



# VOTE 7

## DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

To be appropriated by vote in 2014/15	R 340 598 000
Responsible MEC	MEC for Co-operative Governance and Traditional Affairs
Administering Department	Department of Co-operative Governance and Traditional Affairs
Accounting Officer	Head of Department : Co-operative Governance and Traditional Affairs

### 1. OVERVIEW

#### Vision

To achieve sustainable, viable local government, traditional councils and communities in Gauteng.

#### Mission

To coordinate the effective functioning of local government, promote integrated development planning and deepen participatory democracy in order to accelerate services delivery.

#### Strategic goals

The department will be geared towards achieving the following five strategic objectives:

- Promote and facilitate viable and sustainable local governance;
- Promote integrated development planning through efficient land use management, provincial coordination of disaster management and improved access to basic services;
- Promote and facilitate viable and sustainable traditional institutions;
- Build an inclusive economic environment conducive to the creation of decent work; and
- Manage human resources meant to develop and capacitate the department in achieving the core functions.

#### Core functions and responsibilities

The mandate of the department is to provide support and monitor municipalities and tribal authorities through the following functions:

- Monitor the development and performance of municipalities and traditional authorities;
- Support local authorities where there are capacity constraints;
- Promote capacity development in a systematic manner to ensure that municipalities are continuously able to manage their own affairs;
- Advise, comment on and approve Integrated Development Plans (IDP's);
- Provide key support services to municipalities in implementing the Municipal Finance Management Act (MFMA) supporting Community Development Workers (CDW's); and
- Intervene where local authorities consistently fail to adequately perform their designated functions and mandates.

#### Main services

The department intends to continue supporting and monitoring municipalities in the province by strengthening good governance and accountability. This will be achieved through implementation of the oversight model. It entails the Municipal Public Accounts Committees (MPAC) contributing to assessments. The department continues to monitor the effectiveness and impact of MPAC in carrying out its oversight and accountability functions. The department has to assess and highlight the progress and challenges of the past 15 years of local government in the province. Furthermore, it must take into account lessons learned from the intervention of the Project Consolidate and the deployment of engineers by the South African Institute of Engineers (SAICE) and accountants by the South African Institute of Chartered Accountants (SAICA). The key focus in the 2014/15 financial year



will be the strengthening of ward-based planning and public participation through the involvement and training of ward committees in an effort to improve their functionality as well as the creation of the Provincial Disaster Management Centre.

The department will continue to ensure that Traditional Leadership receives administrative support through appropriate systems and structures, including the impending legislation that will define heads of KHOISAN communities as traditional leaders. The department continues to define the relationship between local municipal structures, traditional leadership structures and communities in the province, which was fully achieved in 2013/14 financial year. Another focus area is monitoring progress towards achieving targets such as the implementation of waste water management systems, implementation of a provincial sanitation strategy and water demand management strategies.

Local government support will be given priority during the 2014/15 financial year in order to provide capacity in municipalities and maintain partnerships with other stakeholders in providing scarce skills to improve service delivery and capacity, given the picture outlined by the auditor general on the state of performance of municipalities. Revenue management, municipal debts and the integration of IDP's will be some of the key services that the department will undertake in the coming financial year.

## **Outcomes**

### **Differentiated approach to municipal financing, planning and support**

The allocation to this output is aimed at providing the necessary capacity to support municipalities in areas identified as critical in achieving Operation Clean Audit in 2014 as targeted by the province. To achieve this, the department is to embark on the process of supporting municipalities in areas of asset management, financial management, revenue enhancement, project and contract management and skills development within scarce skills areas. The department allocated R5 million in the 2014/15 financial year in order to make this target a reality. This will also assist municipalities to be self-sufficient and independently achieve their designated mandates and functions.

### **Improving access to basic services**

The funds allocated to this output cater for municipalities continuously providing free basic services, such as free electricity and water, to indigent communities. The department has allocated a substantial amount of funding to improve access to basic services. However the department is facing more challenges as a result of migration to Gauteng municipalities.

### **Deepen democracy through a refined ward committee model**

The budget for this output relates to the provision of training for ward committees and the strengthening of public participation and ward committee structures and functions. The department planned to train 172 ward councillors and 1 720 ward committee members in ward-based planning. The objective is to empower ward committees to play an active role in the municipal planning cycle at ward level and budgetary processes in line with legislative requirements. The targeted municipalities are Mogale, Randfontein, Westonaria, Emfuleni, Lesedi and Midvaal. The department planned to undertake ward committee sector development in seven municipalities to identify and strengthen sectors at ward level for the committees to partake in sector department programmes and influence the functioning of ward committees and to promote accountability.

### **External activities and events relevant to budget decisions**

The department will support the Gauteng Planning Commission in the conceptualisation and development of the Provincial Disaster Management Centre, which is a legislative requirement, and Operation Clean Audit, as stipulated by the Office of the Auditor-General recently in the audit outcomes of municipalities for the 2011/2012 financial year. In addition, the expected promulgation of the National Bill of Traditional Leadership, which will allow Khoisan leaders to be traditional leaders, will be an added impact to the budget increase. The increase in this budget is also as a result of HIV/AIDS programmes in municipalities being resuscitated and expanded by the Department.

### **Acts, rules and regulations – (Legislative Mandates)**

- Intergovernmental Relations Framework Act (Act No. 13 of 2005);
- Local Government: Municipal Property Rate Act (Act No. 6 of 2004);
- National Environmental Management Act (Act No. 107 of 1998), as amended by Act No. 8 of 2004;
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Municipal Finance Management Act (Act No. 56 of 2003);
- Local Government: Municipal Systems Act (Act NO. 32 of 2000);

- Public Finance Management Act (Act No. 1 of 1999);
- Local Government: Demarcation Act (Act No. 27 of 1998);
- Local Government: Municipal Structure Act (Act No. 117 of 1998);
- Extension of Security of Tenure Act (Act No. 62 of 1997);
- Land Administration Act (Act No. 2 of 1995);
- Reconstruction and Development Programme Fund Act (Act No. 7 of 1994);
- Expropriation Act (1951), as repealed by Act No. 63 of 1975;
- State Land Disposal Act (Act No. 48 of 1961); and
- Deeds Registries Act (Act No. 47 of 1937).

