	402	536	536	572	604	649
B KZN232 Ennambithi/Ladysmith	57	73	125	134	134	134	143	151	166
B KZN234 Umtshezi	95	99	250	134	268	268	286	302	317
B KZN235 Okhahlamba	-	-	125	134	134	134	143	151	166
Total: Umzinyathi Municipalities	137	147	425	455	455	455	486	513	546
B KZN241 Endumeni	69	74	300	321	321	321	343	362	380
B KZN245 Umvoti	68	73	125	134	134	134	143	151	166
Total: Amajuba Municipalities	68	73	250	268	1 268	1 268	1 286	1 302	317
B KZN252 Newcastle	68	73	250	268	1 268	1 268	1 286	1 302	317
Total: Zululand Municipalities	68	73	125	134	134	134	143	151	166
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	137	147	250	268	268	268	286	302	332
B KZN282 uMhlathuze	69	74	125	134	134	134	143	151	166
B KZN284 uMlalazi	68	73	125	134	134	134	143	151	166
Total: Ilembe Municipalities	68	73	125	134	1 134	1 134	1 243	2 424	166
B KZN292 KwaDukuza	68	73	125	134	1 134	1 134	1 243	2 424	166
Total: Sisonke Municipalities	-	-	-	-	850	850	-	-	-
B KZN431 Ingwe	-	-	-	-	850	850	-	-	-
Unallocated									
Total	1 078	1 170	7 168	7 065	10 049	10 049	8 796	10 395	7 595

Table 15.L: Transfers to local government - Library building projects

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
A KZN2000 eThekweni									
Total: Ugu Municipalities	6 099	-	-	-	-	-	-	-	-
B KZN212 Umdoni	4 276	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	1 823	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	421	-	-	-	-	-	-	-
B KZN224 Impendle	-	421	-	-	-	-	-	-	-
Total: Uthukela Municipalities	236	-	-	-	-	-	-	-	-
B KZN236 Imbabazane	236	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	831	-	-	-	-	-	-	-	-
B KZN244 Msinga	831	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	24	-	-	-	-	-	-	-	-
B KZN274 Hlabisa	24	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	2 124	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	2 124	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	22	-	-	-	-	-	-	-	-
B KZN435 Umzimkulu	22	-	-	-	-	-	-	-	-
Unallocated									
Total	9 336	421	-	-	-	-	-	-	-

Table 15.M: Transfers to local government - Provincialisation of libraries

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
A KZN2000 eThekweni	-	-	-	73 316	73 316	73 316	139 980	147 680	154 488
Total: Ugu Municipalities	-	-	5 199	5 617	5 458	5 458	11 460	12 089	12 645
B KZN212 Umdoni	-	-	1 867	1 960	1 960	1 960	4 116	4 342	4 542
B KZN214 uMuziwabantu	-	-	233	245	245	245	514	542	567
B KZN215 Ezinqoleni	-	-	233	245	245	245	514	542	567
B KZN216 Hibiscus Coast	-	-	2 866	3 167	3 008	3 008	6 316	6 663	6 969
Total: uMgungundlovu Municipalities	-	-	1 360	12 443	12 166	12 166	26 476	26 874	28 109
B KZN221 uMshwathi	-	-	194	454	454	454	657	693	725
B KZN222 uMngeni	-	-	583	1 411	1 134	1 134	2 461	2 584	2 703
B KZN223 Mpofana	-	-	194	336	336	336	705	744	778
B KZN224 Impendle	-	-	130	245	245	245	514	542	567
B KZN225 Msunduzi	-	-	-	9 507	9 507	9 507	20 968	21 076	22 044
B KZN226 Mkhambathini	-	-	129	177	177	177	514	542	567
B KZN227 Richmond	-	-	130	313	313	313	657	693	725
Total: Uthukela Municipalities	-	-	3 069	3 222	3 222	3 222	6 909	7 288	7 623
B KZN232 Emnambithi/Ladysmith	-	-	1 448	1 520	1 520	1 520	3 192	3 367	3 522
B KZN233 Indaka	-	-	233	245	245	245	514	542	567
B KZN234 Umtshezi	-	-	852	894	894	894	1 878	1 981	2 072
B KZN235 Okhahlamba	-	-	303	318	318	318	668	705	737
B KZN236 Imbabazane	-	-	233	245	245	245	657	693	725
Total: Umzinyathi Municipalities	-	2 119	2 238	2 350	2 350	2 350	4 932	5 202	5 442
B KZN241 Endumeni	-	1 113	1 175	1 234	1 234	1 234	2 590	2 732	2 858
B KZN242 Nqutu	-	442	467	490	490	490	1 028	1 084	1 134
B KZN244 Msinga	-	221	233	245	245	245	514	542	567
B KZN245 Umvoti	-	343	363	381	381	381	800	844	883
Total: Amajuba Municipalities	-	-	2 510	2 583	2 600	2 600	5 744	6 059	6 338
B KZN252 Newcastle	-	-	2 189	2 246	2 246	2 246	4 716	4 975	5 204
B KZN253 eMahlangueni	-	-	169	177	177	177	514	542	567
B KZN254 Dannhauser	-	-	152	160	177	177	514	542	567
Total: Zululand Municipalities	-	2 362	2 493	2 618	2 618	2 618	5 498	5 799	6 066
B KZN261 eDumbe	-	344	363	381	381	381	800	844	883
B KZN262 uPhongolo	-	381	402	422	422	422	886	934	977
B KZN263 Abaqulusi	-	1 113	1 175	1 234	1 234	1 234	2 592	2 734	2 860
B KZN265 Nongoma	-	221	233	245	245	245	514	542	567
B KZN266 Ulundi	-	303	320	336	336	336	706	745	779
Total: Umkhanyakude Municipalities	-	5 262	6 029	5 853	5 408	5 408	5 677	5 988	6 264
B KZN271 Umhlabyalingana	-	1 320	1 412	1 483	1 238	1 238	1 300	1 370	1 433
B KZN272 Jozini	-	836	1 294	930	730	730	766	808	845
B KZN273 The Big 5 False Bay	-	548	586	600	600	600	630	665	696
B KZN274 Hlabisa	-	665	711	730	730	730	766	808	845
B KZN275 Mtubatuba	-	1 893	2 026	2 110	2 110	2 110	2 215	2 337	2 445
Total: uThungulu Municipalities	-	-	4 757	4 994	5 239	5 239	10 486	11 061	11 569
B KZN281 Umfolozi	-	-	169	177	177	177	372	392	410
B KZN282 uMhlathuze	-	-	2 652	2 784	2 784	2 784	5 846	6 167	6 450
B KZN283 Ntambanana	-	-	233	245	245	245	514	542	567
B KZN284 uMlalazi	-	-	1 237	1 298	1 298	1 298	2 726	2 876	3 008
B KZN285 Mthonjaneni	-	-	233	245	245	245	514	542	567
B KZN286 Nkandla	-	-	233	245	490	490	514	542	567
Total: Ilembe Municipalities	-	-	1 920	2 016	2 016	2 016	4 566	4 805	5 026
B KZN291 Mandeni	-	-	468	490	490	490	1 362	1 425	1 491
B KZN292 KwaDukuza	-	-	1 219	1 281	1 281	1 281	2 690	2 838	2 968
B KZN293 Ndwedwe	-	-	233	245	245	245	514	542	567
Total: Sisonke Municipalities	-	1 393	1 535	1 543	1 611	1 611	3 383	3 557	3 721
B KZN431 Ingwe	-	344	363	381	381	381	800	844	883
B KZN432 Kwa Sani	-	144	152	159	159	159	334	341	357
B KZN433 Greater Kokstad	-	524	554	581	581	581	1 221	1 288	1 347
B KZN434 Ubuhlebezwe	-	221	233	245	245	245	514	542	567
B KZN435 Umzimkulu	-	160	233	177	245	245	514	542	567
Unallocated									
Total	-	11 136	31 110	116 555	116 004	116 004	225 111	236 402	247 291

Table 15.N: Transfers to local government - Community Library Services grant

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
A KZN2000 eThekweni	2 500	4 500	10 409	15 500	15 500	15 500	15 000	15 750	5 750
Total: Ugu Municipalities	423	462	875	905	917	917	1 194	1 254	1 315
B KZN211 Vulamehlo	-	-	-	-	-	-	-	126	132
B KZN212 Umdoni	79	90	271	287	287	287	360	378	397
B KZN214 uMuziwabantu	90	96	101	106	106	106	120	126	132
B KZN215 Ezinqoleni	79	90	96	101	101	101	120	126	132
B KZN216 Hibiscus Coast	175	186	407	411	423	423	594	498	522
Total: uMgungundlovu Municipalities	1 173	1 172	1 609	1 623	1 829	1 829	1 137	1 194	1 253
B KZN222 uMngeni	186	180	196	207	207	207	240	252	265
B KZN223 Mpofana	-	-	-	-	85	85	120	126	132
B KZN224 Impendle	-	-	90	90	96	96	120	126	132
B KZN225 Msunduzi	897	896	1 119	1 135	1 227	1 227	398	418	439
B KZN226 Mkhambathini	90	96	119	106	124	124	139	146	153
B KZN227 Richmond	-	-	85	85	90	90	120	126	132
Total: Uthukela Municipalities	136	300	483	526	240	240	897	942	988
B KZN232 Emnambithi/Ladysmith	-	102	114	120	119	119	259	272	285
B KZN233 Indaka	-	-	85	90	18	18	139	146	153
B KZN234 Umtshezi	90	96	85	106	-	-	240	252	265
B KZN235 Okhahlamba	-	12	103	109	18	18	139	146	153
B KZN236 Imbabazane	46	90	96	101	85	85	120	126	132
Total: Umzinyathi Municipalities	349	482	614	649	559	559	777	816	857
B KZN241 Endumeni	90	176	191	202	96	96	240	252	265
B KZN242 Nqutu	180	204	219	231	247	247	278	292	307
B KZN244 Msinga	79	12	108	115	115	115	139	146	153
B KZN245 Umvoti	-	90	96	101	101	101	120	126	132
Total: Amajuba Municipalities	180	282	457	488	466	466	600	630	661
B KZN252 Newcastle	180	282	287	308	286	286	360	378	397
B KZN253 eMadlangeni	-	-	85	90	90	90	120	126	132
B KZN254 Dannhauser	-	-	85	90	90	90	120	126	132
Total: Zululand Municipalities	-	451	486	615	634	634	777	816	856
B KZN261 eDumbe	-	90	96	101	119	119	139	146	153
B KZN262 uPhongolo	-	90	96	101	119	119	139	146	153
B KZN263 Abaqulusi	-	90	186	197	197	197	240	252	265
B KZN265 Nongoma	-	90	-	101	85	85	120	126	132
B KZN266 Ulundi	-	91	108	115	114	114	139	146	153
Total: Umkhanyakude Municipalities	655	573	393	514	504	504	619	650	682
B KZN271 Umhlaluyalingana	90	-	90	90	96	96	120	126	132
B KZN272 Jozini	-	185	101	106	106	106	120	126	132
B KZN273 The Big 5 False Bay	-	96	-	-	-	-	-	-	-
B KZN274 Hlabisa	186	100	-	106	90	90	139	146	153
B KZN275 Mtubatuba	379	192	202	212	212	212	240	252	265
Total: uThungulu Municipalities	626	945	1 104	1 257	1 241	1 241	1 363	1 430	1 500
B KZN282 uMhlathuze	360	558	595	621	620	620	720	756	794
B KZN283 Ntambanana	-	-	85	85	90	90	120	126	132
B KZN284 uMlalazi	79	181	204	216	215	215	259	272	286
B KZN285 Mthonjaneni	90	96	101	125	106	106	120	126	132
B KZN286 Nkandla	97	110	119	210	210	210	144	150	156
Total: Ilembe Municipalities	180	294	310	327	497	497	619	650	683
B KZN291 Mandeni	-	90	95	101	186	186	240	252	265
B KZN292 KwaDukuza	90	96	101	106	191	191	240	252	265
B KZN293 Ndwedwe	90	108	114	120	120	120	139	146	153
Total: Sisonke Municipalities	169	379	594	628	628	628	758	796	835
B KZN431 Ingwe	-	102	114	120	120	120	139	146	153
B KZN432 Kwa Sani	-	-	85	90	90	90	120	126	132
B KZN433 Greater Kokstad	-	169	186	197	197	197	240	252	265
B KZN434 Ubuhlebezwe	90	96	101	106	106	106	120	126	132
B KZN435 Umzimkulu	79	12	108	115	115	115	139	146	153
Unallocated									
Total	6 391	9 840	17 334	23 032	23 015	23 015	23 741	24 928	15 380

VOTE 16

Sport and Recreation

Operational budget	R 381 349 000
MEC remuneration	Nil
Total amount to be appropriated	R 381 349 000
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

As a result of the Sport and Recreation Indaba held in September 2011, the National Department of Sport and Recreation (NDOSR) changed its National Sport and Recreation Plan (NSRP). To align with this, the department changed its vision, mission, strategic goals, strategic objectives and core functions to be more relevant in terms of the nationally revised framework.

Vision

The vision of the Department of Sport and Recreation is: *An active and winning province through sport and recreation.*

Mission statement

The department's mission is: *To transform the sport and recreation environment through integrated, sustainable mass participation, development and high performance programmes at all levels by ensuring equitable access and alignment to government outcomes so as to improve the quality of life of all the citizens of KwaZulu-Natal.*

Strategic goals

The strategic goals of the department are to promote and contribute to:

- The health and well-being of the citizens of KZN through an increase in participation in mass-based events by 2015.
- A 10 per cent increase in performance in national/international events through the implementation of a structured system of talent optimisation and development by 2015.
- Good governance and accountability in sport and recreation by improving internal processes and systems to achieve a clean audit by 2015.
- Economic growth and opportunities through sport and recreation.

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.

¹ The salary of the MEC for Sport and Recreation is budgeted for under Vote 15: Arts and Culture.

The department has set the following strategic objectives in order to achieve this:

- *Sport Promotion and Development*: To provide strategic managerial direction, administrative and logistical support in creating a winning province through the delivery of sustainable development and high performance programmes by 2015.
- *Provincial Policy and Planning Services*: To provide integrated provincial planning, sport and recreation policy, strategy and institutional development, quality research and the equitable allocation and distribution of resources to 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 relevant stakeholders for the delivery of 47 new/upgraded sport facilities, talent optimisation, sport development, scientific support and high performance programmes to benefit 18 000 athletes especially from disadvantaged backgrounds, by 2015.
- *Stakeholder Management*: To promote and contribute to the establishment of strategic working partnerships with relevant stakeholders for the delivery of talent optimisation, sport development, scientific support and high performance programmes with emphasis on participants from disadvantaged and rural communities by 2015.
- *Facilities*: To create an enabling environment for the delivery of sustainable sport and recreation programmes by 2015.
- *Special Projects*: To promote effective and efficient management of special and outreach projects through good governance within sport and recreation entities by 2015.
- *Recreation*: To promote active communities through mass participation and recreation programmes at all levels thereby contributing to an active province by 2015.
- *School Sport*: To provide an integrated school sport and recreation programme by 2015.

Core functions

The core functions of the department are:

- Development of priority and minor codes of sport.
- Providing financial assistance to sport and recreation federations/organisations to fast-track transformation through development of high performance, and empowerment programmes for participation in provincial and national tournaments.
- Develop and implement a strategic high performance framework for sport in the province that will ensure talent optimisation, equality of access and excellence that will entrench KZN as the “number one sporting province”.
- Phased-in implementation of the NSRP and other regulatory frameworks which must be closely monitored to identify any hindrances which may impact negatively on implementation.
- Implementation and monitoring of the Transformation Charter and Score Card to promote issues of equity, equality, excellence, access, organisational culture and good co-operative governance.
- Promote the hosting of major provincial, national and international sport and recreation programmes/events.
- Align sport and recreation programmes to the new growth path and government outcomes in general.
- Delivery of effective school sport programmes with special emphasis placed on the formation of viable school sport code structures.
- Promote active and healthy communities through the implementation of sustainable recreation and mass sport and recreation participation programmes at district/ward levels.
- Creation of jobs through mass sport and recreation participation programmes.

- Effective monitoring and evaluation systems must be put in place to ensure delivery against pre-determined objectives.
- Provide administrative support and capacity building to sport and recreation federations to promote good governance and accountability.
- Promote the integrated development of athletes through the establishment of an academy system, sport councils in local wards and scientific support programmes.
- Fast-track infrastructure development projects in different nodes in the province, targeting previously disadvantaged communities.
- Improve access to sport and recreation facilities in the province.

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 No. 108 of 1996)
- 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 Act (Act No. 2 of 2010)
- 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 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 2012/13 financial year

Section 2 provides a review of 2012/13, 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 redefined its goals and objectives and aligned them toward the achievement of government outcomes and the War on Poverty campaign. Consideration was given to the mandates

governing sport and recreation, needs of stakeholders (internal and external), and the MDGs. In the implementation of the performance plan, the department took cognisance of sport and recreation as an effective developmental tool and identified the need to ensure that sport and recreation was available to everyone in KZN's communities, regardless of their background. The department implemented a range of initiatives, such as the school sport programme, to help identify talent from an early age and maximise access to sport and recreation while increasing participation among groups with traditionally low participation rates, such as people from rural backgrounds.

Sport for life

A vast number of youth benefited from behavioural change campaigns at a district level. The department supported existing youth centres/clubs and organisations in dealing with health and lifestyle related issues. The department's Sport for Life programme adopted a holistic approach to educating the youth, which included technical skills in sports such as soccer, netball, cricket, etc., life skills such as teamwork, time management, responsibility and reliability, which in turn prepares the youth for work.

Health and wellness

The department's Work and Play programme provides an environment that energises government employees, encourages inter-departmental co-operation and improves the health and well-being of government employees. The programme was launched in 11 districts, and the provincial inter-departmental games were held in June 2012 at the University of KwaZulu-Natal (UKZN) sport fields in Pietermaritzburg. The programme benefited about 5 000 employees.

School sport

The department committed a budget of R59.200 million toward the revival of the School Sport programme. The programme revived competitions and tournaments from district through to national levels. The programme provided support to development and high performance programmes. The programme benefited 3 000 schools registered in the programme, as well as 325 000 learners. The department experienced challenges with regard to the purchase of sport equipment, which resulted in the department not reaching its target of 490 000 learners benefiting from the programme. The NDOSR entered into a transversal contract for the purchase of sport equipment, such as sport attire and kits, and requested that all provincial departments purchase their sport equipment as per the contract. The challenge was that the service provider contracted through NDOSR is not based in KZN. The department successfully hosted the Provincial Top Schools Tournament in Durban in September 2012 and the champion schools participated in the National Top Schools Tournament in nine codes of sport in Pretoria in December 2012.

Social cohesion

Programmes addressing social cohesion cut across most programmes of the department. The department successfully hosted three beach games and water safety programmes at Umgababa, Mandeni and KwaDukuza. The department introduced eight indigenous games, which included *umlabalaba* (board games), *ingqathu* (rope skipping) and *induku* (stick fighting) in 56 service delivery sites. A camp was held at the Ugu Sports Complex for selected athletes in preparation for the National Indigenous Games Festival, where KZN won a gold trophy. The Dundee July (rural horse riding) was held at the Endumeni Race Track, with over 10 000 spectators. An estimated 120 horses and jockeys participated in seven races. The department also successfully held the Sisonke Summer Cup at Kilimon in November 2012, with about 5 000 attendees.

3. Outlook for the 2013/14 financial year

Section 3 looks at the key focus areas for 2013/14, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

General

In 2013/14, the department will focus on ensuring that sporting opportunities are accessible to all, including sport federations, associations such as the Comrades Marathon Association, and all those entrusted with the delivery of sport.

School sport

The department's school sport intervention programme is designed to revive school sport through the formation of viable sport code structures in 16 priority codes of sport including volleyball, netball, soccer and cricket. The department will establish leagues in schools registered in the programme. An estimated 5 000 schools and 610 000 learners are expected to benefit from the programme in 2013/14.

Sport for life

This programme has been adopted by the department to use sport and recreation as a means to develop citizenship values in young people and to teach them how to make a valuable contribution to their communities. The programme will continue to adopt a holistic approach to education of the youth, that includes technical skills, life skills and preparation for work. The focus on education and job creation will be increased in order to discourage young people from adopting risky patterns of behaviour such as crime, substance abuse, and potential exposure to HIV/AIDS and unplanned pregnancies. The programme will be implemented through 49 existing youth clubs/centres in 2013/14, in prioritised wards, with 2 500 youth expected to benefit.

Sport academies

The department plans to establish 11 district academies that will link into the KZN Academy of Sport in Durban in 2013/14. The purpose of the district academies is to take technical, scientific and medical services to the sporting community (i.e. athletes, coaches, administrators and technical officials). These services will create a structured pathway for talented coaches, administrators and technical officials residing in the regions.

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 2009/10 to 2015/16. 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 Mass Participation and Sport Development (MPSD) grant, the EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces.

Table 16.1: Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Provincial allocation	174 039	216 851	270 639	285 166	285 166	285 166	296 589	310 278	322 910
Conditional grants	85 148	90 756	87 694	92 122	92 122	92 122	84 760	83 877	88 071
Mass Participation and Sport Development grant	85 148	90 256	87 694	91 122	91 122	91 122	79 883	83 877	88 071
EPWP Integrated Grant for Provinces	-	500	-	1 000	1 000	1 000	550	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	-	-	-	-	4 327	-	-
Total receipts	259 187	307 607	358 333	377 288	377 288	377 288	381 349	394 155	410 981
Total payments	239 342	276 740	307 836	377 288	384 163	384 163	381 349	394 155	410 981
Surplus/(Deficit) before financing	19 845	30 867	50 497	-	(6 875)	(6 875)	-	-	-
Financing									
of which									
Provincial roll-overs	-	3 458	-	-	-	-	-	-	-
Provincial cash resources	7 000	-	-	-	6 875	6 875	-	-	-
Surplus/(deficit) after financing	26 845	34 325	50 497	-	-	-	-	-	-

In 2009/10, the department received R7 million relating to soccer development from the Office of the Premier (OTP). The under-expenditure of R26.845 million mainly relates to cost-cutting (R20.948 million), and under-spending of R5.897 million in respect of the MPSD grant. The under-spending against the MPSD grant resulted from challenges with acquiring sporting equipment for activity parks (play parks for recreational purposes).

Of the R5.897 million under-spent in 2009/10, 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. Furthermore, the department received R500 000 in respect of the EPWP Integrated Grant for Provinces. 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's head office, 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.

The under-expenditure of R50.497 million in 2011/12 relates to challenges experienced by the Department of Public Works (DOPW) in securing appropriate office space for establishing district offices in the Ugu and Sisonke districts, as well as appropriate office space for the department's head office. Also, vacant posts were not filled due to the non-implementation of the organisational structure. Due to the change in the MEC, the organisational structure was reviewed and submitted to DPSA for approval. After reviewing, however, DPSA made recommendations to the department to improve the structure. The process of reviewing therefore took longer than anticipated, resulting in the non-implementation of the organisational structure, as it is not approved by the DPSA yet. Furthermore, non-appointment of the HOD resulted in further under-spending.

In 2012/13, an amount of R5.700 million was suspended from Vote 6: Provincial Treasury (from the Strategic Cabinet Initiatives provision) for the hosting of the Soccerex Africa Forum, held in the province in October 2012. This event focused on growing football's legacy in Africa and brought together over 1 000 senior decision makers in the football fraternity to share their expertise. The department was also allocated R1.175 million for the 2012 wage agreement shortfall. These amounts are reflected against provincial cash resources.

The department has been allocated funding in respect of the EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces in line with DORA, 2013. There are no allocations against these grants in the outer years of the MTEF at this stage. The department shows a steady increase over the 2013/14 MTEF.

4.2 Departmental receipts collection

Table 16.2 below provides details of the revenue collection by this department from 2009/10 to 2015/16. Details of departmental receipts are presented in *Annexure – Vote 16: Sport and Recreation*

Table 16.2: Details of departmental receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	35	49	77	65	65	65	70	75	80
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	169	-	239	-	-	-	-	-	-
Transactions in financial assets and liabilities	149	118	78	30	30	30	30	30	30
Total	353	167	394	95	95	95	100	105	110

The bulk of the revenue for this department is collected against *Sale of goods and services other than capital assets*. This is mainly in respect of commission on insurance and garnishee orders and fees charged by the department for the issuing of tender documents. The budget over the MTEF is as a result of inflationary increments.

The amounts against *Sale of capital assets* in 2009/10 and 2011/12 relate to the auctioning of redundant assets such as vehicles, computers, etc. There are no projections in 2012/13 and over the MTEF period, 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 department applied the following broad assumptions when compiling the budget:

- No funding was received for the carry-through costs of the 2012 above-budgeted wage agreement. The department has reprioritised these costs from within its baseline. An inflationary wage adjustment of 6.3 per cent for 2013/14, 6.1 per cent for 2014/15 and 5.9 per cent for 2015/16 is provided through internal reprioritisation.
- 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, while bearing in mind the moratorium on the filling of non-critical posts.
- All inflation related increases are based on CPI projections.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2013/14, will continue to be adhered to over the 2013/14 MTEF.

5.2 Additional allocations for the 2011/12 to 2013/14 MTEF

Table 16.3 shows additional funding received by the department over the three MTEF periods: 2011/12, 2012/13 and 2013/14. 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 2011/12 and 2012/13 MTEF periods (i.e. for the financial year 2015/16) are based on the incremental percentage used in the 2013/14 MTEF.

Table 16.3: Summary of additional provincial allocations for the 2011/12 to 2013/14 MTEF

R thousand	2011/12	2012/13	2013/14	2014/15	2015/16
2011/12 MTEF period	1 340	1 286	1 190	1 261	1 337
Carry-through of 2010/11 Adjustments Estimate - 2010 wage agreement	1 483	1 470	1 421	1 506	1 597
National Cabinet decision to cut provinces by 0.3 per cent	(143)	(184)	(231)	(245)	(260)
2012/13 MTEF period		971	1 020	1 071	1 071
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement		971	1 020	1 071	1 071
2013/14 MTEF period			(4 090)	(8 432)	(10 461)
Census data update and 1%, 2% and 3% baseline cuts			(4 090)	(8 432)	(10 461)
Total	1 340	2 257	(1 880)	(6 100)	(8 053)

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National Cabinet decision to cut provinces by 0.3 per cent	(143)	(184)	(231)	(245)	(260)
2012/13 MTEF period		971	1 020	1 071	1 071
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement		971	1 020	1 071	1 071
2013/14 MTEF period			(4 090)	(8 432)	(10 461)
Census data update and 1%, 2% and 3% baseline cuts			(4 090)	(8 432)	(10 461)
Total	1 340	2 257	(1 880)	(6 100)	(8 053)

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 reduction in KZN was sourced by capping the interest on the overdraft provision and by marginally decreasing the budgeted surplus. The balance was sourced proportionally from all 16 provincial votes. The effect of this was a slight reduction in the budget over the entire period.

In the 2012/13 MTEF, the department was allocated funding toward the carry-through costs of the higher than anticipated 2011 wage agreement.

In the 2013/14 MTEF, National Treasury took a decision to impose 1, 2, and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period.

As a result of the directive from NDOSR, that the department must train and capacitate educators in schools who will then coach the students, the department decided to use equitable share funding to employ volunteers, as the department considers the role played by the volunteers to be very effective. The department implemented the baseline cuts against *Compensation of employees* and *Goods and services*. The impact of the cuts will be that the department will not be able to renew contracts for all volunteers and there will be a reduction in sport equipment purchased such as sport kits and attire purchased to support schools. It is noted that the reduction against *Compensation of employees* is offset by additional funding received in 2013/14 in respect of the EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces. These funds will be used to employ 196 volunteers as contract workers.

5.3 Summary of programme and economic classification

The budget and programme structure of the department is aligned with the uniform budget and programme structure for the Sport, Arts and Culture sector.

Tables 16.4 and 16.5 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 generally steady increase in actual spending and the budget over the seven-year period.

Table 16.4: Summary of payments and estimates by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	38 139	42 888	53 235	82 446	69 343	69 343	80 158	83 839	85 930
2. Sport and Recreation	201 203	233 852	254 601	294 842	314 820	314 820	301 191	310 316	325 051
Total	239 342	276 740	307 836	377 288	384 163	384 163	381 349	394 155	410 981

Table 16.5: Summary of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	204 744	251 568	261 827	313 904	326 673	326 673	301 578	313 313	336 345
Compensation of employees	70 224	88 733	101 013	124 422	124 578	124 578	108 345	110 684	118 055
Goods and services	134 520	162 835	160 814	189 482	202 095	202 095	193 233	202 629	218 290
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	26 100	14 278	31 510	29 482	31 601	31 601	41 857	44 128	45 565
Provinces and municipalities	20 377	8 205	18 240	18 377	19 877	19 877	19 389	20 553	21 498
Departmental agencies and accounts	58	70	89	105	101	101	118	125	131
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	5 200	6 000	8 600	11 000	11 000	11 000	21 650	22 650	23 100
Households	465	3	4 581	-	623	623	700	800	836
Payments for capital assets	8 498	10 894	14 470	33 902	25 889	25 889	37 914	36 714	29 071
Buildings and other fixed structures	5 815	8 400	10 940	30 265	19 565	19 565	32 380	30 663	23 705
Machinery and equipment	1 924	1 582	2 482	3 170	5 857	5 857	5 041	5 529	4 944
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	759	912	1 048	467	467	467	493	522	422
Payments for financial assets	-	-	29	-	-	-	-	-	-
Total	239 342	276 740	307 836	377 288	384 163	384 163	381 349	394 155	410 981

The increase in spending from 2009/10 to 2011/12 against Programme 1: Administration is largely in respect of the setting up of district offices. The decrease in the 2012/13 Adjusted Appropriation is attributed to the department reprioritising funds to Programme 2 against *Goods and services*. These savings were related to continuous challenges in the establishment of district offices, as well as in finding accommodation for the department's head office. These savings were moved to Programme 2 to cater for the department's participation in the National Indigenous Games, which were under-budgeted for, and also to improve administration capacity within the Rural Horse Riding programme, by training people within federations. The increase over the 2013/14 MTEF is due to the planned implementation of the reviewed organisational structure in line with the moratorium on the filling of non-critical posts and the anticipated appointment of the HOD.

The increase from 2009/10 to 2010/11 against Programme 2: Sport and Recreation was mainly in respect of the MPSD grant, construction of sport and recreation facilities, funding relating to soccer development moved from OTP, appointment of personnel, the carry-through costs of wage agreements, and hosting of major sporting events such as the SA Games, National Indigenous Games, etc. In 2010/11, the department received a roll-over in respect of the MPSD conditional grant. The increase in 2011/12 is due to the department reprioritising funds from Programme 1 to Programme 2. The increase in the 2012/13 Adjusted Appropriation is due to the department reprioritising funds from Programme 1 against *Goods and services*, as previously mentioned, hosting of the Soccerex Africa Forum and the higher than anticipated 2012 wage agreement. The increase over the 2013/14 MTEF is attributable to inflationary increments, with 2013/14 including the EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces.

The increase in *Compensation of employees* from 2010/11 to 2011/12 is due to the increase in personnel in respect of critical posts being filled, and volunteers employed under the conditional grant. The increase in the 2012/13 Main Appropriation compared to 2011/12 is due to the increase in volunteer stipends from R1 500 for facilitators and R2 000 for hub co-ordinators to R2 073 and R3 545, respectively. The slight increase in the 2012/13 Adjusted Appropriation relates to additional funding for the higher than budget 2012 wage agreement and the filling of posts. The decrease over the MTEF is due to the implementation

of the baseline cuts, as mentioned previously, whereby some volunteers who were on contract will no longer be employed. Furthermore, the decrease is due to the directive from NDOSR to minimise the use of volunteers, and to rather train teachers to implement the duties of volunteers, such as facilitators.

Goods and services increased from 2009/10 to 2010/11 as a result of spending on soccer development, for which funds were received from OTP, as previously mentioned. Spending in 2011/12 relates to the facilitating and hosting of provincial sporting events and programmes, as well as operating and administrative costs such as office accommodation, travelling, etc. The slight decrease in 2011/12 compared to 2010/11 is due to delays in the appointment of contractors, preparation and signing of SLAs between the department and the service providers. This resulted in the purchase and payment of goods such as sporting equipment and kits not being done before year-end. The increase in the 2012/13 Adjusted Appropriation is due to funds suspended from Vote 6: Provincial Treasury (from the Strategic Cabinet Initiatives provision) for the hosting of the Soccerex Africa Forum, as previously mentioned. Furthermore, funds were reprioritised from *Buildings and other fixed structures* to cater for the department's participation in the National Indigenous Games, and also to improve administrative capacity within the Rural Horse Riding programme by training people. The ~~dip~~-decline in 2013/14 can be attributed to the baseline cuts. The increase from 2014/15 onward is due to inflationary increments.

The high spending against *Transfers and subsidies to: Provinces and municipalities* in 2009/10 relates to the construction of new sport and recreation facilities such as combination courts, with municipalities as implementing agents. In 2010/11, the department decided to minimise the use of municipalities as implementing agents for construction of sport facilities, but rather to undertake a number of construction projects directly to improve service delivery in sport and recreation, explaining the decrease in 2010/11. Furthermore, the municipalities experienced challenges with regard to the completion of construction of sport facilities, such as adverse weather conditions. The substantial increase in 2011/12 was due to pressures relating to commitments which remained unpaid from 2010/11 in respect of the Ingangane, Mpofana and Nkosi Bhambatha projects. The increase in the 2012/13 Adjusted Appropriation is in respect of maintenance grants that are paid to municipalities for the upkeep of sport facilities constructed by the department. These funds were reprioritised from *Buildings and other fixed structures*. The increase over the 2013/14 MTEF is due to inflationary increments.