### **Provincial Legislation**

- Gauteng Traditional Leadership Act no. of 2010;
- Gauteng Types of Municipality Act no. 03 of 2000; and
- Gauteng City Improvement Act no. 12 of 1997.

### **Good Governance Legislation**

- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Municipal Finance Management Act (Act No. 56 of 2003); and
- Public Finance Management Act (Act No. 1 of 1999).

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2013/14)**

### **Outcome 9: A responsive, effective and efficient local government system**

#### **Output 1: Differentiated approach to municipal financing, planning and support**

The department provided hands-on support to municipalities to maintain their infrastructure asset registers in line with the GRAP 17 requirements. For the period under review, three municipalities (Lesedi, Westonaria and Emfuleni Local Municipalities) were provided with training on GRAP 17. Furthermore, the department continued to engage with municipalities on the evaluation and review of the Separation of powers Oversight Model. The engagements were held with a variety of stakeholders, including SALGA-Gauteng and Gauteng Speakers' Forum on the Circular 56 evaluation study. Municipalities are adequately represented in the Gauteng Speakers' Forum. In implementing the internal audit and audit committees shared services in the West Rand Region, an additional two municipalities (Randfontein and Merafong Local Municipalities) in the West Rand Region have formally taken the resolution to implement the Shared Services Model for Audit Committees and Internal Audit Units. The total number of municipalities with the Council resolutions is now four (WRDM, Randfontein, Merafong and Westonaria).

#### **Output 2: Improving access to basic services**

The department targeted 5 000 households to receive basic services (water and sanitation) funded by the Municipal Infrastructure Grant (MIG), in line with Gauteng norms and standards. The provision of sustained water supply to existing houses was made possible by the water reservoir in Emfuleni and bulk infrastructure was provided for existing houses and new ones. The extra capacity of the department has enabled the treatment plant to effectively treat more sewerage from existing houses in Meyerton - Midvaal.

In improving access to basic services, the department will continue to monitor the number of households with access to basic water as per Gauteng norms and standards where 1 500 water and 1 500 sanitation were reached. The department, in conjunction with the Municipal Infrastructure Support Agency (MISA), deployed 8 senior engineers to municipalities in order to provide technical support. All 7 local and 3 metro municipalities have Water and Energy Sector Plans that are currently being reviewed. A total of 1 016 solar geysers have been installed across the following community beneficiaries Lehae, Devland, Alexandra Far Eastbank, Vlakfontein, Tshepisoong, Leratong Village, Matholesville, Lufhereng, Pimville and Pennyville.

Through the department's Energy Plans, it has ensured that a total of 6 134 households in Ekurhuleni, City of Johannesburg (COJ), Tshwane and West Rand have access to basic services. An analysis was conducted of 2 municipal sector plans (Water and Sanitation and Energy/ Electricity) to develop the provincial infrastructure master plan where all 7 local and 3 metro municipalities have Water and Energy Sector Plans, which are currently being reviewed. Municipalities completed the design for mechanical and electrical works to provide technical support and monitor the implementation of the Sedibeng Regional Sanitation Scheme and the Flip Human WWTW. In line with the Gauteng Energy Strategy the department has completed a Status Quo and Analysis Report on current electricity losses and mitigation initiatives.

**Output 3: Deepen democracy through a refined ward committee model**

The process of ensuring that 457 ward committees are in place and are well capacitated is in progress, therefore the target of capacitating ward committees in 7 municipalities, namely, Mogale, Merafong, Randfontein, Westonaria, Emfuleni, Midvaal and Lesedi, will be achieved. The provincial guidelines on the norms and standards to enhance public participation in municipalities were developed. Six municipalities were supported to implement the current Public Participation Framework (PPF). The department's Stakeholder Engagement Strategy was developed and implemented. The CDW programme played a role in supporting the implementation of the strategy by, firstly, assisting with intergovernmental coordination between the 3 spheres of government, secondly working with ward committees and finally by driving advocacy initiatives.

**Output 4: Administrative and financial capability**

The City of Tshwane was provided with hands-on support based on the revenue issues emanating from the merger between Metsweding region municipalities and the City of Tshwane, as raised by the AG in terms of Operation Clean Audit (OPCA). In this regard the department implemented the Revenue Computer Assisted Audit Techniques (CAATS) project in the municipality to identify and resolve anomalies in the municipal finance systems as they relate to the revenue information.

The department has been financially supporting Randfontein Municipality and Westonaria Municipality based on their qualified audit opinion in the 2012/13 financial year. The hands on support project in Randfontein Local Municipality focused on addressing issues raised by the Auditor General, in the Audit Reports and Management Letters. Support provided to Randfontein Local Municipality has enabled it to correct the back-log in creditors and debtors reconciliations that were not performed in a timely manner. Revenue and Debt Management support was implemented in Gauteng Municipalities. The support comprised of implementing the Government Debtors Strategy and the Debtors Book Strategy. Once fully implemented, the support will enhance the municipal cash flow through revenue enhancement. Total support provided in the financial year totals R6.6 million.

**Output 5: Single window of coordination**

The City of Tshwane, City of Johannesburg, Ekurhuleni Municipality and Mogale City have established IGR units and the IGR Framework is fully implemented. In monitoring the implementation of decisions of the IGR practitioners' forum, MEC fora and PCF, MEC/MMC IGR Forum, practitioners' forum and Technical MECMMC Forum were held and Resolutions were prepared, implemented and monitored in implementing the Provincial IGR Framework. The practitioner's seminar was held covering the following topics: the IGR Programme of Action, decisions from PCF and Extended EXCO Lekgotla, and Municipal and Sector Departments reporting on the implementation of the IGR Framework.

The department continued to support and enhance the capacity of traditional leadership and local governance institutions in the City of Tshwane (Amandebele Ba Lebelo and Amandebele Nzunza Sokhulumu traditional councils). In training of traditional council members, the department of Traditional Affairs (DTA) and Local Government Sector Education Training Authority (LGSETA) facilitated a national skills audit of traditional leaders and its councillors. A framework was developed for the partnership forum on the cultural practice of initiation in the province with a clear term of reference and implementation plan for the Evaluation of the National Policy Framework and municipal by-laws, identification of best practice from provinces. Stakeholders included the Departments of Health, Education, and Community Safety, as well as Sedibeng District Municipality, Ekurhuleni, COT, COJ, and Congress of Traditional Leaders of South Africa (CONTRALESA).

**Outcome 12: Efficient, effective and development oriented public service and empowered, fair and inclusive citizenship.****Output 1: Human Resource management and development**

Through its coherent support to the core functions, the department has completed Phase 1 of the de-merger process and has commenced with the repositioning phase which will assist in the finalisation of an organisational structure and service delivery model.

**3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2014/15)****Outcome 9: A responsive, effective and efficient local government system****Output 1: Differentiated approach to municipal financing, planning and support**

The department will continue to improve institutional and administrative systems to municipalities. It planned to



provide accredited training to 500 municipal officials in technical skills, infrastructure and governance to ensure that they are efficient and effective. A total of 2 municipalities will be monitored and supported to improve the PMS (Organisational and Individual). The department planned to convene 4 intergovernmental engagements to align plans and budgets with the IDP through the Gauteng IDP Technical Steering Committee. A total number of 60 participants will receive IDP education and training, based on nominations received from sector departments and municipalities. In addition 12 municipalities will participate in the IDP analysis and receiving MEC comments.

**Output 2: Improving access to basic services**

The department planned to target 6 500 households in receiving access to basic water and sanitation and 23 000 households receiving access to refuse removal. The department will provide support for the utilisation of MIG to ensure the implementation of capital projects which are in line with the approved IDPs. The department, in conjunction with Municipal Infrastructure Support Agency (MISA), plans to deploy 80 SAICE engineers to provide technical support to municipalities. The on-going technical support and monitoring will also continue to be provided by the department for the implementation of the Sedibeng Regional Sanitation Scheme and the Flip Human Waste-Water Treatment Works (WWTW) within municipalities to improve access to basic services.

In line with the Gauteng Energy Strategy the department will monitor 23 000 Solar Water Heaters (SWHs) installed in 3 metros. The department will continue to support and monitor the implementation of one Retrofitting Programme in 12 buildings and one Waste to Energy Project. In reducing energy losses and increasing the financial viability of municipalities, the department will develop a provincial Electricity Loss Management Strategy during the 2014/15 financial year.

**Output 3: Deepen democracy through a refined ward committees model**

The process of ensuring that 457 ward committees are in place will continue in the 2014/15 financial year, thereby updating skills audits and training for ward committees in 7 municipalities namely, Mogale, Merafong, Randfontein, Westonaria, Emfuleni, Midvaal and Lesedi. The impacts of these will be assessed thereafter. During the 2014/15 financial year the department will develop strategies to support 10 municipalities by reviewing and analysing municipal public participation policies in line with the public participation norms and standards as entrenched in the Public Participation Framework.

The department will conduct round table election stakeholder engagements towards the upcoming election process. A number of campaigns will continue throughout. The CDW programme will continue to play a role in supporting the implementation of the strategy by assisting with intergovernmental coordination between the 3 spheres of government, working with ward committees and driving advocacy initiatives, thereby improving accessibility to public services and information.

**Output 4: Administrative and financial capability**

The department will continue to provide hands-on support to targeted municipalities to improve their audit outcomes in order to achieve Operation Clean Audit objectives. To achieve this objective, Municipalities will be supported to maintain their infrastructure asset registers in line with the GRAP 17 requirements to address AG issues as per the AG report and management letter and to enhance reporting on Performance Information/Pre-determined objectives. The following projects will be implemented in the financial year 2014/15 to achieve this objective: the Municipal Viability Study, the development of a framework and plan, Implementation of Municipal Viability plans, Data Cleansing Project, Development of cost effective Tariff and funding model Project and Revenue Analytics Project.

**Output 5: Single Window of coordination**

The department will ensure that 12 IGR structures across Gauteng are fully aligned and functional. The department will continue to support and enhance the capacity of traditional leadership and local governance institutions in the City of Tshwane (Amandebele Ba Lebelo and Amandebele Nzunza Sokhulumu traditional councils). The department seeks to strengthen reporting on the Planning, Monitoring, Evaluation and Reporting Framework to ensure that there is standardised, uniform reporting across all municipalities, thereby improving the monitoring, evaluation and reporting process.



## Outcome 12: Efficient, effective and development-oriented public service and empowered, fair and inclusive citizenship

### Output 1: Human Resource management and development

The department has completed Phase 1 of the de-merger process and has commenced with the repositioning phase as the finalisation of an organisational structure is critical to effectively plan ahead to systematically support the core functions of the Department.

## 4. REPRIORITISATION

The Department of Co-operative Governance and Traditional Affairs has decided to reprioritise funds within economic classification. The departments supporting the GPC in conceptualising the establishment of a new Provincial Disaster Management Centre in order to comply with the relevant legislation and keep Gauteng safe during floods and other emergencies.

## 5. PROCUREMENT

- In the forthcoming financial year, the department intends to re-establish the Provincial Disaster Management Centre;
- Implementation of the public participation strategy for identifying functionality gaps for local municipalities;
- Support municipalities to develop and adopt the current Public Participation Framework;
- Training and development of Ward committees for all municipalities;
- The department further intends to strengthen MPAC oversight within Mogale City and the West Rand District Municipality;
- Support municipalities in developing and implementing a customized Municipal Recruitment, PMS and Retention Strategy;
- Support municipalities to adhere to norms and standards of revised PPF and;
- Implementation of the Government debt strategy in all municipalities.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 7.1: SUMMARY OF RECEIPTS:CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Equitable share	212 274	327 200	257 840	312 560	312 703	312 703	338 598	359 972	379 838
Conditional grants: EPWP							2 000		
<b>Total receipts</b>	<b>212 274</b>	<b>327 200</b>	<b>257 840</b>	<b>312 560</b>	<b>312 703</b>	<b>312 703</b>	<b>340 598</b>	<b>359 972</b>	<b>379 838</b>

The table above shows the departmental receipts which comprised of equitable share and conditional grants. The equitable share is mainly utilised to finance and carry out the mandate and operational activities of the Department. The allocation for the department increased from R313 million in the 2013/14 Financial Year to R341 million in 2014/15 financial year and a further increase to R380 million over the Medium-Term Expenditure Framework (MTEF).