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 2010/11 to 2011/12 can be attributed to the increase in the number of posts filled. The decrease in the 2012/13 Adjusted Appropriation is due to the non-filling of posts and the non-appointment of additional volunteers, which resulted in a lower wage bill used as a basis of calculating the skills development levy. These funds were reprioritised to *Transfers and subsidies to: Households* to cater for staff exit costs. The increase over the 2013/14 MTEF relates to the anticipation that vacant posts will be filled, in line with the moratorium on the filling of non-critical posts.

Transfers and subsidies to: Non-profit institutions caters for payments made to sporting federations and other sporting bodies to assist with the promotion and development of sport and recreation. The low 2009/10 spending can be attributed to reprioritisation of funds to *Goods and services* to cater for commitments from 2008/09, as well as enforced savings relating to the Cabinet-approved Provincial Recovery Plan. The increase over the 2013/14 MTEF is to cater for the growing number of requests from sporting organisations for financial assistance.

Spending against *Transfers and subsidies to: Households* fluctuates from 2009/10 to 2012/13. This category caters for leave gratuities, which are difficult to budget for due to uncertainty. The substantial increase in 2011/12 is due to the inclusion of the arbitration costs which were paid out to an employee of the department and bursary payments made to the OTP for centralised bursaries. Due to a change in SCOA classification, the allocation for bursaries to non-employees was moved from *Goods and services* to *Transfers and subsidies to: Households* from the 2012/13 Adjusted Appropriation onward. This explains the allocation over the 2013/14 MTEF. The department adjusted prior year figures for comparative purposes.

In 2009/10, the department received a directive from the NDOSR that no further infrastructure was to be built with the MPSD grant, therefore funding was shifted from *Buildings and other fixed structures* to *Goods and services*. The increase in 2011/12 against *Buildings and other fixed structures* is due to the number of construction projects that the department undertook directly. The decrease in the 2012/13 Adjusted Appropriation is due to continuous challenges experienced with the establishment of district offices, as well as accommodation for the department's head office, as DOPW has found it difficult to secure appropriate buildings for these offices. Furthermore, a contract between the service provider and the department was terminated with regard to the construction of the Cecil Emmett sport field in Vryheid (Abaqulusi). The appointed contractor realised that it would not be feasible to start with construction after he realised the extent of ground work that needed to be done with the available funds. The department therefore reprioritised funds to *Transfers and subsidies to: Provinces and municipalities, Goods and services, and Machinery and equipment*. The negative trend over the 2013/14 MTEF can be attributed to the decrease in respect of the establishment of the department's district offices. Appropriate offices were secured in the form of old government sites but, due to the high costs of renovating the buildings, an architect advised that the buildings be demolished and rebuilt on the site. The department has allocated R11 million in 2013/14 and R8 million in 2014/15 toward the establishment of the district offices. No funds have been budgeted for 2015/16, as the department anticipates the construction to be complete by the end of 2014/15. Due to the length of time it will take to complete the construction of the head office, DOPW has decided to acquire leasehold offices for the department in the interim.

The low spending against *Machinery and equipment* in 2010/11 was due to cost-cutting. The increase in 2011/12 relates to additional vehicles purchased for officials who undertake field work. The increase in the 2012/13 Adjusted Appropriation is due to funds reprioritised from *Buildings and other fixed structures*, for the unanticipated purchase of an access control security system for the head office in Durban. The increase in 2013/14 and 2014/15 can be attributed to the purchase of office equipment for the Ugu and Sisonke district offices, as well as upgrading of departmental computer equipment. The decrease in 2015/16 can be attributed to the department's anticipation to have completed setting up the district offices.

The high spending against *Software and other intangible assets* in 2010/11 and 2011/12 in comparison to 2009/10 is due to spending on the Project Proposal Management System software (this system manages project expenditure and performance management data). The increase in 2013/14 and 2014/15 relates to the department's investment in computer software for the new district offices. The decrease in 2015/16 is as a result of the department's anticipation to have completed setting up new district offices.

Spending against *Payments for financial assets* in 2011/12 relates to the write-off of staff debts which were not budgeted for due to their uncertainty.

5.4 Summary of payments and estimates by district municipal area

Table 16.6 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.

Table 16.6: Summary of payments and estimates by district municipal area

R thousand	Audited Outcome	Revised Estimate	Medium-term Estimates		
	2011/12	2012/13	2013/14	2014/15	2015/16
eThekweni	9 822	5 948	16 269	17 057	17 795
Ugu	14 296	13 668	13 282	13 864	14 395
uMgungundlovu	99 628	149 604	149 358	150 721	159 160
Uthukela	12 676	16 694	16 483	17 580	18 287
Umkhanyathi	15 869	15 164	15 804	16 545	17 231
Amajuba	12 530	13 143	13 582	14 183	14 736
Zululand	11 873	18 464	18 955	20 013	20 899
Umkhanyakude	13 098	16 028	16 054	16 798	17 334
uThungulu	13 927	12 984	12 758	13 307	13 808
Ilembe	13 207	14 519	14 661	15 638	16 226
Sisonke	12 853	23 826	13 985	14 610	15 180
Total	229 779	300 042	301 191	310 316	325 051

The variances between district municipal areas are according to the various provincial and national events hosted by the district municipalities and the transfer payments made to the district municipalities. It is noted that the bulk of the spending for the five-year period is concentrated in the uMgungundlovu District Municipality. The department hosts various provincial and national events and, although staff from all districts assist with these events, and participants are from all district municipalities, they are managed and co-ordinated centrally. As such, the expenditure is reflected against uMgungundlovu, which is the department's main cost centre. 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 2012/13 is due to the bulk of the MPSD grant being allocated centrally, due to most national and provincial events being co-ordinated in this area.

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 across the different district municipalities is the portion 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 16.7 and 16.8 summarise payments and estimates in respect of the MPSD grant, the EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces. The MPSD grant consists 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.

Further details are given in *Annexure – Vote 16: Sport and Recreation*.

Table 16.7: Summary of conditional grant payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Mass Participation and Sport Development grant	79 249	93 714	87 694	91 122	91 122	91 122	79 883	83 877	88 071
EPWP Integrated Grant for Provinces	-	-	-	1 000	1 000	1 000	550	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	-	-	-	-	4 327	-	-
Total	79 249	93 714	87 694	92 122	92 122	92 122	84 760	83 877	88 071

Table 16.8: Summary of conditional grant payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	78 742	93 664	87 694	92 122	92 122	92 122	84 760	83 877	88 071
Compensation of employees	25 565	41 260	35 625	15 426	15 426	15 426	17 357	8 806	9 245
Goods and services	53 177	52 404	52 069	76 696	76 696	76 696	67 403	75 071	78 826
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	507	50	-	-	-	-	-	-	-
Buildings and other fixed structures									
Machinery and equipment	507	50	-	-	-	-	-	-	-
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total	79 249	93 714	87 694	92 122	92 122	92 122	84 760	83 877	88 071

The substantial increase against the MPSD grant in 2010/11 relates to funds rolled over from 2009/10, as explained previously. The decrease in 2011/12 can be ascribed to the reduction of the conditional grant funding by NDOSR, as mentioned. The decrease in the 2013/14 MTEF is as a result of a directive from NDOSR to minimise the use of volunteers, and to rather train teachers to implement the tasks of the volunteers, such as coaching.

The department received R500 000 in respect of the EPWP Integrated Grant for Provinces in 2010/11 for the implementation of EPWP projects, but these funds were not spent and therefore are not included in Table 16.7 and 16.8. Spending against this grant in 2012/13 is for the payment of volunteers employed, such as hub co-ordinators. In 2013/14, the department has been allocated funding in respect of both the EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces. These funds will be used jointly to employ 196 volunteers as contracts workers. The department entered into contract with volunteers in 2011/12, but the end date for the volunteers' contracts is March 2013. The department considers the role played by the volunteers to be very effective, and has therefore decided to retain some of the volunteers and use these grants to fund the volunteer programme. There are no allocations against either of these grants in the outer years, at this stage.

The substantial increase against *Compensation of employees* in 2010/11 is due to the increase in the number of volunteers employed as a result of the number of new schools, hubs and clubs that were added to the programme and the increase in volunteer stipends. 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 in other departments. The decrease in 2012/13 is in line 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*, explaining the increase against *Goods and services*. The increase in 2013/14 is due to the employment of volunteers as contract workers, as previously mentioned. The decrease in 2014/15 and 2015/16 is due to the fact that no allocations have been made in respect of the EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces at this stage, and the directive from NDOSR to train teachers to undertake the duties of the volunteers, as mentioned.

The increase against *Goods and services* in 2012/13 is due to the establishment of clubs to further develop different codes of sport. The establishment of sport academies and high performance centres, as well as the carry-through costs for the administration of the district offices added to the increase in that year. The dip in 2013/14 is due to the cut in the grant, and thereafter there is a steady growth.

The once-off spending against *Machinery and equipment* in 2009/10 and 2010/11 relates to the purchase of equipment and upgrading of computer equipment. 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 are paid for under *Goods and services*.

5.6 Summary of infrastructure payments and estimates

Table 16.9 below illustrates infrastructure spending over the seven-year period.

The infrastructure budget of the department fluctuates over the seven-year period, as explained below.

Table 16.9: Summary of infrastructure payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
New and replacement assets	5 815	8 400	10 940	30 265	19 565	19 565	32 380	30 663	23 705
Existing infrastructure assets	1 017	1 556	1 745	2 163	2 163	2 163	2 282	2 420	2 541
Upgrades and additions									
Rehabilitation, renovations and refurbishments									
Maintenance and repairs	1 017	1 556	1 745	2 163	2 163	2 163	2 282	2 420	2 541
Infrastructure transfer	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476
Current	-	-	3 300	2 400	4 950	4 950	4 950	4 950	4 950
Capital	20 357	8 197	14 924	15 960	14 910	14 910	14 420	15 582	16 526
Capital infrastructure	26 172	16 597	25 864	46 225	34 475	34 475	46 800	46 245	40 231
Current infrastructure	1 017	1 556	5 045	4 563	7 113	7 113	7 232	7 370	7 491
Total	27 189	18 153	30 909	50 788	41 588	41 588	54 032	53 615	47 722

The minimal spending in 2009/10 against *New and replacement assets* is due to the department receiving a directive from the NDOSR that no further infrastructure is to be built using grant funding, as mentioned above. The increase in 2011/12 is due to the number of construction projects that the department undertook directly, rather than transferring the funds to the municipalities for implementation. The decrease in the 2012/13 Adjusted Appropriation is due to challenges experienced with the establishment of district offices, as well as accommodation for the department's head office, as mentioned previously. Also contributing to the decrease was the termination of the Cecil Emmett sport field in Vryheid (Abaqulusi), as mentioned above. The funds that became available due to these challenges were reprioritised to *Infrastructure transfers: Current*, for the maintenance and repair of sport fields, *Goods and services* and *Machinery and equipment*. The negative trend over the 2013/14 MTEF can be attributed to the decrease in respect of the establishment of the department's district offices. The department has allocated R11 million in 2013/14 and R8 million in 2014/15 toward the establishment of the district offices. No funds have been budgeted for 2015/16, as the department anticipates the buildings to be complete by the end of 2014/15. With regard to the head office, due to the length of time it will take to complete the construction of the head office, DOPW has decided to acquire leasehold offices for the department in the interim. The 2013/14 MTEF provides for the construction of various sport facilities such as the Shayamoya sport field, and the Ugu and Sisonke district offices.

Maintenance and repairs caters for repairs to office buildings and sporting facilities. Spending in 2010/11 includes carry-through costs from 2009/10 in respect of maintenance and repairs, such as resurfacing of combi courts and the erection of fences, which were undertaken late in 2009/10 and were only completed in 2010/11. The increase in 2011/12 and over the 2013/14 MTEF is due to inflationary increments.

A major part of the department's capital infrastructure budget is reflected against *Infrastructure transfer: Capital*. The reduction in 2010/11 relates to the new approach the department undertook to rather implement projects themselves, as explained previously. The substantial increase in 2011/12 is due to funds moved from *Goods and services* to cater for the construction of sport fields which were incomplete as at the end of 2010/11, as mentioned above. During the finalisation of the previous year's budget, the department inadvertently excluded 10 municipalities from receiving maintenance grants in respect of the upkeep of sport facilities constructed by the department. The department therefore reprioritised funds from *Infrastructure transfer: Capital* to *Infrastructure transfer: Current*, explaining the decrease in the

2012/13 Adjusted Appropriation. The increase over the 2013/14 MTEF is due to inflationary increments and includes projects such as the Ingwe and Jozini sport fields, etc.

The increase in the 2012/13 Adjusted Appropriation against *Infrastructure transfer: Current* is due to funds reprioritised from *New and replacement assets* and *Infrastructure transfer: Capital*, as mentioned above, for the maintenance and repairs of sport facilities undertaken by municipalities. The allocation over the 2013/14 MTEF is in respect of provision made for the appointment of staff to undertake maintenance of sport fields constructed in municipalities.

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 16.10 below indicates the transfer payments that the department makes to sporting organisations for the promotion and development of sport and recreation in the province.

Note that all transfer payments fall under *Transfers and subsidies to: Non-profit institutions*.

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 increase in 2011/12 and over the 2013/14 MTEF caters for the increase in the number of requests from sport federations for financial assistance. These academies promote participation in sports such as volleyball, table tennis and soccer.

The line *Various other organisations* includes other non-profit institutions such as sporting and recreation clubs who assist the department in promoting sport and recreation in the province. The department transfers funds once the necessary documents (such as AFS, close-out reports, proper business plans) have been submitted by the non-profit institutions in the year prior to funding. Accordingly, it is not possible to identify the recipient institutions for ensuing years, and hence the allocation is classified against *Various other organisations*.

Table 16.10: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
		2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
						2012/13				
Amajuba Regional Academy	2.2 Sport	-	-	-	-	-	-	250	250	250
Council for Scientific Industrial Research (CSIR)	2.2 Sport	-	-	400	500	500	500	550	650	750
DBN Rowing Club	2.2 Sport	-	-	-	-	-	-	100	100	100
Deep Sea Angling	2.2 Sport	-	-	-	40	40	40	50	50	50
DSR Youth Run	2.2 Sport	-	-	-	550	550	550	1 000	1 000	1 000
Fedansa (Dance Sport)	2.2 Sport	-	150	225	250	250	250	275	275	275
Fly-fishing	2.2 Sport	-	75	30	20	30	30	40	40	40
GIBA Gorge BMX Track & Academy	2.2 Sport	-	-	-	-	750	750	1 000	1 000	1 000
KZN Amateur Boxing Association	2.2 Sport	200	250	300	325	325	325	350	350	350
KZN Aquatics Association	2.2 Sport	400	500	845	575	575	575	1 000	1 200	1 300
KZN Athletics Association	2.2 Sport	1 550	900	450	450	300	300	1 000	1 200	1 300
KZN Badminton Association	2.2 Sport	-	-	50	50	-	-	75	75	75
KZN Baseball	2.2 Sport	80	100	145	175	175	175	400	400	400
KZN Basketball	2.2 Sport	-	100	100	110	-	-	120	120	120
KZN Canoe Union	2.2 Sport	150	150	175	225	225	225	500	500	500
KZN Chess	2.2 Sport	-	-	100	100	-	-	150	150	150
KZN Cricket Union (Coastal)	2.2 Sport	400	400	400	450	450	450	750	750	750
KZN Cycling	2.2 Sport	-	-	-	-	-	-	150	150	150
KZN Disability Sport (KZNDISSA)	2.2 Sport	500	400	380	410	410	410	450	450	450
KZN Golf Union	2.2 Sport	-	-	90	100	100	100	100	100	100
KZN Gymnastics	2.2 Sport	200	200	300	325	325	325	400	400	400
KZN Handball	2.2 Sport	-	-	50	75	75	75	100	100	100
KZN Hockey (Coastal and Midlands)	2.2 Sport	-	-	260	300	300	300	400	400	400
KZN Inland Cricket (Inland)	2.2 Sport	-	-	150	175	175	175	450	450	450
KZN Karate	2.2 Sport	-	50	50	-	-	-	50	50	50
KZN Netball	2.2 Sport	-	200	385	770	10	10	200	200	200
KZN Rugby Union	2.2 Sport	600	500	550	575	575	575	1 000	1 000	1 000
KZN Sailing	2.2 Sport	-	-	-	-	-	-	100	100	100
KZN Softball	2.2 Sport	-	50	50	75	75	75	125	125	125
KZN Sport Confederation	2.2 Sport	-	-	-	200	-	-	1 550	1 550	1 550
KZN Surfing Association	2.2 Sport	-	50	50	150	150	150	200	200	200
KZN Table Tennis (4 x Regional Associations)	2.2 Sport	-	-	-	-	-	-	120	120	120
KZN Tennis	2.2 Sport	-	-	150	-	-	-	100	100	100
KZN Volleyball	2.2 Sport	200	-	200	175	175	175	200	200	200
Marine Lifesaving	2.2 Sport	-	-	-	-	-	-	100	100	100
Natal Canoe Club (Dusi Canoe Marathon & Academy)	2.2 Sport	-	-	-	-	1 050	1 050	1 900	1 900	1 900
Northern KZN Aquatics	2.2 Sport	-	-	-	-	-	-	150	150	150
KZN Academy of Sport	2.2 Sport	600	525	950	500	900	900	1 000	1 000	1 000
SAFA - KZN	2.2 Sport	-	550	600	1 320	880	880	2 300	2 300	2 300
uMgungundlovu Regional Academy	2.2 Sport	-	-	-	400	-	-	250	250	250
University Sport South Africa (USSA)	2.2 Sport	-	100	75	75	75	75	400	400	400
Uthukela Regional Academy	2.2 Sport	-	-	-	-	-	-	250	250	250
uThungulu Regional Academy	2.2 Sport	-	-	-	-	-	-	250	250	250
Age-in-Action	2.4 Recreation	-	200	100	220	220	220	250	250	250
Children Rights Centre	2.4 Recreation	-	-	75	150	150	150	160	160	160
Dare to Dream	2.4 Recreation	-	250	120	150	150	150	160	160	160
Harness Racing Association	2.4 Recreation	-	175	175	215	215	215	225	225	225
Higher Ground (Therapeutic Recreation)	2.4 Recreation	-	-	-	44	44	44	60	60	60
I-Care	2.4 Recreation	-	-	-	50	50	50	60	60	60
Indigenous Games	2.4 Recreation	-	-	175	200	200	200	210	210	210
KZN Lovelife	2.4 Recreation	-	-	150	150	150	150	160	160	160
Lifesaving South Africa (Water Safety)	2.4 Recreation	-	-	-	70	70	70	80	80	80
Roseland's Trust (Butterfly Project)	2.4 Recreation	-	-	-	56	56	56	65	65	65
Rural Horse Riding Association	2.4 Recreation	-	-	110	180	180	180	190	190	190
SA Thola Association	2.4 Recreation	-	-	50	70	70	70	75	75	75
South Coast Horse Care Unit	2.4 Recreation	-	-	-	-	-	-	50	50	50
Various other organisations	Various	320	125	135	-	-	-	-	500	650
Total		5 200	6 000	8 600	11 000	11 000	11 000	21 650	22 650	23 100

Table 16.10: Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
		2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
						2012/13				
Amajuba Regional Academy	2.2 Sport	-	-	-	-	-	-	250	250	250
Council for Scientific Industrial Research (CSIR)	2.2 Sport	-	-	400	500	500	500	550	650	750
DBN Rowing Club	2.2 Sport	-	-	-	-	-	-	100	100	100
Deep Sea Angling	2.2 Sport	-	-	-	40	40	40	50	50	50
DSR Youth Run	2.2 Sport	-	-	-	550	550	550	1 000	1 000	1 000
Fedansa (Dance Sport)	2.2 Sport	-	150	225	250	250	250	275	275	275
Fly-fishing	2.2 Sport	-	75	30	20	30	30	40	40	40
GIBA Gorge BMX Track & Academy	2.2 Sport	-	-	-	-	750	750	1 000	1 000	1 000
KZN Amateur Boxing Association	2.2 Sport	200	250	300	325	325	325	350	350	350
KZN Aquatics Association	2.2 Sport	400	500	845	575	575	575	1 000	1 200	1 300
KZN Athletics Association	2.2 Sport	1 550	900	450	450	300	300	1 000	1 200	1 300
KZN Badminton Association	2.2 Sport	-	-	50	50	-	-	75	75	75
KZN Baseball	2.2 Sport	80	100	145	175	175	175	400	400	400
KZN Basketball	2.2 Sport	-	100	100	110	-	-	120	120	120
KZN Canoe Union	2.2 Sport	150	150	175	225	225	225	500	500	500
KZN Chess	2.2 Sport	-	-	100	100	-	-	150	150	150
KZN Cricket Union (Coastal)	2.2 Sport	400	400	400	450	450	450	750	750	750
KZN Cycling	2.2 Sport	-	-	-	-	-	-	150	150	150
KZN Disability Sport (KZNDISSA)	2.2 Sport	500	400	380	410	410	410	450	450	450
KZN Golf Union	2.2 Sport	-	-	90	100	100	100	100	100	100
KZN Gymnastics	2.2 Sport	200	200	300	325	325	325	400	400	400
KZN Handball	2.2 Sport	-	-	50	75	75	75	100	100	100
KZN Hockey (Coastal and Midlands)	2.2 Sport	-	-	260	300	300	300	400	400	400
KZN Inland Cricket (Inland)	2.2 Sport	-	-	150	175	175	175	450	450	450
KZN Karate	2.2 Sport	-	50	50	-	-	-	50	50	50
KZN Netball	2.2 Sport	-	200	385	770	10	10	200	200	200
KZN Rugby Union	2.2 Sport	600	500	550	575	575	575	1 000	1 000	1 000
KZN Sailing	2.2 Sport	-	-	-	-	-	-	100	100	100
KZN Softball	2.2 Sport	-	50	50	75	75	75	125	125	125
KZN Sport Confederation	2.2 Sport	-	-	-	200	-	-	1 550	1 550	1 550
KZN Surfing Association	2.2 Sport	-	50	50	150	150	150	200	200	200
KZN Table Tennis (4 x Regional Associations)	2.2 Sport	-	-	-	-	-	-	120	120	120
KZN Tennis	2.2 Sport	-	-	150	-	-	-	100	100	100
KZN Volleyball	2.2 Sport	200	-	200	175	175	175	200	200	200
Marine Lifesaving	2.2 Sport	-	-	-	-	-	-	100	100	100
Natal Canoe Club (Dusi Canoe Marathon & Academy)	2.2 Sport	-	-	-	-	1 050	1 050	1 900	1 900	1 900
Northern KZN Aquatics	2.2 Sport	-	-	-	-	-	-	150	150	150
KZN Academy of Sport	2.2 Sport	600	525	950	500	900	900	1 000	1 000	1 000
SAFA - KZN	2.2 Sport	-	550	600	1 320	880	880	2 300	2 300	2 300
uMgungundlovu Regional Academy	2.2 Sport	-	-	-	400	-	-	250	250	250
University Sport South Africa (USSA)	2.2 Sport	-	100	75	75	75	75	400	400	400
Uthukela Regional Academy	2.2 Sport	-	-	-	-	-	-	250	250	250
uThungulu Regional Academy	2.2 Sport	-	-	-	-	-	-	250	250	250
Age-in-Action	2.4 Recreation	-	200	100	220	220	220	250	250	250
Children Rights Centre	2.4 Recreation	-	-	75	150	150	150	160	160	160
Dare to Dream	2.4 Recreation	-	250	120	150	150	150	160	160	160
Harness Racing Association	2.4 Recreation	-	175	175	215	215	215	225	225	225
Higher Ground (Therapeutic Recreation)	2.4 Recreation	-	-	-	44	44	44	60	60	60
I-Care	2.4 Recreation	-	-	-	50	50	50	60	60	60
Indigenous Games	2.4 Recreation	-	-	175	200	200	200	210	210	210
KZN Lovelife	2.4 Recreation	-	-	150	150	150	150	160	160	160
Lifesaving South Africa (Water Safety)	2.4 Recreation	-	-	-	70	70	70	80	80	80
Roseland's Trust (Butterfly Project)	2.4 Recreation	-	-	-	56	56	56	65	65	65
Rural Horse Riding Association	2.4 Recreation	-	-	110	180	180	180	190	190	190
SA Thola Association	2.4 Recreation	-	-	50	70	70	70	75	75	75
South Coast Horse Care Unit	2.4 Recreation	-	-	-	-	-	-	50	50	50
Various other organisations	Various	320	125	135	-	-	-	-	500	650
Total		5 200	6 000	8 600	11 000	11 000	11 000	21 650	22 650	23 100

5.10 Transfers to local government

Tables 16.11 and 16.12 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*.

The transfers made against the three categories cater for transfer payments to the metro, local and district municipalities as implementing agents for the construction of sport and recreation facilities.

Table 16.11: Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
					2012/13				
Category A	-	-	-	-	525	525	2 216	2 348	2 466
Category B	14 751	7 455	16 439	15 210	17 760	17 760	-	-	-
Category C	5 606	742	1 785	3 150	1 575	1 575	17 154	18 184	19 010
Total	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476

Table 16.12: 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		
		2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Infrastructure	2.2 Sport	20 357	8 197	14 924	15 960	14 910	14 910	14 420	15 582	16 526
Maintenance grant	2.2 Sport	-	-	3 300	2 400	4 950	4 950	4 950	4 950	4 950
Total		20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476

The department requires local municipalities to submit request letters, which are used as the basis of transferring funds to them over the MTEF. The department then requests the local municipalities to submit commitment letters/resolutions that identify sport fields to be constructed and upgraded during the financial year. These commitment letters are required by the MEC at the beginning of each financial year to approve the construction and upgrading of sport facilities in a particular local municipality, hence there is no allocation made against Category B over the MTEF. The department will move funds from Category C to B, once the necessary commitment letters have been received.

Infrastructure relates to funds transferred to municipalities for the construction of sport facilities, such as the Ingwe and Jozini sport fields. 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 in 2011/12 is a result of the construction of sport fields, which were incomplete as at the end of 2010/11. The decrease in the 2012/13 Adjusted Appropriation is due to funds reprioritised to *Maintenance grant* for the upkeep of sport facilities. The increase over the 2013/14 MTEF is due to inflationary increments.

Maintenance grant caters for funds that are transferred to municipalities for the upkeep of sport facilities constructed by the department. The increase in the 2012/13 Adjusted Appropriation is due to funds reprioritised from *Infrastructure*, as mentioned previously.

As previously explained, transfers to local government includes funds in respect of motor vehicle licences. These funds will not be transferred to any municipality and, hence, the amounts are not reflected in Table 16.12.

5.11 Transfers and subsidies

Table 16.13 below is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a fluctuating trend from 2010/11 to 2015/16 for the category as a whole.

Table 16.13: Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
1. Administration	388	78	144	122	128	128	137	146	153
Provinces and municipalities	20	8	16	17	17	17	19	21	22
Motor vehicle licences	20	8	16	17	17	17	19	21	22
Departmental agencies and accounts	58	70	89	105	101	101	118	125	131
Skills Development Levy-THETA	58	70	89	105	101	101	118	125	131
Households	310	-	39	-	10	10	-	-	-
Other transfer to households	310	-	39	-	10	10	-	-	-
2. Sport and Recreation	25 712	14 200	31 366	29 360	31 473	31 473	41 720	43 982	45 412
Provinces and municipalities	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476
Sport facilities	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476
Non-profit institutions	5 200	6 000	8 600	11 000	11 000	11 000	21 650	22 650	23 100
Sport federations	5 200	6 000	8 600	11 000	11 000	11 000	21 650	22 650	23 100
Households	155	3	4 542	-	613	613	700	800	836
Termination benefits	155	3	1 475	-	13	13	-	-	-
Bursaries to non-employees	-	-	3 000	-	600	600	700	800	836
Arbitration award	-	-	67	-	-	-	-	-	-
Total	26 100	14 278	31 510	29 482	31 601	31 601	41 857	44 128	45 565

Transfers and subsidies under Programme 1 fluctuates over the seven-year period, due to the following:

- *Provinces and municipalities* relates to funding for motor vehicle licences. The substantial decrease in 2010/11 is due to the department not renewing its motor vehicle licences as some of the department's vehicles were sold.

- *Departmental agencies and accounts* is in respect of the skills development levy. The decrease in the 2012/13 Adjusted Appropriation is due to funds reprioritised to *Households*, as previously mentioned.
- *Households* caters for staff exit costs.

Transfers and subsidies under Programme 2 also fluctuates over the seven-year period, as follows:

- *Provinces and municipalities* decreased substantially in 2010/11 due to the department's new approach to minimise the use of municipalities as implementing agents. The increase in 2011/12 is due to spending pressures relating to commitments from 2010/11, which remained unpaid, as previously mentioned. The increase in the 2012/13 Adjusted Appropriation is due to additional funds reprioritised from *Buildings and other fixed structures* for the upkeep of sport facilities.
- *Non-profit institutions* increases over the 2013/14 MTEF due to the increase in payments made to sporting federations and other sporting bodies to assist with the promotion and development of sport and recreation. A detailed trend analysis is provided under Section 5.9 above.
- *Households* caters for staff exit costs. The substantial increase in 2011/12 is as a result of centralised bursary payments made to OTP and arbitration costs. The increase in the 2012/13 Adjusted Appropriation is due to funds reprioritised from *Goods and services* for bursary payments made to non-employees.

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 programmes are aligned to the uniform budget and programme structure for the Sport, Arts and Culture Sector. 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. The programme is aligned to the uniform budget and programme structure for the Sport, Arts and Culture Sectors.

Tables 16.14 and 16.15 below summarise payments and estimates relating to this programme, for the financial years 2009/10 to 2015/16.

The spending against Programme 1 increases steadily over the seven-year period, apart from fluctuations in 2012/13.

Table 16.14: Summary of payments and estimates - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Office of the MEC	1 371	-	-	-	-	-	-	-	-
Corporate Services	36 768	42 888	53 235	82 446	69 343	69 343	80 158	83 839	85 930
Total	38 139	42 888	53 235	82 446	69 343	69 343	80 158	83 839	85 930

Table 16.15: Summary of payments and estimates by economic classification - Programme 1: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	35 783	40 467	48 964	68 687	62 091	62 091	63 487	69 642	80 411
Compensation of employees	14 524	17 301	18 611	27 539	26 943	26 943	30 008	32 271	34 607
Goods and services	21 259	23 166	30 353	41 148	35 148	35 148	33 479	37 371	45 804
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	388	78	144	122	128	128	137	146	153
Provinces and municipalities	20	8	16	17	17	17	19	21	22
Departmental agencies and accounts	58	70	89	105	101	101	118	125	131
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	310	-	39	-	10	10	-	-	-
Payments for capital assets	1 968	2 343	4 127	13 637	7 124	7 124	16 534	14 051	5 366
Buildings and other fixed structures	-	-	597	10 000	800	800	11 000	8 000	-
Machinery and equipment	1 416	1 532	2 482	3 170	5 857	5 857	5 041	5 529	4 944
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	552	811	1 048	467	467	467	493	522	422
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	38 139	42 888	53 235	82 446	69 343	69 343	80 158	83 839	85 930

The spending against the Office of the MEC sub-programme in 2009/10 relates to the department's ministry offices. Since 2010/11, the department no longer has a stand-alone ministry, but shares a ministry with the Department of Arts and Culture. This arose from the provincial reconfiguration of departments following the 2009 elections.

The increase against the sub-programme: Corporate Services and *Goods and services* from 2010/11 relates to payments made in respect of security for the district offices. The decrease in the 2012/13 Adjusted Appropriation is due to funds reprioritised to Programme 2. These funds were moved from *Goods and services* and *Buildings and other fixed structures*, and became available for reprioritising due to continuous challenges experienced with the establishment of district offices, as well as accommodation for the department's head office, as previously mentioned. These savings were moved to Programme 2 against *Goods and services* to cater for the department's participation in the National Indigenous Games, and to improve administration capacity within the Rural Horse Riding programme, as mentioned above.

The low spending in 2009/10 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 due to the higher than anticipated 2010 wage agreement. The decrease in the 2012/13 Adjusted Appropriation is due to funds reprioritised to *Transfers and subsidies to: Households* due to delays in the filling vacant posts to cater for staff exit costs. The increase over the MTEF is due to inflationary increments, as well as the department's anticipation to fill critical posts, such as the HOD post, in line with the moratorium.

The allocation against *Goods and services* in the 2012/13 Main Appropriation was mainly for the setting up of district offices. Due to challenges in the establishment of district offices, as well as accommodation for the department's head office, the amounts budgeted for operational costs of running these various offices, such as cleaning, security and rental costs, were not used. The department therefore reprioritised these funds to Programme 2, as mentioned above. The decrease in 2013/14 is due to the baseline cuts, as previously mentioned, and the increase in the outer years is due to inflationary increments.

Transfers and subsidies to: Provinces and municipalities relates to funding for motor vehicle licences. The decrease in 2010/11 is due to the department not renewing its motor vehicle licences as some of the department's vehicles were sold.