## 6.2 Departmental receipts

Table 7.2: DEPARTMENTAL RECEIPTS: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
<b>Tax receipts</b>									
Casino taxes									
Horse racing taxes									
Liquor licenses									
Motor vehicle licenses									
Sales of goods and services other than capital assets	138	127	360	130	130	130	140	141	148
<b>Transfers received</b>									
Fines, penalties and forfeits									
Interest, dividends and rent on land	78	18	25	25	25	25	25	26	27
Sales of capital assets									
Transactions in financial assets and liabilities	23	468	56	300	300	300	300	314	331
<b>Total departmental receipts</b>	<b>239</b>	<b>613</b>	<b>441</b>	<b>455</b>	<b>455</b>	<b>455</b>	<b>465</b>	<b>481</b>	<b>506</b>

Departmental receipts increased from R239 000 in the 2010/11 financial year to R441 000 in the 2012/13 Financial Year. This was due to the merger with Department of Human Settlement. The revenue collection slightly increased from R441 000 to R455 000 by 3 percent in 2013/14 financial year. Over the MTEF period, the revenue remains relatively stable with increases from R465 000 in 2014/15 to R506 000 in 2016/17.

The main sources of revenue are parking fees from staff members, third party transactions such as commissions, interest from staff debts and servitudes from Eskom. Collection in terms of revenue (receipts) is not easy to determine as COGTA is not generating revenue continuously and steadily. As a result revenue varies from month to month due to its nature of service. The estimate of revenue for the department is based on history and previous year's collections. Revenue is also sourced from interest accumulated on staff debts and supplier debts. This income varies from month to month depending on the capital amount still due to the department.

On sales of goods and services other than capital assets, parking fees and commissions from third parties are the main source of income on this item. This income remains stable with a slight increase as the volume of the parking has been constant with slight increases every year as a result of new appointments and the allocation of parking bays and an increase on the parking fees as per Treasury circular.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The assumptions that underpin the departmental MTEF 2014 budget are summarised underneath. The department has a 6.4 percent wage increase for 2014 and 5.4 percent over the MTEF. Goods and Services are based on a 5.4 percent increase as per projected Consumer Price Inflation (CPI). The following elements have been taken into consideration when determining personnel and other economic classification for the 2014 MTEF:

- Number of staff, vacancies and possible changes over the MTEF;
- Basic salary costs, including improvement on conditions of service adjustment from 1<sup>st</sup> April each year;
- Salary increases of officials with OSD's;
- Provision for filling of vacant posts caused by the de-merger of the two departments;
- Allocation of CDW's for each ward as a result of other CDW's resign and passing on;
- The establishment of the new Provincial Disaster Management Centre;
- Provision of HIV/AIDS programme with funding to municipalities;
- Provision of continuous deployment of engineers and chartered accountants to targeted municipalities; and
- Continuous provision of meeting the 2014 operation clean audit initiatives.

## 7.2 Programme summary

TABLE 7.3: SUMMARY OF PAYMENTS AND ESTIMATES: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Outcome				Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
1. Administration	92 223	58 158	37 207	120 317	119 460	119 460	126 113	136 882	146 420
2. Local Governance	107 921	184 323	142 700	156 976	158 954	158 954	173 278	182 399	189 540
3. Development and Planning	28 605	28 785	25 097	28 848	27 870	27 870	34 088	33 518	35 699
4. Traditional Institute Development	3 130	3 147	3 766	6 419	6 419	6 419	7 119	7 173	8 178
<b>Total payments and estimates</b>	<b>231 879</b>	<b>274 413</b>	<b>208 770</b>	<b>312 560</b>	<b>312 703</b>	<b>312 703</b>	<b>340 598</b>	<b>359 972</b>	<b>379 838</b>

## 7.3 Summary of economic classification

TABLE 7.4: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

TABLE 7.4: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION, CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS									
R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
<b>Current payments</b>	<b>217 273</b>	<b>249 414</b>	<b>206 942</b>	<b>303 758</b>	<b>304 901</b>	<b>304 860</b>	<b>330 498</b>	<b>352 377</b>	<b>371 036</b>
Compensation of employees	183 843	207 695	182 711	235 345	235 488	235 488	252 131	266 481	281 296
Goods and services	33 430	41 719	24 231	68 413	69 413	69 372	78 367	85 896	89 739
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>7 469</b>	<b>23 888</b>	<b>369</b>	<b>4 425</b>	<b>3 425</b>	<b>3 448</b>	<b>5 100</b>	<b>3 530</b>	<b>3 180</b>
Provinces and municipalities	3 228	20 000					2 000		
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	4 241	3 888	369	4 425	3 425	3 448	3 100	3 530	3 180
<b>Payments for capital assets</b>	<b>7 062</b>	<b>1 002</b>	<b>1 257</b>	<b>4 377</b>	<b>4 377</b>	<b>4 377</b>	<b>5 000</b>	<b>4 065</b>	<b>5 621</b>
Buildings and other fixed structures									
Machinery and equipment	7 062	448	830	4 377	4 377	4 377	5 000	4 065	5 621
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets		554	427						
<b>Payments for financial assets</b>	<b>75</b>	<b>109</b>	<b>202</b>			<b>18</b>			
<b>Total economic classification</b>	<b>231 879</b>	<b>274 413</b>	<b>208 770</b>	<b>312 560</b>	<b>312 703</b>	<b>312 703</b>	<b>340 598</b>	<b>359 972</b>	<b>379 838</b>

The table above includes reprioritisation of the budget at programme and economic classification level over the 2014/15 MTEF. During 2010/11 expenditure amounted to R231 million and increased sharply by R2.6 million or 18.6 percent to R274 million in the 2011/12 financial year. However, expenditure for 2012/13 Financial Year decrease by R66 million to R208 million. This represents a decrease in expenditure by 24 per cent, mainly because of the split between the two departments. The budget for the department significantly increased by R104 million or 50 per cent to R313 million in the 2013/14 financial year. The substantial increase was mainly because of the split as the department strengthens its mandate, to fulfil the recruitment drive and fund the increases in personnel expenditure in filling the critical positions.