Transfers and subsidies to: Departmental agencies and accounts is in respect of the skills development levy. The increase in 2010/11 and 2011/12 relates to outstanding accounts from previous years for the THETA skills development contributions only paid in those years. The slight decrease in the 2012/13 Adjusted Appropriation is due to the non-filling of posts, which resulted in a lower wage bill used as the

basis of calculating the skills development levy. Savings were moved to *Transfers and subsidies to: Households* for staff exit costs. The increase over the MTEF is due to inflationary increments.

Transfers and subsidies to: Households caters for staff exit cost.

Buildings and other fixed structures caters for the establishment and upkeep of the department's district offices. Due to challenges with regard to the establishment of the Ugu and Sisonke district offices, as well as the department's head office, the department reprioritised funds to *Goods and services* in Programme 2 in 2012/13, as previously mentioned. The department has allocated R11 million in 2013/14 and R8 million in 2014/15 toward the establishment of the district offices. No funds have been budgeted for 2015/16, as the department anticipates the buildings to be complete by the end of 2014/15, as mentioned.

Machinery and equipment relates to the purchase of additional motor vehicles and new network servers, as well as the upgrading of departmental computer equipment, as mentioned above. The increase in 2011/12 relates to the purchase of six motor vehicles which were ordered in 2010/11, but delivery and payment was made in 2011/12. The increase in the 2012/13 Adjusted Appropriation is due to funds reprioritised from *Buildings and other fixed structures* to cater for the unanticipated purchase of an access control system for the head office in Durban, as previously mentioned. The increase over the MTEF is due to inflationary increases. The decrease in 2015/16 can be attributed to the department's anticipation to have completed setting up new district offices.

Expenditure 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 reduction in the 2012/13 Main Appropriation is due to the fact that the system had already been modified by the service provider and was placed at the head office where it is accessible to all districts, meaning the department did not need to purchase additional software for all district offices. The decrease in 2015/16 is due to the department's anticipation to have completed the establishment of district offices by that year.

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.

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 16.16 and 16.17 below reflect a summary of payments and estimates relating to this programme for the financial years 2009/10 to 2015/16.

Table 16.16: Summary of payments and estimates - Programme 2: Sport and Recreation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Management	36 370	36 310	59 480	71 092	68 857	68 857	72 287	76 670	81 219
Sport	99 143	118 168	115 375	123 324	140 537	140 537	134 748	140 205	146 610
Recreation	29 083	44 664	40 904	41 264	46 264	46 264	38 602	35 563	36 936
School Sport	36 607	34 710	38 842	59 162	59 162	59 162	55 554	57 878	60 286
Total	201 203	233 852	254 601	294 842	314 820	314 820	301 191	310 316	325 051

Table 16.17: 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	168 961	211 101	212 863	245 217	264 582	264 582	238 091	243 671	255 934
Compensation of employees	55 700	71 432	82 402	96 883	97 635	97 635	78 337	78 413	83 448
Goods and services	113 261	139 669	130 461	148 334	166 947	166 947	159 754	165 258	172 486
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	25 712	14 200	31 366	29 360	31 473	31 473	41 720	43 982	45 412
Provinces and municipalities	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	5 200	6 000	8 600	11 000	11 000	11 000	21 650	22 650	23 100
Households	155	3	4 542	-	613	613	700	800	836
Payments for capital assets	6 530	8 551	10 343	20 265	18 765	18 765	21 380	22 663	23 705
Buildings and other fixed structures	5 815	8 400	10 343	20 265	18 765	18 765	21 380	22 663	23 705
Machinery and equipment	508	50	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	207	101	-	-	-	-	-	-	-
Payments for financial assets	-	-	29	-	-	-	-	-	-
Total	201 203	233 852	254 601	294 842	314 820	314 820	301 191	310 316	325 051

There has been a steady increase in the budget allocation of Programme 2, apart from the peak in the 2012/13 Adjusted Appropriation, over the seven-year period.

Spending against the Management sub-programme in 2009/10 and 2010/11 relates to the expansion of major events such as the Dusi Canoe Marathon, Premier Sports Award, etc. The increase in 2011/12 relates to the shifting of funds for Strategic Management Services from Programme 1 to Programme 2 against the same economic categories. This was due to the non-implementation of the new organisational structure. As a result, funds were shifted from Programme 1 to Programme 2 in order to align the budget correctly, pending the implementation of the new structure. The decrease in the 2012/13 Adjusted Appropriation is due to funds reprioritised to Recreation sub-programme to cater for the department's participation in the National Indigenous Games. The reduction was offset by an increase relating to the higher than anticipated 2012 wage agreement. These funds are allocated against the Management sub-programme only, because all employees in Programme 2 are paid against this sub-programme.

The increase in the 2012/13 Adjusted Appropriation against the Sport sub-programme is due to funds suspended from Vote 6: Provincial Treasury (Strategic Cabinet Initiatives provision) for the hosting of the Soccerex Africa Forum, as mentioned. This also explains the increase against *Goods and services*.

The high spending against the Recreation sub-programme in 2010/11 compared to 2011/12 is due to the inclusion of the *Siyadlala* Mass Participation Programme element, which used to fall under the World

Cup 2010 and Major Events sub-programme. The increase in the 2012/13 Adjusted Appropriation is attributed to funds reprioritised from Programme 1 and the Management sub-programme to cater for the department's participation in the National Indigenous Games. The increase in 2013/14 compared to 2014/15 is due to additional funding in respect of the EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces. The department does not anticipate allocations for the two outer years of the MTEF in respect of these grants at this stage.

The sub-programme: School Sport includes a portion of the MPSD grant and the World Cup 2010 and Major Projects sub-programme. For comparative purposes, as well as alignment of the budget to the sector, these sub-programmes were combined with the School Sport sub-programme. The 2011/12 increase is due to conditional grant funds reprioritised from the Sport sub-programme to accommodate spending pressures against *Compensation of employees* as a result of an increase in volunteer stipends from R1 500 for facilitators and R2 000 for hub co-ordinators, to R2 073 and R3 545, respectively.

Spending against *Compensation of employees* reflects the department's growth in personnel in respect of permanent staff as per the organisational structure, and volunteers employed under the conditional grant. The increase in 2011/12 is due to funds shifted from the same category in Programme 1 to Programme 2 in order to align the budget correctly, and historical figures were adjusted for comparative purposes. The increase in the 2012/13 Adjusted Appropriation is as a result of the higher than anticipated 2012 wage agreement. The decrease over the 2013/14 MTEF is due to the baseline cuts, as mentioned previously.

Goods and services caters for provincial sporting events, which the department hosts such as the SA Games and the provincial sport awards. The high spending in 2010/11 compared to 2011/12 relates to soccer development where additional funds were received from the OTP, the appointment of personnel and hosting of major sporting events such as the National Indigenous Games. The increase in the 2012/13 Adjusted Appropriation is due to funds suspended from Vote 6: Provincial Treasury (Strategic Cabinet Initiatives provision) for the hosting of the Soccerex Africa Forum. Furthermore, funds were reprioritised from Programme 1 to cater for the department's participation in the National Indigenous Games which was under-budgeted for, and also to improve administration capacity within the Rural Horse Riding programme, as mentioned. The decrease over the MTEF is due to the baseline cuts.

The decrease in 2010/11 against *Transfers and subsidies to: Provinces and municipalities* is due to the department's new approach to minimise the use of municipalities as implementing agents, as mentioned, and challenges experienced by municipalities with regard to the completion of sport facilities due to adverse weather. The substantial 2011/12 increase is due to spending pressures relating to commitments which remained incomplete as at the end of 2010/11, as previously mentioned. The increase in the 2012/13 Adjusted Appropriation is due to funds reprioritised from *Buildings and other fixed structures* to cater for the upkeep of sport facilities. The increase over the MTEF is due to inflationary increments.

Transfers and subsidies to: Non-profit institutions increases over the 2013/14 MTEF due to an increase in payments made to sporting federations to assist with the promotion and development of sport and recreation. The department will transfer funds to new sporting federations such as Uthukela, Amajuba and uThungulu regional academies. The purpose of these academies is to provide technical, scientific and medical services to the sporting community (i.e. athletes, coaches, administrators and technical officials).

Transfers and subsidies to: Households relates to staff exit costs. In the 2012/13 Adjusted Appropriation, funds were reprioritised from *Goods and services* to cater for bursary payments made to non-employees. Due to a change in SCOA classification, this allocation was moved from *Goods and services*. Historical figures were adjusted for comparative purposes.

Buildings and other fixed structures caters for the construction of sport facilities by the department directly. The decrease in the 2012/13 Adjusted Appropriation is due to a termination of a contract between the service provider and the department with regard to the construction of the Cecil Emmett sport field in Vryheid, as previously mentioned. The funds which became available due to these challenges were reprioritised to *Transfers and subsidies to: Provinces and municipalities*, *Goods and services*, and *Machinery and equipment*, as previously mentioned. The increase over the 2013/14 MTEF is due to inflationary increments.

The amount against *Software and other intangible assets* in 2009/10 and 2010/11 was due to expenditure on software licences that was needed for the expansion of the department. There are no projections over the 2013/14 MTEF, as the department does not anticipate the purchase of any software, at this stage.

Spending against *Payments for financial assets* in 2011/12 relates to the write-off of staff debts.

Service delivery measures – Programme 2: Sport and Recreation

Table 16.18 illustrates the main service delivery measures relevant to Programme 2 from 2012/13 to 2015/16. 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 department incorporated the sector measures in the department's 2013/14 APP, and are reflected below.

Table 16.18: Service delivery measures – Programme 2: Sport and Recreation

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2012/13	2013/14	2014/15	2015/16
1. Sport					
1.1 Stakeholder Management					
1.1.1 To implement development and high performance progs with sport federations and other entities through goods and services	<ul style="list-style-type: none"> No. of community structures for people with disability No. of athletes with disability benefitting No. of USSA institutions supported (tertiary) No. of formalised partnerships to support high performance progs (sports confederations, CSIR and etc.) 	5 7 6 3	4 100 6 3	8 150 6 3	8 200 6 3
1.1.2 To promote transformation through talent optimisation and high performance progs with sport federations/entities through transfer payments	<ul style="list-style-type: none"> No. of athletes receiving on-going scientific and technological support No. of affiliated functional clubs per sporting code supported No. of sport federation's progs monitored 	50 800 30	50 1 000 35	60 1 200 40	60 1 400 45
1.1.3 To support sport development through accredited capacity building progs	<ul style="list-style-type: none"> No. of affiliated provincial sport federations/entities supported No. of sport administrators/volunteers trained through accredited training progs No. of technical officials trained in partnership with sport federations No. of coaches trained through accredited training progs. 	52 2 400 1 700 1 700	50 2 500 1 800 1 800	50 2 500 1 900 1 900	50 2 500 2 000 2 000
1.1.4 To support sport federations with administrative and governance support	<ul style="list-style-type: none"> No. of sport federations supported towards decentralising their service to a district level No. of sport federations/entities benefitting from provision of a sport house 	3 8	4 8	5 6	6 6
1.2 Facilities					
1.2.1 To build/renovate/upgrade community sport and recreation facilities	<ul style="list-style-type: none"> No. of basic sport facilities constructed No. of upgraded/rehabilitated sport and recreation facilities No. of fitness/recreational and sport equipment supplied to community wellness centres 	12 5 8	12 9 11	12 9 13	12 9 13
1.2.2 To provide support for use and maintenance of facility	<ul style="list-style-type: none"> No. of municipalities receiving facility maintenance equipment No. of municipalities receiving facility maintenance support grants 	14 33	14 44	14 55	14 55
1.2.3 Job Creation	<ul style="list-style-type: none"> No. of jobs created (facility managers) through facility maintenance support grants to municipalities No. of temporary jobs created as a result of transfers to municipalities 	33 180	44 250	55 250	55 250
1.2.4 Build/renovate/upgrade school sport and recreation facilities	<ul style="list-style-type: none"> No. of new combination courts with artificial turf constructed in schools/communities No. of new school sport facilities completed 	11 15	11 15	11 15	11 15
1.3 Club Development					
1.3.1 To increase grass-roots participation through implementation of an integrated and sustainable club structure	<ul style="list-style-type: none"> No. of clubs established and supported No. of tournaments/leagues hosted No. of area co-ordinators employed No. of coaches trained through accredited training progs No. of technical officials trained in partnership with sport federations No. of sport administrators trained 	369 36 28 480 480 240	439 43 43 420 420 70	549 54 54 420 420 110	659 65 65 420 420 110
1.3.2 To support the development of sport through the establishment of an academy system	<ul style="list-style-type: none"> No. of academies established/accredited and supported No. of functional district and provincial sport confederations/councils supported 	2 12	3 12	4 12	5 12

Table 16.18: Service delivery measures – Programme 2: Sport and Recreation

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16
1.4 Sport and Recreation Special Projects					
1.4.1 To address moral regeneration of the youth through the Sport for life prog. in prioritised wards (OSS)	• No. of existing youth clubs/centres/agencies and prioritised wards supported	27	49	60	60
	• No. of life skills progs targeting social change implemented in youth clubs/centres/agencies	27	49	60	60
	• No. of youth benefitting from advocacy progs	2 000	2 500	3 000	3 200
1.4.2 Support capacity building progs towards improving corporate governance	• No. of coaches/technical officials/administrators benefitting from enrichment/exchange prog	10	10	10	10
	• No. of coaches/technical officials symposiums/workshops hosted	2	1	1	1
1.4.3 Promote social cohesion through mass mobilisation and outreach prog	• No. of clubs/organisations benefitting from community outreach progs	300	350	400	450
1.4.4 Hosting of major events	• No. of major events hosted	10	10	12	12
	• No. of provincial sport and recreation recognition awards hosted	1	1	1	1
1.4.5 Implementation of enrichment progs to promote football as a legacy of 2010 Soccer World Cup	• No. of Premier's Cups hosted with professional teams	1	1	1	1
	• No. of football development progs implemented in partnership with professional teams	4	6	8	6
1.4.6 To retain sporting talent through provision of academic bursaries	• No. of youth benefitting from departmental bursaries	12	20	12	12
2. Recreation					
2.1 Recreation					
2.1.1 To promote an active and healthy lifestyles through transfer payments to recreation entities and NGOs	• No. of recreation federations/agencies supported	11	12	12	12
	• No. of people benefitting from support for on-going recreation progs	7 000	7 000	7 500	8 000
2.1.2 To facilitate capacity building, advocacy and job creation	• No. of recreation leaders trained	980	1 339	1 360	1 430
2.1.3 To increase participation by developing and implementing targeted recreation progs in service delivery sites in KZN	• No. of community wellness centres supported	12	12	15	18
	• No. of provincial/district festivals hosted	13	98	110	122
	• No. of national/international health focus campaigns supported	12	25	30	30
	• No. people actively participating in organised recreation events	230 000	230 000	250 000	270 000
	• No. of recreational sites created	220	172	180	190
2.1.4 To facilitate capacity building, advocacy and job creation	• No. of recreation leaders trained	980	1 339	1 360	1 430
2.2 Siyadlala					
2.2.1 To promote and sustain active and healthy lifestyles through the implementation of a mass participation prog. in hubs	• No. of hubs established and supported	117	117	117	117
	• No. of youth camps hosted and supported	12	12	12	12
	• No. of outreach progs. identified and supported	3	1	1	1
	• No. of contract based jobs created through EPWP	190	196	-	-
	• No. of permanent jobs created and sustained	22	14	14	14
	• No. of administrators/contract workers trained	212	250	300	350
3. School Sport					
3.1.1 Implementation of an integrated school sport prog. in schools	• No. of schools registered in the prog.	1 525	3 000	4 500	6 000
	• No. of provincial code structures established and supported	6	12	14	16
	• No. of learners participating in the school sport prog.	490 000	610 000	730 000	800 000
	• No. of female learners benefitting	175 000	215 000	255 000	300 000
	• No. of disabled learners benefitting	1 400	1 500	1 600	1 600
	• No. school sport co-ordinators employed	357	109	109	109
	• No. of educators/volunteers accredited as coaches and technical officials	2 640	1 440	1 320	1 320
	• No. of district and provincial tournaments/competitions delivered	12	12	12	12
	• No. of provincial teams supported to national competitions	6	9	9	9

7. Other programme information

7.1 Personnel numbers and costs

Tables 16.19 and 16.20 illustrate the personnel numbers and estimates pertaining to the department.

The increase in the total personnel numbers from 31 March 2010 to 31 March 2011 is due to the growth of the department in the 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 2012 (31 March 2012) is due to a decrease in the number of volunteers employed due to NDOSR's directive to minimise the use of volunteers by training teachers. Staff exits also contributed to the decrease in 2012/13.

The increase in volunteers in 2013/14 compared to the outer years of the MTEF is due to additional funding in respect of the EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces. These funds will be used to employ 196 volunteers as contract workers, since the end date for the volunteer contract is 31 March 2013. The number of posts for both programmes remains the same from 2014/15 onward, as the department anticipates to have filled all of its funded vacant posts.