The department budget for the period under review reflects steady growth; the budget grows from R313 million to R341 million in 2014/15 and slightly increases to R380 million in the 2016/17 financial year. The increase is for the envisaged conceptualisation of a new Provincial Disaster Management Centres and the demand to address the audit outcomes of the municipalities during the operation clean audit in 2014. The increase is also attributed to the demand of filling positions for CDW's in each ward as a result of deaths and resignations that happened over time in the programme and the need to refurbish the building that will accommodate the department as result of the split of the two departments.



Programme 1: For Administration, expenditure reflects a steady decline from R92 million in 2010/11 to R37 million in 2012/13 mainly because of the merger with the Human Settlement Department. A significant increase is noted in 2013/14 and amounts to R120 million. The substantial increase in 2013/14 relates to the demerger and greater mandate of the department. The increase in the adjustment budget relates to additional funding of R143 000. Over the MTEF the budget increases to R126 million in 2014/15 and R146 million in 2016/17. The increase is mainly due to the refurbishment of the building that will accommodate the department and the ICT infrastructure equipment that will assist with the delivery of operations of the department. The funds cater for the filling of vacant positions that are critical as result of the de-merger of the two departments.

Programme 2: Local Governance has the largest share of the budget allocated mainly to ensure the continuation of the Operation Clean Audit Programme and to address audit outcome matters raised by the Auditor-General on the status of municipalities in their performance. Furthermore, the budget will ensure that the Community Development Workers Programme continues to allocate each worker to each ward to alleviate the burden placed on ward councillors and to direct communities to the department where services are required. This programme received the most sizeable allocation in the department of R108 million in 2010/11, increasing to R184 million in 2011/12 before decreasing to R143 million in 2012/13. The programme budget grows from R159 million in the 2013/14 financial year to R190 million over the MTEF for hands-on support to municipalities.

Programme 3: Growth in Development and Planning fluctuates from R29 million in 2010/11 to R25 million in 2012/13. It increases to R29 million in 2013/14 before growing by 10 per cent to R34 million in 2014/15. This will ensure that PMDC is established, geysers are installed for communities in targeted municipalities. The allocation decreases to R33.5 million in 2015/16 before increasing to R35 million respectively in 2016/17.

In Programme 4: Traditional Institutional Development, the budget grows slightly over the MTEF mainly to strengthen the support and enhance the capacity of traditional leadership and local governance institutions in the City of Tshwane (Amandebele Ba Lebelo and Amandebele Nzunza Sokhulumu traditional councils). In addition, funds will cater for the training of traditional council members. The Department of Traditional Affairs (DTA) and LGSETA facilitated a national skills audit of traditional leaders and its councillors.

The total budget for compensation of employees increased slightly from R235 million in 2013/14 to R252 million in 2014/15 and a further increase of R281 million over the MTEF. This increase is mainly related to the filling of vacant critical positions. The increase also caters for ICS, wage salary agreements and the filling of CDWs in each ward as result of deaths and resignations of CDWs, regrading of clerks positions.

The budget for goods and services grows significantly from R33 million in 2010/11 to R68 million in 2013/14. Over the MTEF it increases to R78 million in 2014/15 and to R90 million in 2016/17. The increase is informed by the conceptualisation and implementation of Provincial Disaster Management Centres with its infrastructure equipment including the refurbishment of the building that will accommodate the department and the ICT software licences and servers in the building. This increase will also assist the department to roll out strategies of OPCA to deal with issues relating to audit outcomes outlined by the Auditor-General recently. This will assist the municipalities to turn around their finances, strategies and audit outcomes.

Total expenditure for machinery and equipment increased marginally over the MTEF from the 2013/14 financial year which represents a 14 per-cent increase. This increase is mainly for the refurbishment of the building and the procurement of equipment as part of the tools of trade to carry out their functions. The slight increase over the outer years of the MTEF is due to the continuation of providing maintenance to the building and providing tools of trade to the new appointees.

## **7.4 Infrastructure payments**

### **7.4.1 Departmental infrastructure payments**

N/A

### **7.4.2 Departmental Public-Private-Partnership (PPP) projects**

N/A

## **7.5 Transfers**

### **7.5.1 Transfers to public entities**

N/A

**7. 5.2 Transfers to other entities**

N/A

**7. 5.3 Transfers to local government****TABLE 7.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Category A	3 510	20 000							
Category B									
Category C									
Unallocated									
<b>Total departmental transfers to local government</b>	<b>3 510</b>	<b>20 000</b>							

Previously the department transferred funds to municipalities for HIV/AIDS and water demand programmes. These functions currently rest with the Department of Health and Water Affairs respectively. The transfer in 2011/12 was allocated to Tshwane municipality as once off costs for the operational requirements that needed to be concluded for integrating the Metsweding District Municipality.

**8. PROGRAMME DESCRIPTION****PROGRAMME 1: ADMINISTRATION****Programme description**

The main goal of this programme is to strengthen and align the Department's organisational capacity and capability to deliver on its mandate. It enables the Department's business Units to perform efficiently by providing corporate support (HR, financial management, supply chain management, ICT, risk management and facilities management). The programme ensures effective and efficient leadership, management and administrative support to the core business of the department through the refinement of the organisational strategy and structure in compliance with appropriate legislation and practice. The programme outputs are a reflection of the government's outcome 12 which seeks to achieve an efficient, effective and developmental oriented public service and an empowered, fair and inclusive citizenry.