The decrease over the MTEF is due to the baseline cuts, as previously mentioned. The decrease in 2013/14 was offset by the additional funding received in respect of the EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces. These funds will be used to employ volunteers for 2013/14 only. The reduction in the two outer years of the MTEF is also due to the fact that no allocations have been made in respect of the EPWP Integrated for Provinces and the Social Sector EPWP Incentive Grant for Provinces at this stage.

Table 16.19: Personnel numbers and costs by programme

Personnel numbers	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	As at 31 March 2016
1. Administration	84	89	55	75	75	75	75
2. Sport and Recreation	1 804	2 264	1 877	2 000	555	359	359
of which							
Volunteers	1 721	2 181	1 769	1 871	392	196	196
Total	1 888	2 353	1 932	2 075	630	434	434
Total personnel cost (R thousand)	70 224	88 733	101 013	124 578	108 345	110 684	118 055
Unit cost (R thousand)	37	38	52	60	172	255	272

Table 16.20: Details of departmental personnel numbers and costs

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Total for department									
Personnel numbers (head count)	1 888	2 353	1 932	2 075	2 075	2 075	630	434	434
Personnel cost (R thousand)	70 224	88 733	101 013	124 422	124 578	124 578	108 345	110 684	118 055
Human resources component									
Personnel numbers (head count)	17	17	15	18	18	18	18	18	18
Personnel cost (R thousand)	4 680	6 047	6 306	6 131	7 476	7 476	6 131	6 560	7 012
Head count as % of total for department	0.90	0.72	0.78	0.87	0.87	0.87	2.86	4.15	4.15
Personnel cost as % of total for department	6.66	6.81	6.24	4.93	6.00	6.00	5.66	5.93	5.94
Finance component									
Personnel numbers (head count)	18	18	16	23	23	23	23	23	23
Personnel cost (R thousand)	3 303	4 534	5 099	6 750	6 852	6 852	6 750	7 228	7 720
Head count as % of total for department	0.95	0.76	0.83	1.11	1.11	1.11	3.65	5.30	5.30
Personnel cost as % of total for department	4.70	5.11	5.05	5.43	5.50	5.50	6.23	6.53	6.54
Full time workers									
Personnel numbers (head count)	167	172	163	204	204	204	238	238	238
Personnel cost (R thousand)	44 659	47 473	56 525	82 655	82 811	82 811	95 759	102 590	109 556
Head count as % of total for department	8.85	7.31	8.44	9.83	9.83	9.83	37.78	54.84	54.84
Personnel cost as % of total for department	63.60	53.50	55.96	66.43	66.47	66.47	88.38	92.69	92.80
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)	1 721	2 181	1 769	1 871	1 871	1 871	392	196	196
Personnel cost (R thousand)	25 565	41 260	44 488	41 767	41 767	41 767	12 586	8 094	8 499
Head count as % of total for department	91.15	92.69	91.56	90.17	90.17	90.17	62.22	45.16	45.16
Personnel cost as % of total for department	36.40	46.50	44.04	33.57	33.53	33.53	11.62	7.31	7.20

7.2 Training

Tables 16.21 and 16.22 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 decrease in Programme 1 in 2011/12 is due to funds reprioritised to *Goods and services* for the payment of interns.

The expenditure against Programme 2 relates to training provided to the hub co-ordinators in respect of the various clusters in the MPSD conditional grant. The substantial increase in the 2012/13 Main Appropriation is due to NDOSR's directive to train teachers as implementers of the programme, as previously mentioned.

The decrease in the 2012/13 Adjusted Appropriation against Programme 2 can be attributed to the way service providers quote for training, 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 department also adjusted the MTEF budget accordingly. The increase over the 2013/14 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 budgeted 1 per cent of its salary expense for staff training as per the requirement of the Skills Development Levies Act.

Table 16.21: Payments and estimates on training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
1. Administration	580	966	566	1 171	1 295	1 295	1 316	1 379	1 442
2. Sport and Recreation	1 875	3 453	2 770	15 854	2 979	2 979	4 570	4 287	5 464
Total	2 455	4 419	3 336	17 025	4 274	4 274	5 886	5 666	6 906

Table 16.22 illustrates the number of staff, volunteers/contract employees and external role players are 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 16.22: Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation 2012/13	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Number of staff	1 888	2 353	1 932	2 075	2 075	2 075	630	434	434
Number of personnel trained	163	164	197	353	353	353	244	249	249
of which									
Male	73	78	94	169	169	169	112	112	112
Female	90	86	103	184	184	184	132	137	137
Number of training opportunities	45	55	59	39	39	39	45	52	52
of which									
Tertiary	-	1	2	4	4	4	5	6	6
Workshops	15	18	21	5	5	5	4	4	4
Seminars	8	10	5	12	12	12	11	11	11
Other	22	26	31	18	18	18	25	31	31
Number of bursaries offered	37	45	37	52	52	52	67	82	82
External	-	-	-	5	5	5	10	15	15
Internal	37	45	37	47	47	47	57	67	67
Number of interns appointed	6	10	20	10	10	10	10	10	10
Number of learnerships appointed	12	20	10	1	1	1	1	1	1
Number of days spent on training	121	101	111	85	85	85	98	113	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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sale of goods and services other than capital assets	35	49	77	65	65	65	70	75	80
Sale of goods and services produced by dept. (excl. capital assets)	35	49	77	65	65	65	70	75	80
Sales by market establishments									
Administrative fees									
Other sales	35	49	77	65	65	65	70	75	80
<i>of which</i>									
<i>Other</i>	35	49	77	65	65	65	70	75	80
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	149	118	78	30	30	30	30	30	30
Total	353	167	394	95	95	95	100	105	110

Table 16.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
				2012/13					
Current payments	204 744	251 568	261 827	313 904	326 673	326 673	301 578	313 313	336 345
Compensation of employees	70 224	88 733	101 013	124 422	124 578	124 578	104 251	106 390	113 544
Salaries and wages	63 985	81 054	92 580	99 537	99 693	99 693	84 277	85 112	90 835
Social contributions	6 239	7 679	8 433	24 885	24 885	24 885	19 974	21 278	22 709
Goods and services	134 520	162 835	160 814	189 482	202 095	202 095	197 327	206 923	222 801
of which									
Administrative fees	21	21	26	70	32	32	80	85	90
Advertising	2 082	992	2 593	2 914	2 876	2 876	3 156	3 307	3 408
Assets <R5000	436	162	104	2 472	626	626	1 405	1 765	1 798
Audit cost: External	1 238	1 284	1 494	2 264	2 570	2 570	2 340	2 791	2 919
Bursaries (employees)	65	83	83	1 000	331	331	420	445	466
Catering: Departmental activities	8 792	8 418	8 412	14 912	13 338	13 338	15 983	17 020	17 591
Communication	2 293	2 499	2 765	3 193	2 988	2 988	2 209	2 996	3 851
Computer services	3 805	4 072	4 062	6 064	4 654	4 654	3 107	3 245	3 421
Cons/prof: Business & advisory services	4 915	2 602	4 589	8 660	7 856	7 856	8 410	8 789	9 151
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	173	40	19	432	591	591	545	566	580
Contractors	3 155	3 499	4 259	10 987	8 075	8 075	8 992	10 343	14 125
Agency & support/outsourced services	302	605	1 155	489	2 768	2 768	775	804	715
Entertainment	40	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	874	1 132	1 394	1 938	1 545	1 545	1 843	2 065	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	47 035	58 840	22 733	42 431	38 767	38 767	38 172	38 543	40 270
Inventory: Stationery and printing	2 566	1 535	2 209	5 385	3 706	3 706	3 780	3 980	6 379
Operating leases	4 115	5 031	7 441	8 606	5 766	5 766	4 813	5 101	6 533
Property payments	2 210	2 859	2 945	4 835	2 537	2 537	2 789	3 000	3 071
Transport provided: Departmental activity	13 064	10 725	13 055	11 287	17 232	17 232	19 218	20 264	20 790
Travel and subsistence	5 202	6 869	8 350	9 239	10 265	10 265	10 552	11 511	12 231
Training and development	2 455	4 419	3 336	17 025	4 274	4 274	5 886	5 666	6 906
Operating expenditure	786	872	1 357	2 614	3 447	3 447	3 512	3 668	3 930
Venues and facilities	28 896	46 276	68 433	32 665	67 851	67 851	59 340	60 969	62 411
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	26 100	14 278	31 510	29 482	31 601	31 601	41 857	44 128	45 565
Provinces and municipalities	20 377	8 205	18 240	18 377	19 877	19 877	19 389	20 553	21 498
Provinces	20	8	16	17	17	17	19	21	22
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	20	8	16	17	17	17	19	21	22
Municipalities	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476
Municipalities	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	58	70	89	105	101	101	118	125	131
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	58	70	89	105	101	101	118	125	131
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	5 200	6 000	8 600	11 000	11 000	11 000	21 650	22 650	23 100
Households	465	3	4 581	-	623	623	700	800	836
Social benefits	-	3	1 542	-	-	-	-	-	-
Other transfers to households	465	-	3 039	-	623	623	700	800	836
Payments for capital assets	8 498	10 894	14 470	33 902	25 889	25 889	37 914	36 714	29 071
Buildings and other fixed structures	5 815	8 400	10 940	30 265	19 565	19 565	32 380	30 663	23 705
Buildings	-	-	597	10 000	800	800	11 000	8 000	-
Other fixed structures	5 815	8 400	10 343	20 265	18 765	18 765	21 380	22 663	23 705
Machinery and equipment	1 924	1 582	2 482	3 170	5 857	5 857	5 041	5 529	4 944
Transport equipment	566	152	1 285	1 541	1 541	1 541	2 326	2 417	2 318
Other machinery and equipment	1 358	1 430	1 197	1 629	4 316	4 316	2 715	3 112	2 626
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	759	912	1 048	467	467	467	493	522	422
Payments for financial assets	-	-	29	-	-	-	-	-	-
Total	239 342	276 740	307 836	377 288	384 163	384 163	381 349	394 155	410 981

Table 16.B: Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation	Estimate	2013/14	2014/15	2015/16
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2014/15	2015/16
Current payments	204 744	251 568	261 827	313 904	326 673	326 673	301 578	313 313	336 345
Compensation of employees	70 224	88 733	101 013	124 422	124 578	124 578	108 345	110 684	118 055
Salaries and wages	63 985	81 054	92 580	99 537	99 693	99 693	88 289	89 320	95 256
Social contributions	6 239	7 679	8 433	24 885	24 885	24 885	20 056	21 364	22 799
Goods and services	134 520	162 835	160 814	189 482	202 095	202 095	193 233	202 629	218 290
of which									
Administrative fees	21	21	26	70	32	32	80	85	90
Advertising	2 082	992	2 593	2 914	2 876	2 876	3 156	3 307	3 408
Assets <R5000	436	162	104	2 472	626	626	1 405	1 765	1 798
Audit cost: External	1 238	1 284	1 494	2 264	2 570	2 570	2 340	2 791	2 919
Bursaries (employees)	65	83	83	1 000	331	331	420	445	466
Catering: Departmental activities	8 792	8 418	8 412	14 912	13 338	13 338	15 983	17 020	17 591
Communication	2 293	2 499	2 765	3 193	2 988	2 988	2 209	2 996	3 851
Computer services	3 805	4 072	4 062	6 064	4 654	4 654	3 107	3 245	3 421
Cons/prof: Business & advisory services	4 915	2 602	4 589	8 660	7 856	7 856	8 410	8 789	9 151
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	173	40	19	432	591	591	545	566	580
Contractors	3 155	3 499	4 259	10 987	8 075	8 075	8 992	10 343	14 125
Agency & support/outourced services	302	605	1 155	489	2 768	2 768	775	804	715
Entertainment	40	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	874	1 132	1 394	1 938	1 545	1 545	1 843	2 065	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	47 035	58 840	22 733	42 431	38 767	38 767	34 078	34 249	35 759
Inventory: Stationery and printing	2 566	1 535	2 209	5 385	3 706	3 706	3 780	3 980	6 379
Operating leases	4 115	5 031	7 441	8 606	5 766	5 766	4 813	5 101	6 533
Property payments	2 210	2 859	2 945	4 835	2 537	2 537	2 789	3 000	3 071
Transport provided: Departmental activity	13 064	10 725	13 055	11 287	17 232	17 232	19 218	20 264	20 790
Travel and subsistence	5 202	6 869	8 350	9 239	10 265	10 265	10 552	11 511	12 231
Training and development	2 455	4 419	3 336	17 025	4 274	4 274	5 886	5 666	6 906
Operating expenditure	786	872	1 357	2 614	3 447	3 447	3 512	3 668	3 930
Venues and facilities	28 896	46 276	68 433	32 665	67 851	67 851	59 340	60 969	62 411
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	26 100	14 278	31 510	29 482	31 601	31 601	41 857	44 128	45 565
Provinces and municipalities	20 377	8 205	18 240	18 377	19 877	19 877	19 389	20 553	21 498
Provinces	20	8	16	17	17	17	19	21	22
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	20	8	16	17	17	17	19	21	22
Municipalities	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476
Municipalities	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	58	70	89	105	101	101	118	125	131
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	58	70	89	105	101	101	118	125	131
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	5 200	6 000	8 600	11 000	11 000	11 000	21 650	22 650	23 100
Households	465	3	4 581	-	623	623	700	800	836
Social benefits	-	3	1 542	-	-	-	-	-	-
Other transfers to households	465	-	3 039	-	623	623	700	800	836
Payments for capital assets	8 498	10 894	14 470	33 902	25 889	25 889	37 914	36 714	29 071
Buildings and other fixed structures	5 815	8 400	10 940	30 265	19 565	19 565	32 380	30 663	23 705
Buildings	-	-	597	10 000	800	800	11 000	8 000	-
Other fixed structures	5 815	8 400	10 343	20 265	18 765	18 765	21 380	22 663	23 705
Machinery and equipment	1 924	1 582	2 482	3 170	5 857	5 857	5 041	5 529	4 944
Transport equipment	566	152	1 285	1 541	1 541	1 541	2 326	2 417	2 318
Other machinery and equipment	1 358	1 430	1 197	1 629	4 316	4 316	2 715	3 112	2 626
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	759	912	1 048	467	467	467	493	522	422
Payments for financial assets	-	-	29	-	-	-	-	-	-
Total	239 342	276 740	307 836	377 288	384 163	384 163	381 349	394 155	410 981

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		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	35 783	40 467	48 964	68 687	62 091	62 091	63 487	69 642	80 411
Compensation of employees	14 524	17 301	18 611	27 539	26 943	26 943	30 008	32 271	34 607
Salaries and wages	12 509	14 874	16 056	22 031	21 435	21 435	24 006	25 817	27 686
Social contributions	2 015	2 427	2 555	5 508	5 508	5 508	6 002	6 454	6 921
Goods and services	21 259	23 166	30 353	41 148	35 148	35 148	33 479	37 371	45 804
of which									
Administrative fees	21	21	26	70	32	32	80	85	90
Advertising	495	929	2 369	2 442	2 365	2 365	2 757	2 887	2 968
Assets <R5000	325	116	100	2 144	408	408	1 392	1 751	1 784
Audit cost: External	1 238	1 284	1 494	2 264	2 264	2 264	2 340	2 791	2 919
Bursaries (employees)	65	83	83	400	331	331	420	445	466
Catering: Departmental activities	149	158	153	388	372	372	842	887	928
Communication	2 053	2 234	2 481	2 449	2 361	2 361	1 636	2 392	3 226
Computer services	3 724	3 688	3 630	5 686	4 276	4 276	2 724	2 854	3 012
Cons/prof: Business & advisory services	1 857	518	899	1 331	2 291	2 291	1 711	1 781	1 995
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	66	40	19	327	486	486	345	356	357
Contractors	129	496	1 091	183	209	209	247	748	3 455
Agency & support/outourced services	302	512	803	489	1 917	1 917	775	804	715
Entertainment									
Fleet services (incl. GMT)	874	1 132	1 394	1 938	1 545	1 545	1 843	2 065	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	457	241	128	352	1 180	1 180	592	625	653
Inventory: Stationery and printing	1 716	946	1 516	2 600	1 737	1 737	2 119	2 198	4 467
Operating leases	4 115	5 031	7 314	7 436	4 596	4 596	4 813	5 101	6 533
Property payments	1 406	2 859	2 945	4 625	2 327	2 327	2 789	3 000	3 071
Transport provided: Departmental activity	8	-	17	200	400	400	211	214	217
Travel and subsistence	1 319	1 441	2 364	2 386	2 781	2 781	2 514	2 912	3 085
Training and development	580	966	566	1 171	1 295	1 295	1 316	1 379	1 442
Operating expenditure	231	319	842	1 797	1 301	1 301	1 448	1 462	1 575
Venues and facilities	129	152	119	470	674	674	565	634	681
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	388	78	144	122	128	128	137	146	153
Provinces and municipalities	20	8	16	17	17	17	19	21	22
Provinces	20	8	16	17	17	17	19	21	22
Provincial Revenue Funds									
Provincial agencies and funds	20	8	16	17	17	17	19	21	22
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	58	70	89	105	101	101	118	125	131
Social security funds									
Entities receiving funds	58	70	89	105	101	101	118	125	131
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	310	-	39	-	10	10	-	-	-
Social benefits									
Other transfers to households	310	-	39	-	10	10	-	-	-
Payments for capital assets	1 968	2 343	4 127	13 637	7 124	7 124	16 534	14 051	5 366
Buildings and other fixed structures	-	-	597	10 000	800	800	11 000	8 000	-
Buildings	-	-	597	10 000	800	800	11 000	8 000	-
Other fixed structures									
Machinery and equipment	1 416	1 532	2 482	3 170	5 857	5 857	5 041	5 529	4 944
Transport equipment	566	152	1 285	1 541	1 541	1 541	2 326	2 417	2 318
Other machinery and equipment	850	1 380	1 197	1 629	4 316	4 316	2 715	3 112	2 626
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	552	811	1 048	467	467	467	493	522	422
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	38 139	42 888	53 235	82 446	69 343	69 343	80 158	83 839	85 930