**Programme objectives**

- To ensure that Human Resource Management is a strategic partner to all units in the department;
- To provide effective legal services to the department;
- To provide efficient and effective facilities management to the department;
- To provide efficient and effective and stable ICT infrastructure and support to the department;
- To ensure prudent financial management, efficient and effective supply chain management and systems to ensure that financial planning and budgeting are aligned to the department strategic plan;
- Maintenance of effective, efficient and transparent risk management, financial systems and controls in order to safeguard departmental assets; and
- To ensure good governance and improved productivity through the promotion of discipline, transparency, independence, accountability, fairness and social responsibility with departmental operations.

**TABLE 7.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
1. Office of the MEC	18 197	6 630	1 236	2 638	2 638	3 470	2 960	3 098	3 096
2. Corporate Services	74 026	51 528	35 971	117 679	116 822	115 990	123 153	133 784	143 324
<b>Total payments and estimates</b>	<b>92 223</b>	<b>58 158</b>	<b>37 207</b>	<b>120 317</b>	<b>119 460</b>	<b>119 460</b>	<b>126 113</b>	<b>136 882</b>	<b>146 420</b>

TABLE 7.7: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
<b>Current payments</b>	<b>82 634</b>	<b>53 172</b>	<b>35 394</b>	<b>111 515</b>	<b>111 658</b>	<b>111 640</b>	<b>118 013</b>	<b>130 006</b>	<b>137 934</b>
Compensation of employees	58 303	34 763	25 799	82 903	83 046	83 046	86 089	97 455	103 964
Goods and services	24 331	18 409	9 595	28 612	28 612	28 594	31 924	32 551	33 970
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>7 444</b>	<b>3 875</b>	<b>354</b>	<b>4 425</b>	<b>3 425</b>	<b>3 425</b>	<b>3 100</b>	<b>3 530</b>	<b>3 180</b>
Provinces and municipalities	3 228								
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	4 216	3 875	354	4 425	3 425	3 425	3 100	3 530	3 180
<b>Payments for capital assets</b>	<b>2 070</b>	<b>1 002</b>	<b>1 257</b>	<b>4 377</b>	<b>4 377</b>	<b>4 377</b>	<b>5 000</b>	<b>3 346</b>	<b>5 305</b>
Buildings and other fixed structures									
Machinery and equipment	2 070	448	830	4 377	4 377	4 377	5 000	3 346	5 305
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets		554	427						
<b>Payments for financial assets</b>	<b>75</b>	<b>109</b>	<b>202</b>			<b>18</b>			
<b>Total economic classification</b>	<b>92 223</b>	<b>58 158</b>	<b>37 207</b>	<b>120 317</b>	<b>119 460</b>	<b>119 460</b>	<b>126 113</b>	<b>136 882</b>	<b>146 420</b>

As indicated in the table above, the expenditure and the budget against Programme 1 reflect a fluctuating trend for the seven years under review. However, the programme recorded a declining trend in expenditure from R92 million, R58 million, R37 million between 2010 and 2012/13 respectively. The reduction expenditure is mainly attributed to the merger, because Human Settlement absorbed most of the administrative and operation activities that from part of this programme. The programme's budget increased significantly by R83 million in 2013/14 after the department de-merged to become the Department of Cooperative Governance and Traditional Affairs.

The programme budget in the 2013/14 financial year amounts to R120 million and in 2014/15 grows to R126 million and R146 million over the MTEF. The increase represents a 8 percent growth in the outer year. The growth in the budget caters for the refurbishing of the building to be occupied in the next financial year and the ICT infrastructure to be installed in the building. Furthermore, the budget will provide for the continuation of the maintenance of the building. The additional funds relate to the Clerks post, ICS and the filling of vacant positions identified by the department as critical for the assistance to deliver services by the core functions of the department after the de-merger.

The reduction in expenditure under sub-programme Office of the MEC from R18 million in 2010/11 to R6 million in 2011/12 was due to cost-cutting on items such as administrative fees, communication cost and advertising. The huge reduction in 2012/13 was due to the merger and sharing of the MEC with Human Settlement. The budget slightly increases from R2.6 million in 2013/14 to R2.9 million in 2014/15 and a further increase to R3.1 million over the MTEF. The budget growth is mainly to run the functions and the activities of the executive office.

The sub-programme Corporate Services expenditure declined rapidly from R74 million to R35 million from 2010/11 to 2012/13 financial year respectively. The budget increased by 4.5 percent from R117 million to R123 million between 2013/14 and 2014/15. The budget further increases to R133 million in 2015/16 and R143 million over the MTEF. The growth in the budget is mainly due to the refurbishment of the building, ICT infrastructure, communication, software licences and marketing for the MEC's events.

The programme's expenditure on compensation of employees increases from R83 million in the 2013/14 financial year to R86 million in the 2014/15 financial year and slightly increases to R97 million and R103 million for 2015/16 and 2016/17 respectively. This slight increase is mainly to fill vacant positions which are critical to increase the capacity of support services that are part of the recruitment drive of the department as a result of the de-merger.

## Vote 7 - Cooperative Governance and Traditional Affairs • EPRE - 2014/15

Additional funding is allocated for the migration of personnel that were affected during the 2013/14 adjustment as a continuation. This growth represents an increase of 0.7 percent year on year from the 2013/14 to the 2016/17 financial year.

The budget for goods and services increases from R29 million in the 2013/14 financial year to R32 million in 2014/15 which represent an increase of 10 percent. It increases slightly to R33 million and R34 million for 2015/16 and 2016/17 respectively. The increase caters for the envisaged procurement of ICT infrastructure, software licences, refurbishment of the new building and marketing for the MEC outreach programmes to the municipalities.

Expenditure on household declined significantly between 2010/11 and 2012/14 financial year mainly because of the merger during the 2011/12 financial year. However, in 2013/14 the household item recovers slightly, mainly because the department refocused its mandate after the demerger process was finalised. The allocation of household remains constant over the MTEF to settle claims related to beneficiaries such as former development board members.