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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	35 783	40 467	48 964	68 687	62 091	62 091	63 487	69 642	80 411
Compensation of employees	14 524	17 301	18 611	27 539	26 943	26 943	30 008	32 271	34 607
Salaries and wages	12 509	14 874	16 056	22 031	21 435	21 435	24 006	25 817	27 686
Social contributions	2 015	2 427	2 555	5 508	5 508	5 508	6 002	6 454	6 921
Goods and services	21 259	23 166	30 353	41 148	35 148	35 148	33 479	37 371	45 804
of which									
Administrative fees	21	21	26	70	32	32	80	85	90
Advertising	495	929	2 369	2 442	2 365	2 365	2 757	2 887	2 968
Assets <R5000	325	116	100	2 144	408	408	1 392	1 751	1 784
Audit cost: External	1 238	1 284	1 494	2 264	2 264	2 264	2 340	2 791	2 919
Bursaries (employees)	65	83	83	400	331	331	420	445	466
Catering: Departmental activities	149	158	153	388	372	372	842	887	928
Communication	2 053	2 234	2 481	2 449	2 361	2 361	1 636	2 392	3 226
Computer services	3 724	3 688	3 630	5 686	4 276	4 276	2 724	2 854	3 012
Cons/prof: Business & advisory services	1 857	518	899	1 331	2 291	2 291	1 711	1 781	1 995
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	66	40	19	327	486	486	345	356	357
Contractors	129	496	1 091	183	209	209	247	748	3 455
Agency & support/outsource services	302	512	803	489	1 917	1 917	775	804	715
Entertainment									
Fleet services (incl. GMT)	874	1 132	1 394	1 938	1 545	1 545	1 843	2 065	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	457	241	128	352	1 180	1 180	592	625	653
Inventory: Stationery and printing	1 716	946	1 516	2 600	1 737	1 737	2 119	2 198	4 467
Operating leases	4 115	5 031	7 314	7 436	4 596	4 596	4 813	5 101	6 533
Property payments	1 406	2 859	2 945	4 625	2 327	2 327	2 789	3 000	3 071
Transport provided: Departmental activity	8	-	17	200	400	400	211	214	217
Travel and subsistence	1 319	1 441	2 364	2 386	2 781	2 781	2 514	2 912	3 085
Training and development	580	966	566	1 171	1 295	1 295	1 316	1 379	1 442
Operating expenditure	231	319	842	1 797	1 301	1 301	1 448	1 462	1 575
Venues and facilities	129	152	119	470	674	674	565	634	681
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	388	78	144	122	128	128	137	146	153
Provinces and municipalities	20	8	16	17	17	17	19	21	22
Provinces	20	8	16	17	17	17	19	21	22
Provincial Revenue Funds									
Provincial agencies and funds	20	8	16	17	17	17	19	21	22
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	58	70	89	105	101	101	118	125	131
Social security funds									
Entities receiving funds	58	70	89	105	101	101	118	125	131
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	310	-	39	-	10	10	-	-	-
Social benefits									
Other transfers to households	310	-	39	-	10	10	-	-	-
Payments for capital assets	1 968	2 343	4 127	13 637	7 124	7 124	16 534	14 051	5 366
Buildings and other fixed structures	-	-	597	10 000	800	800	11 000	8 000	-
Buildings	-	-	597	10 000	800	800	11 000	8 000	-
Other fixed structures									
Machinery and equipment	1 416	1 532	2 482	3 170	5 857	5 857	5 041	5 529	4 944
Transport equipment	566	152	1 285	1 541	1 541	1 541	2 326	2 417	2 318
Other machinery and equipment	850	1 380	1 197	1 629	4 316	4 316	2 715	3 112	2 626
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	552	811	1 048	467	467	467	493	522	422
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	38 139	42 888	53 235	82 446	69 343	69 343	80 158	83 839	85 930

Table 16.D: Details 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	168 961	211 101	212 863	245 217	264 582	264 582	238 091	243 671	255 934
Compensation of employees	55 700	71 432	82 402	96 883	97 635	97 635	78 337	78 413	83 448
Salaries and wages	51 476	66 180	76 524	77 506	78 258	78 258	64 283	63 503	67 570
Social contributions	4 224	5 252	5 878	19 377	19 377	19 377	14 054	14 910	15 878
Goods and services	113 261	139 669	130 461	148 334	166 947	166 947	159 754	165 258	172 486
of which									
Administrative fees									
Advertising	1 587	63	224	472	511	511	399	420	440
Assets <R5000	111	46	4	328	218	218	13	14	14
Audit cost: External	-	-	-	-	306	306	-	-	-
Bursaries (employees)	-	-	-	600	-	-	-	-	-
Catering: Departmental activities	8 643	8 260	8 259	14 524	12 966	12 966	15 141	16 133	16 663
Communication	240	265	284	744	627	627	573	604	625
Computer services	81	384	432	378	378	378	383	391	409
Cons/prof: Business & advisory services	3 058	2 084	3 690	7 329	5 565	5 565	6 699	7 008	7 156
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	107	-	-	105	105	105	200	210	223
Contractors	3 026	3 003	3 168	10 804	7 866	7 866	8 745	9 595	10 670
Agency & support/outourced services	-	93	352	-	851	851	-	-	-
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	46 578	58 599	22 605	42 079	37 587	37 587	33 486	33 624	35 106
Inventory: Stationery and printing	850	589	693	2 785	1 969	1 969	1 661	1 782	1 912
Operating leases	-	-	127	1 170	1 170	1 170	-	-	-
Property payments	804	-	-	210	210	210	-	-	-
Transport provided: Departmental activity	13 056	10 725	13 038	11 087	16 832	16 832	19 007	20 050	20 573
Travel and subsistence	3 883	5 428	5 986	6 853	7 484	7 484	8 038	8 599	9 146
Training and development	1 875	3 453	2 770	15 854	2 979	2 979	4 570	4 287	5 464
Operating expenditure	555	553	515	817	2 146	2 146	2 064	2 206	2 355
Venues and facilities	28 767	46 124	68 314	32 195	67 177	67 177	58 775	60 335	61 730
Rental and hiring									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Transfers and subsidies to	25 712	14 200	31 366	29 360	31 473	31 473	41 720	43 982	45 412
Provinces and municipalities	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476
Municipalities	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476
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	5 200	6 000	8 600	11 000	11 000	11 000	21 650	22 650	23 100
Households	155	3	4 542	-	613	613	700	800	836
Social benefits	-	3	1 542	-	-	-	-	-	-
Other transfers to households	155	-	3 000	-	613	613	700	800	836
Payments for capital assets	6 530	8 551	10 343	20 265	18 765	18 765	21 380	22 663	23 705
Buildings and other fixed structures	5 815	8 400	10 343	20 265	18 765	18 765	21 380	22 663	23 705
Buildings									
Other fixed structures	5 815	8 400	10 343	20 265	18 765	18 765	21 380	22 663	23 705
Machinery and equipment	508	50	-	-	-	-	-	-	-
Transport equipment									
Other machinery and equipment	508	50	-	-	-	-	-	-	-
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	207	101	-	-	-	-	-	-	-
Payments for financial assets	-	-	29	-	-	-	-	-	-
Total	201 203	233 852	254 601	294 842	314 820	314 820	301 191	310 316	325 051

Table 16.D: Details 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		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	168 961	211 101	212 863	245 217	264 582	264 582	238 091	243 671	255 934
Compensation of employees	55 700	71 432	82 402	96 883	97 635	97 635	78 337	78 413	83 448
Salaries and wages	51 476	66 180	76 524	77 506	78 258	78 258	64 283	63 503	67 570
Social contributions	4 224	5 252	5 878	19 377	19 377	19 377	14 054	14 910	15 878
Goods and services	113 261	139 669	130 461	148 334	166 947	166 947	159 754	165 258	172 486
of which									
Administrative fees									
Advertising	1 587	63	224	472	511	511	399	420	440
Assets <R5000	111	46	4	328	218	218	13	14	14
Audit cost: External	-	-	-	-	306	306	-	-	-
Bursaries (employees)	-	-	-	600	-	-	-	-	-
Catering: Departmental activities	8 643	8 260	8 259	14 524	12 966	12 966	15 141	16 133	16 663
Communication	240	265	284	744	627	627	573	604	625
Computer services	81	384	432	378	378	378	383	391	409
Cons/prof: Business & advisory services	3 058	2 084	3 690	7 329	5 565	5 565	6 699	7 008	7 156
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	107	-	-	105	105	105	200	210	223
Contractors	3 026	3 003	3 168	10 804	7 866	7 866	8 745	9 595	10 670
Agency & support/outsourced services	-	93	352	-	851	851	-	-	-
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	46 578	58 599	22 605	42 079	37 587	37 587	33 486	33 624	35 106
Inventory: Stationery and printing	850	589	693	2 785	1 969	1 969	1 661	1 782	1 912
Operating leases	-	-	127	1 170	1 170	1 170	-	-	-
Property payments	804	-	-	210	210	210	-	-	-
Transport provided: Departmental activity	13 056	10 725	13 038	11 087	16 832	16 832	19 007	20 050	20 573
Travel and subsistence	3 883	5 428	5 986	6 853	7 484	7 484	8 038	8 599	9 146
Training and development	1 875	3 453	2 770	15 854	2 979	2 979	4 570	4 287	5 464
Operating expenditure	555	553	515	817	2 146	2 146	2 064	2 206	2 355
Venues and facilities	28 767	46 124	68 314	32 195	67 177	67 177	58 775	60 335	61 730
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	25 712	14 200	31 366	29 360	31 473	31 473	41 720	43 982	45 412
Provinces and municipalities	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476
Municipalities	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476
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	5 200	6 000	8 600	11 000	11 000	11 000	21 650	22 650	23 100
Households	155	3	4 542	-	613	613	700	800	836
Social benefits	-	3	1 542	-	-	-	-	-	-
Other transfers to households	155	-	3 000	-	613	613	700	800	836
Payments for capital assets	6 530	8 551	10 343	20 265	18 765	18 765	21 380	22 663	23 705
Buildings and other fixed structures	5 815	8 400	10 343	20 265	18 765	18 765	21 380	22 663	23 705
Buildings									
Other fixed structures	5 815	8 400	10 343	20 265	18 765	18 765	21 380	22 663	23 705
Machinery and equipment	508	50	-	-	-	-	-	-	-
Transport equipment									
Other machinery and equipment	508	50	-	-	-	-	-	-	-
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	207	101	-	-	-	-	-	-	-
Payments for financial assets	-	-	29	-	-	-	-	-	-
Total	201 203	233 852	254 601	294 842	314 820	314 820	301 191	310 316	325 051

Table 16.E: Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2009/10	2010/11	2011/12	Appropriation	Appropriation 2012/13	Estimate	2013/14	2014/15	2015/16
Current payments	78 742	93 664	87 694	92 122	92 122	92 122	84 760	83 877	83 560
Compensation of employees	25 565	41 260	35 625	15 426	15 426	15 426	17 357	13 100	9 245
Salaries and wages	25 361	40 107	34 606	12 521	12 521	12 521	15 500	11 253	7 396
Social contributions	204	1 153	1 019	2 905	2 905	2 905	1 857	1 847	1 849
Goods and services	53 177	52 404	52 069	76 696	76 696	76 696	67 403	70 777	74 315
of which									
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	418	-	33	417	417	417	399	420	440
Assets <R5000	111	46	-	315	315	315	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	5 598	3 544	4 076	6 686	6 686	6 686	4 986	5 435	5 908
Communication	8	34	3	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	49	12	14	1 194	1 194	1 194	-	-	-
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	584	117	332	3 657	3 657	3 657	886	1 221	1 574
Agency & support/outsourced services	-	-	-	-	-	-	-	-	-
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	25 959	31 802	13 379	28 816	28 816	28 816	21 574	22 357	23 172
Inventory: Stationery and printing	233	296	144	865	865	865	500	510	520
Lease payments	-	-	-	1 050	1 050	1 050	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	5	-	-	210	210	210	-	-	-
Transport provided: Departmental activity	6 681	2 727	4 865	3 798	3 798	3 798	4 986	5 435	5 908
Travel and subsistence	533	908	917	420	420	420	2 094	2 299	2 512
Training and development	1 203	2 688	1 016	14 287	2 979	2 979	1 380	1 949	2 547
Operating expenditure	110	155	265	315	315	315	1 100	1 204	1 314
Venues and facilities	11 670	10 075	27 025	14 666	25 974	25 974	29 498	29 947	30 420
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	507	50	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	507	50	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	507	50	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	79 249	93 714	87 694	92 122	92 122	92 122	84 760	83 877	83 560

Table 16.E: Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	78 742	93 664	87 694	92 122	92 122	92 122	84 760	83 877	83 560
Compensation of employees	25 565	41 260	35 625	15 426	15 426	15 426	17 357	13 100	9 245
Salaries and wages	25 361	40 107	34 606	12 521	12 521	12 521	15 500	11 253	7 396
Social contributions	204	1 153	1 019	2 905	2 905	2 905	1 857	1 847	1 849
Goods and services	53 177	52 404	52 069	76 696	76 696	76 696	67 403	70 777	74 315
of which									
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	418	-	33	417	417	417	399	420	440
Assets <R5000	111	46	-	315	315	315	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries (employees)	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	5 598	3 544	4 076	6 686	6 686	6 686	4 986	5 435	5 908
Communication	8	34	3	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	49	12	14	1 194	1 194	1 194	-	-	-
Cons/prof: Infrastructure & planning	-	-	-	-	-	-	-	-	-
Cons/prof: Laboratory services	-	-	-	-	-	-	-	-	-
Cons/prof: Legal cost	-	-	-	-	-	-	-	-	-
Contractors	584	117	332	3 657	3 657	3 657	886	1 221	1 574
Agency & support/outsourced services	-	-	-	-	-	-	-	-	-
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	25 959	31 802	13 379	28 816	28 816	28 816	21 574	22 357	23 172
Inventory: Stationery and printing	233	296	144	865	865	865	500	510	520
Lease payments	-	-	-	1 050	1 050	1 050	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	5	-	-	210	210	210	-	-	-
Transport provided: Departmental activity	6 681	2 727	4 865	3 798	3 798	3 798	4 986	5 435	5 908
Travel and subsistence	533	908	917	420	420	420	2 094	2 299	2 512
Training and development	1 203	2 688	1 016	14 287	2 979	2 979	1 380	1 949	2 547
Operating expenditure	110	155	265	315	315	315	1 100	1 204	1 314
Venues and facilities	11 670	10 075	27 025	14 666	25 974	25 974	29 498	29 947	30 420
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	507	50	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	507	50	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	507	50	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	79 249	93 714	87 694	92 122	92 122	92 122	84 760	83 877	83 560

Table 16.F: Payments and estimates by economic classification: Mass Participation and Sport Development grant