The budget for machinery and equipment increases marginally as compared to the previous years as a result of the refurbishment of the building that will accommodate the department due to the de-merger. This will also include the supply of tools of trade which relates to the provision of capital assets.

### PROGRAMME 2: LOCAL GOVERNANCE

#### Programme description

The Local Governance Programme seeks to strengthen the developmental state by enhancing participatory governance and institutional stability as well as the capacity and capability of Local authorities to achieve its constitutional mandate. The goal of the programme is to promote and facilitate viable local governance.

#### Programme objectives

- To provide support to municipalities in the development of sound policy, undertake research, coordinate transformation and strengthen intergovernmental relations and good governance for improved service delivery;
- To support and monitor municipalities in developing and implementing systems and processes towards becoming financially viable;
- To deepen participatory democracy through responsive structures, processes and systems;
- To provide differentiated support to municipalities to help them create efficient and effective institutional and administrative systems; and
- To improve municipal monitoring, reporting and evaluation to inform support interventions in order to enhance municipal performance.

TABLE 7.8: SUMMARY OF PAYMENTS AND ESTIMATES: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
1. Municipal Administration	2 672	4 093	2 993	4 390	7 798	10 260	8 423	11 483	12 360
2. Municipal Finance	9 925	27 026	15 619	7 328	10 696	10 696	10 749	10 894	12 409
3. Public Participation	78 574	109 400	113 479	118 234	119 334	116 872	132 990	131 876	137 627
4. Capacity Development	16 750	43 804	10 609	16 239	11 806	11 806	10 796	17 109	14 115
5. Municipal Performance Monitoring, Reporting and Evaluation				10 785	9 320	9 320	10 320	11 037	13 029
<b>Total payments and estimates</b>	<b>107 921</b>	<b>184 323</b>	<b>142 700</b>	<b>156 976</b>	<b>158 954</b>	<b>158 954</b>	<b>173 278</b>	<b>182 399</b>	<b>189 540</b>

Municipal Performance Monitoring, Reporting and Evaluation programme was performed under Capacity development sub-programme previously.

TABLE 7.9: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
<b>Current payments</b>	<b>103 881</b>	<b>164 310</b>	<b>142 685</b>	<b>156 976</b>	<b>158 954</b>	<b>158 931</b>	<b>172 278</b>	<b>181 921</b>	<b>189 224</b>
Compensation of employees	98 647	147 115	130 592	128 247	129 225	129 225	139 937	141 880	148 653
Goods and services	5 234	17 195	12 093	28 729	29 729	29 706	32 341	40 041	40 570
Interest and rent on land									
<b>Transfers and subsidies</b>		<b>20 013</b>	<b>15</b>			<b>23</b>	<b>1 000</b>		
Provinces and municipalities		20 000					1 000		
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households		13	15			23			
<b>Payments for capital assets</b>	<b>4 040</b>						<b>478</b>	<b>316</b>	
Buildings and other fixed structures									
Machinery and equipment	4 040						478	316	
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>107 921</b>	<b>184 323</b>	<b>142 700</b>	<b>156 976</b>	<b>158 954</b>	<b>158 954</b>	<b>173 278</b>	<b>182 399</b>	<b>189 540</b>

The programme expenditure increased from R107 million to R143 million between the 2010/11 and 2012/13 financial years which represents an average increase of 33 percent. The increase was due to the increased support to the municipalities and the deployment of Community Development Workers for each ward. The budget further increases by R17 million from R156 million in the 2013/14 financial year to R173 million in the 2014/15 financial year, representing an 11 per cent increase. There is a further increase to R182 million and R190 million for 2015/16 and 2016/17 respectively. This increase in budget is to continuously support municipalities in relation to OPCA, the training of ward committees and councillors, the deployment of CDW's to each ward, the conducting of research studies, conducting intergovernmental relations and filling of vacant positions where necessary.

The budget on sub-programme Municipal Administration is mainly to provide research studies and to deal with powers and functions on intergovernmental relations. The budget increases from R4 million in the 2013/14 financial year to R8 million in the 2014/15 financial year which represents an increase of 91 per cent. The allocation further increases to R11 million in the 2015/16 financial year and R12 million in the final year of the MTEF period. These increases are as a result of the promulgation of gazettes for the holding of elections at municipalities, conducting of research studies on powers and functions and the development of the oversight and accountability model.

The main allocation for sub-programme Municipal Finance increased significantly from R7 million in 2013/14 and increases to R11 million in the 2014/15 financial year, which represents an increase of 57 percent. The sub-programme remains constant on R11 million in the 2015/16 financial year and R12 million in the last year of the MTEF period. The budget caters for initiatives that include interventions on asset management, resolutions on Auditor-General issues, tariff modelling, data cleansing, GRAP 17 training, undertaking research on policies, guidelines and legislation necessary for the enhancement of revenue and improved debtor management, and the implementation of smart metering projects within municipalities.

Sub-programme Public participation the allocation on this sub-programme grows from R118 million in the 2013/14 financial year to R132 million in 2014/15, which represents an increase of 12 per cent. A further increase to R138 million over the MTEF period to provide training on ward and community based planning for 172 ward councillors and 1720 ward committees in targeted 7 local municipalities, namely Lesedi LM, Midvaal, Emfuleni, Mogale City, Randfontein, Westonaria and Merafong. The training is aimed at improving the level of engagement of ward committees for planning processes and fostering civic responsibility in planning and development. Another module will focus on conflict management to empower ward committees to facilitate good

community relations amongst ward stakeholders and mitigate conflicts of interest within community groups over development issues.

The sector development programme will assist in profiling sector representation within ward committees and enabling representation to come from formidable civic organisation. All municipalities have their own sector representation criteria within their ward committees, which are varied and create tensions in knowing legitimate structures for municipalities to engage with on service delivery issues. The sector development and support programme will generate vibrant community engagements with municipalities on issues of their interest and promote a greater level of accountability from government and communities themselves. The ability of government to respond to actual needs is enhanced by the work of CDWs in wards and these vacancies have had a negative impact on targeted responses by various government sector departments.