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	78 742	93 664	87 694	91 122	91 122	91 122	79 883	83 877	83 560
Compensation of employees	25 565	41 260	35 625	14 426	14 426	14 426	12 480	13 100	9 245
Salaries and wages	25 361	40 107	34 606	11 541	11 541	11 541	10 721	11 253	7 396
Social contributions	204	1 153	1 019	2 885	2 885	2 885	1 759	1 847	1 849
Goods and services	53 177	52 404	52 069	76 696	76 696	76 696	67 403	70 777	74 315
of which									
Advertising	418	-	33	417	417	417	399	420	440
Assets <R5000	111	46	-	315	315	315	-	-	-
Catering: Departmental activities	5 598	3 544	4 076	6 686	6 686	6 686	4 986	5 435	5 908
Communication	8	34	3	-	-	-	-	-	-
Cons/prof: Business & advisory services	49	12	14	1 194	1 194	1 194	-	-	-
Contractors	584	117	332	3 657	3 657	3 657	886	1 221	1 574
Entertainment	15	-	-	-	-	-	-	-	-
Inventory: Other consumables	25 959	31 802	13 379	28 816	28 816	28 816	21 574	22 357	23 172
Inventory: Stationery and printing	233	296	144	865	865	865	500	510	520
Lease payments	-	-	-	1 050	1 050	1 050	-	-	-
Property payments	5	-	-	210	210	210	-	-	-
Transport provided: Departmental activity	6 681	2 727	4 865	3 798	3 798	3 798	4 986	5 435	5 908
Travel and subsistence	533	908	917	420	420	420	2 094	2 299	2 512
Training and development	1 203	2 688	1 016	14 287	2 979	2 979	1 380	1 949	2 547
Operating expenditure	110	155	265	315	315	315	1 100	1 204	1 314
Venues and facilities	11 670	10 075	27 025	14 666	25 974	25 974	29 498	29 947	30 420
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	507	50	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	507	50	-	-	-	-	-	-	-
Other machinery and equipment	507	50	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	79 249	93 714	87 694	91 122	91 122	91 122	79 883	83 877	83 560

Table 16.G: Payments and estimates by economic classification: EPWP Integrated Grant for Provinces

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	-	-	-	1 000	1 000	1 000	550	-	-
Compensation of employees	-	-	-	1 000	1 000	1 000	550	-	-
Salaries and wages	-	-	-	980	980	980	539	-	-
Social contributions	-	-	-	20	20	20	11	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	1 000	1 000	1 000	550	-	-

Table 16.H: Payments and estimates by economic classification: Social Sector EPWP Incentive Grant for Provinces

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
Current payments	-	-	-	-	-	-	4 327	-	-
Compensation of employees	-	-	-	-	-	-	4 327	-	-
Salaries and wages	-	-	-	-	-	-	4 240	-	-
Social contributions	-	-	-	-	-	-	87	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	4 327	-	-

Table 16.I: 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						2013/14	2014/15	2015/16
R thousand														
New and replacement assets														
1.	Combination courts	Various municipalities	Sporting courts	11	01 Apr 2012	31 Mar 2016	Equitable share	Programme 2	-	3 500	29 664	5 275	5 592	5 849
2.	Sports fields	Various municipalities	Sport fields	4	01 Apr 2012	31 Mar 2016	Equitable share	Programme 2	-	7 560	7 685	7 976	8 454	8 843
3.	Futsal courts	Various municipalities	Soccer courts	15	01 Apr 2012	31 Mar 2016	Equitable share	Programme 2	-	7 705	18 820	8 129	8 617	9 013
4.	Office building	Ugu/Sisonke	Building	1	01 Apr 2012	31 Mar 2015	Equitable share	Programme 1	-	800	597	11 000	8 000	-
Total New and replacement assets									-	19 565	56 766	32 380	30 663	23 705
Upgrades and additions									-	-	-	-	-	-
Rehabilitation, renovations and refurbishments									-	-	-	-	-	-
Maintenance and repairs														
1.	Minor repairs and renovation	Various municipalities	Maintenance	5	01 Apr 2010	31 Mar 2016	Equitable share	Programme 2	-	2 163	14 877	2 282	2 420	2 541
Total Maintenance and repairs									-	2 163	14 877	2 282	2 420	2 541
Infrastructure transfers - current		Various municipalities	Maintenance	22	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	4 950	3 300	4 950	4 950	4 950
1.	Maintenance grants								-	4 950	3 300	4 950	4 950	4 950
Infrastructure transfers - capital		Various municipalities	Infrastructure transfer	12	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	14 910	117 373	14 420	15 582	16 526
1.	Sports facilities								-	14 910	117 373	14 420	15 582	16 526
Total Infrastructure transfers - capital									-	41 588	192 316	54 032	53 615	47 722
Total Infrastructure									-	41 588	192 316	54 032	53 615	47 722

Table 16.I: 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							2013/14	2014/15	2015/16
R thousand															
New and replacement assets															
1.	Combination courts	Various municipalities	Sporting courts	11	01 Apr 2012	31 Mar 2016	Equitable share	Programme 2	-	3 500	29 664	5 275	5 592	5 849	
2.	Sports fields	Various municipalities	Sport fields	4	01 Apr 2012	31 Mar 2016	Equitable share	Programme 2	-	7 560	7 685	7 976	8 454	8 843	
3.	Futsal courts	Various municipalities	Soccer courts	15	01 Apr 2012	31 Mar 2016	Equitable share	Programme 2	-	7 705	18 820	8 129	8 617	9 013	
4.	Office building	Ugu/Sisonke	Building	1	01 Apr 2012	31 Mar 2015	Equitable share	Programme 1	-	800	597	11 000	8 000	-	
Total New and replacement assets									-	19 565	56 766	32 380	30 663	23 705	
Upgrades and additions									-	-	-	-	-	-	
Rehabilitation, renovations and refurbishments									-	-	-	-	-	-	
Maintenance and repairs									-	-	-	-	-	-	
1.	Minor repairs and renovation	Various municipalities	Maintenance	5	01 Apr 2010	31 Mar 2016	Equitable share	Programme 2	-	2 163	14 877	2 282	2 420	2 541	
Total Maintenance and repairs									-	2 163	14 877	2 282	2 420	2 541	
Infrastructure transfers - current		Various municipalities	Maintenance	22	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	-	-	-	-	-	
1.	Maintenance grants								-	4 950	3 300	4 950	4 950	4 950	
Total Infrastructure transfers - current									-	4 950	3 300	4 950	4 950	4 950	
Infrastructure transfers - capital		Various municipalities	Infrastructure transfer	12	01 Apr 2011	31 Mar 2016	Equitable share	Programme 2	-	-	-	-	-	-	
1.	Sports facilities								-	14 910	117 373	14 420	15 582	16 526	
Total Infrastructure transfers - capital									-	14 910	117 373	14 420	15 582	16 526	
Total Infrastructure									-	41 588	192 316	54 032	53 615	47 722	

Table 16.J: Summary of transfers to local government (Infrastructure)

R thousand	Audited Outcome			Main Appropriatio	Adjusted Appropriatio	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni	-	-	-	-	525	525	2 216	2 348	2 466
Total: Ugu Municipalities	3 865	-	300	1 350	975	975	2 469	2 617	2 748
B KZN211 Vulamehlo	2 202	-	150	150	150	150	-	-	-
B KZN212 Umdoni	-	-	-	-	-	-	-	-	-
B KZN213 Umzumbe	-	-	150	150	150	150	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	-	-	1 050	525	525	-	-	-
B KZN216 Hibiscus Coast	913	-	-	-	150	150	-	-	-
C DC21 Ugu District Municipality	750	-	-	-	-	-	2 469	2 617	2 748
Total: uMgungundlovu Municipalities	645	1 372	2 197	2 400	2 550	2 550	2 469	2 618	2 746
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	322	-	150	150	-	-	-
B KZN224 Impendle	-	-	150	150	150	150	-	-	-
B KZN225 Msunduzi	-	-	525	2 100	2 100	2 100	-	-	-
B KZN226 Mkhambathini	-	1 050	1 200	150	150	150	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	645	322	-	-	-	-	2 469	2 618	2 746
Total: Uthukela Municipalities	2 577	-	300	1 200	1 125	1 125	2 468	2 617	2 748
B KZN232 Emnambithi/Ladysmith	2 202	-	150	-	150	150	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	-	-	-	-	675	675	-	-	-
B KZN235 Okhahlamba	-	-	-	-	150	150	-	-	-
B KZN236 Imbabazane	-	-	150	150	150	150	-	-	-
C DC23 Uthukela District Municipality	375	-	-	1 050	-	-	2 468	2 617	2 748
Total: Umzinyathi Municipalities	2 577	2 100	4 290	3 090	2 865	2 865	253	268	282
B KZN241 Endumeni	913	-	-	-	150	150	-	-	-
B KZN242 Nqutu	-	-	840	1 890	1 365	1 365	-	-	-
B KZN244 Msinga	-	1 050	2 250	1 050	1 200	1 200	-	-	-
B KZN245 Umvoti	-	1 050	1 200	150	150	150	-	-	-
C DC24 Umzinyathi District Municipality	1 664	-	-	-	-	-	253	268	282
Total: Amajuba Municipalities	1 281	420	1 942	2 250	2 250	2 250	253	268	282
B KZN252 Newcastle	906	-	7	1 050	525	525	-	-	-
B KZN253 eMadlangeni	-	-	150	150	150	150	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	375	420	1 785	1 050	1 575	1 575	253	268	282
Total: Zululand Municipalities	-	-	150	300	825	825	2 469	2 617	2 748
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	525	525	-	-	-
B KZN263 Abaqulusi	-	-	-	-	150	150	-	-	-
B KZN265 Nongoma	-	-	-	150	-	-	-	-	-
B KZN266 Ulundi	-	-	150	150	150	150	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	2 469	2 617	2 748
Total: Umkhanyakude Municipalities	2 576	1 050	2 490	2 340	2 640	2 640	3 798	4 026	4 144
B KZN271 Umhlabuyalingana	913	-	150	150	150	150	-	-	-
B KZN272 Jozini	-	-	150	150	675	675	-	-	-
B KZN273 The Big 5 False Bay	913	1 050	1 200	150	150	150	-	-	-
B KZN274 Hlabisa	-	-	150	1 050	675	675	-	-	-
B KZN275 Mtubatuba	-	-	840	840	990	990	-	-	-
C DC27 Umkhanyakude District Municipality	750	-	-	-	-	-	3 798	4 026	4 144
Total: uThungulu Municipalities	2 969	525	2 925	1 200	2 025	2 025	253	268	282
B KZN281 Umfolozi	650	-	-	-	675	675	-	-	-
B KZN282 uMhlathuze	-	-	-	-	-	-	-	-	-
B KZN283 Ntambanana	731	-	150	150	150	150	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	913	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	525	2 775	1 050	1 200	1 200	-	-	-
C DC28 uThungulu District Municipality	675	-	-	-	-	-	253	268	282
Total: Ilembe Municipalities	1 289	1 680	1 140	2 190	1 965	1 965	2 469	2 617	2 748
B KZN291 Mandeni	-	-	150	150	150	150	-	-	-
B KZN292 KwaDukuza	-	1 680	150	150	150	150	-	-	-
B KZN293 Ndwedwe	-	-	840	840	990	990	-	-	-
B KZN294 Maphumulo	1 289	-	-	-	675	675	-	-	-
C DC29 Ilembe District Municipality	-	-	-	1 050	-	-	2 469	2 617	2 748
Total: Sisonke Municipalities	2 578	1 050	2 490	2 040	2 115	2 115	253	268	282
B KZN431 Ingwe	-	-	150	1 050	675	675	-	-	-
B KZN432 Kwa Sani	1 289	-	150	-	150	150	-	-	-
B KZN433 Greater Kokstad	-	1 050	1 200	150	150	150	-	-	-
B KZN434 Ubuhlebezwe	-	-	840	840	990	990	-	-	-
B KZN435 Umzimkulu	917	-	150	-	150	150	-	-	-
C DC43 Sisonke District Municipality	372	-	-	-	-	-	253	268	282
Unallocated	-	-	-	-	-	-	-	-	-
Total	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476

Table 16.J: Summary of transfers to local government (Infrastructure)

R thousand	Audited Outcome			Main Appropriatio	Adjusted Appropriatio	Revised Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16
A KZN2000 eThekweni	-	-	-	-	525	525	2 216	2 348	2 466
Total: Ugu Municipalities	3 865	-	300	1 350	975	975	2 469	2 617	2 748
B KZN211 Vulamehlo	2 202	-	150	150	150	150	-	-	-
B KZN212 Umdoni	-	-	-	-	-	-	-	-	-
B KZN213 Umzumbe	-	-	150	150	150	150	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	-	-	1 050	525	525	-	-	-
B KZN216 Hibiscus Coast	913	-	-	-	150	150	-	-	-
C DC21 Ugu District Municipality	750	-	-	-	-	-	2 469	2 617	2 748
Total: uMgungundlovu Municipalities	645	1 372	2 197	2 400	2 550	2 550	2 469	2 618	2 746
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	322	-	150	150	-	-	-
B KZN224 Impendle	-	-	150	150	150	150	-	-	-
B KZN225 Msunduzi	-	-	525	2 100	2 100	2 100	-	-	-
B KZN226 Mkhambathini	-	1 050	1 200	150	150	150	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	645	322	-	-	-	-	2 469	2 618	2 746
Total: Uthukela Municipalities	2 577	-	300	1 200	1 125	1 125	2 468	2 617	2 748
B KZN232 Emnambithi/Ladysmith	2 202	-	150	-	150	150	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	-	-	-	-	675	675	-	-	-
B KZN235 Okhahlamba	-	-	-	-	150	150	-	-	-
B KZN236 Imbabazane	-	-	150	150	150	150	-	-	-
C DC23 Uthukela District Municipality	375	-	-	1 050	-	-	2 468	2 617	2 748
Total: Umzinyathi Municipalities	2 577	2 100	4 290	3 090	2 865	2 865	253	268	282
B KZN241 Endumeni	913	-	-	-	150	150	-	-	-
B KZN242 Nqutu	-	-	840	1 890	1 365	1 365	-	-	-
B KZN244 Msinga	-	1 050	2 250	1 050	1 200	1 200	-	-	-
B KZN245 Umvoti	-	1 050	1 200	150	150	150	-	-	-
C DC24 Umzinyathi District Municipality	1 664	-	-	-	-	-	253	268	282
Total: Amajuba Municipalities	1 281	420	1 942	2 250	2 250	2 250	253	268	282
B KZN252 Newcastle	906	-	7	1 050	525	525	-	-	-
B KZN253 eMahlangueni	-	-	150	150	150	150	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	375	420	1 785	1 050	1 575	1 575	253	268	282
Total: Zululand Municipalities	-	-	150	300	825	825	2 469	2 617	2 748
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	525	525	-	-	-
B KZN263 Abaqulusi	-	-	-	-	150	150	-	-	-
B KZN265 Nongoma	-	-	-	150	-	-	-	-	-
B KZN266 Ulundi	-	-	150	150	150	150	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	2 469	2 617	2 748
Total: Umkhanyakude Municipalities	2 576	1 050	2 490	2 340	2 640	2 640	3 798	4 026	4 144
B KZN271 Umhlabuyalingana	913	-	150	150	150	150	-	-	-
B KZN272 Jozini	-	-	150	150	675	675	-	-	-
B KZN273 The Big 5 False Bay	913	1 050	1 200	150	150	150	-	-	-
B KZN274 Hlabisa	-	-	150	1 050	675	675	-	-	-
B KZN275 Mtubatuba	-	-	840	840	990	990	-	-	-
C DC27 Umkhanyakude District Municipality	750	-	-	-	-	-	3 798	4 026	4 144
Total: uThungulu Municipalities	2 969	525	2 925	1 200	2 025	2 025	253	268	282
B KZN281 Umfolozi	650	-	-	-	675	675	-	-	-
B KZN282 uMhlathuze	-	-	-	-	-	-	-	-	-
B KZN283 Ntambanana	731	-	150	150	150	150	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	913	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	525	2 775	1 050	1 200	1 200	-	-	-
C DC28 uThungulu District Municipality	675	-	-	-	-	-	253	268	282
Total: Ilembe Municipalities	1 289	1 680	1 140	2 190	1 965	1 965	2 469	2 617	2 748
B KZN291 Mandeni	-	-	150	150	150	150	-	-	-
B KZN292 KwaDukuza	-	1 680	150	150	150	150	-	-	-
B KZN293 Ndwedwe	-	-	840	840	990	990	-	-	-
B KZN294 Maphumulo	1 289	-	-	-	675	675	-	-	-
C DC29 Ilembe District Municipality	-	-	-	1 050	-	-	2 469	2 617	2 748
Total: Sisonke Municipalities	2 578	1 050	2 490	2 040	2 115	2 115	253	268	282
B KZN431 Ingwe	-	-	150	1 050	675	675	-	-	-
B KZN432 Kwa Sani	1 289	-	150	-	150	150	-	-	-
B KZN433 Greater Kokstad	-	1 050	1 200	150	150	150	-	-	-
B KZN434 Ubuhlebezwe	-	-	840	840	990	990	-	-	-
B KZN435 Umzimkulu	917	-	150	-	-	-	-	-	-
C DC43 Sisonke District Municipality	372	-	-	-	-	-	253	268	282
Unallocated	-	-	-	-	-	-	-	-	-
Total	20 357	8 197	18 224	18 360	19 860	19 860	19 370	20 532	21 476