The Capacity Development sub-programme expenditure decreased from R17 million in the 2010/11 financial to R16 million in the 2013/14 financial year because the support to municipalities is continuing by deploying engineers from SAICE and chartered accountants from SAICA. The allocation for this sub-programme slightly decreased from R16 million in the 2013/14 financial year to R10 million in the 2014/15 financial year with a R4 million increase to R17 million in 2015/16 before decreasing to R14 million in 2016/17. The fluctuation is mainly due to the number of engineers and accountants that will be deployed to municipalities in the coming financial years. Although in the previous years progress was made on the deployment of engineers and chartered accountants there is still a lot to be done to achieve the desired outcomes. The sub-program will continue to develop and implement a customised municipal recruitment and retention strategy amongst the remaining municipalities, including the Human Resource Development Framework.

In relation to compensation of employees expenditure has been fluctuating over the years. The expenditure has a significant decreased from R130 million in 2012/13 to R128 million in the 2013/14 financial year. A further increase is noted from R128 million in 2013/14 to R140 million in 2014/15 which represents a 9 percent increase. The allocation for compensation of employees over the MTEF further increased to R149 million. These increases relate to filling of positions in all sub-programmes within the programme particularly CDWs to be deployed to each ward in all municipalities as a result of deaths and resignations and comply with the EXCO resolution and other directorates as a result of the de-merger. These increases also relate to the anticipated wage agreements.

Allocation on goods and services increased substantially from R29 million in the 2013/14 financial year to R32 million in the 2014/15 financial year which represents a 10 percent increase. A further increase is noted from R32 million in 2014/15 to R40 million for 2015/16 and 2016/17 respectively. These increases relate to meeting the OPCA initiatives, and they cater for municipal capacity building programmes and ward and councillor training. This will also include research studies to be conducted and the continuous customised municipal recruitment and retention strategy and human resource development framework. Critical and scarce skills training including the deployment of technical expertise in targeted municipalities are still provided for.

The allocation for machinery and equipment for this sub-programme is basically meant for the provision of the tools of trade for existing staff members and future appointees.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: LOCAL GOVERNANCE

Performance measures	Estimated Annual Targets		
	2014/15	2015/16	2016/17
Implementation of IGR Framework	12 municipalities	12 municipalities	12 municipalities
Number of municipalities supported to reduce incidences of unethical conduct	12	12	13
Number of MPAC trained	50	Nothing Planned	Nothing Planned
Number of seminars held on topical local government issues	2	2	2
Number of topical local government policy issues reviewed and commented on	1	1	1
Sub-programme: Municipal Finance			
Number of municipalities provided with Hands-on Support to maintain their infrastructure asset registers in line with the GRAP 17 requirements	2	2	3
Number of Municipalities provided with Hands on Support in the area of GRAP Standard compliance	5	5	Nothing Planned
Number of Municipalities provided with Hands-on-Support in the areas of Revenue Enhancement and Debtor Management	2 Metros and 4 local municipalities	Monitor the implementation of the Revenue and Debt Management Model	Monitor the implementation of the Revenue and Debt Management Model



Performance measures	Estimated Annual Targets		
	2014/15	2015/16	2016/17
Sub-programme: Public Participation			
Number of advocacy initiatives undertaken to support participatory democracy	20	12	12
Number of municipalities supported to develop and adopt the current Public Participation Framework (PPF)	5	4	10
Number of Community Education Programme Implemented		Nothing Planned	Nothing Planned
Number of municipalities on the communication strategy		Nothing Planned	Nothing planned
Number of functional ward committees in Gauteng		457(90%)	508 (100%)
Sub-programme: Capacity Development			
Number of Municipalities supported in developing and implementing a customized Municipal Recruitment and Retention Strategy	3	4	4
Number of municipalities supported to customize and adopt the standardized Human Resource Framework, Strategy and Guidelines	5	5	Business Process Re-engineering for newly merged Westonaria and Randfontein
Number of targeted municipalities monitored and supported to improve the Performance Management System	2	2	2
Number of officials trained in critical and scarce skills	500	500	500
Number of municipalities supported to spend MIG	7	7	7
Sub-programme: Municipal performance monitoring, reporting and evaluation			
Number of reports compiled on municipal budget process, and assessment of AFS, APR and municipal performance in terms of the Municipal Finance Management Act (MFMA)	12	12	12
Number of reports on the analysis of municipal annual budgets	12	12	12
Number of quarterly monitoring reports on the implementation of the Municipal Systems Improvement Grant (MSG) Division of Revenue Act (DoRA)	Quarterly report are produced	Quarterly report are produced	Quarterly report are produced
Number of reports compiled on the implementation of Remuneration of Public Office Bearers Act (POBA)	13	13	13
Number of monitoring reports on municipal levies, government debt and councillors in arrears in terms of Municipal Systems Act (MSA)	4 Q reports on: -municipal levies, -government debt -Councillors in arrears.	4 Q reports on: -municipal levies, -government debt -Councillors in arrears.	4 Q reports on: - municipal levies, - government debt and - Councillors in arrears.

### PROGRAMME 3: DEVELOPMENT AND PLANNING

#### Programme description

This programme seeks to coordinate, facilitate and promote integrated development and planning in municipalities to ensure that a variety of services is delivered in an integrated and sustainable manner. It facilitates and coordinates processes towards ensuring that the municipal IDPs are credible, implementable, and aligned to national and provincial outcomes, plans and strategies. It also ensures that there is strategic management of provincial land for economic and social purposes. Coordination and support is provided for the implementation of the National Disaster Management Act and framework to ensure the effective management of disasters at national, provincial and local level within this programme. In addition, this programme ensures the accelerated delivery of municipal basic services and infrastructure delivery to meet national targets.

#### Programme objectives

- To effectively and efficiently manage provincial land for user departments;
- To facilitate, monitor and support infrastructure development within municipalities for the improvement of access to basic services;
- To coordinate and support the implementation of disaster management (including fire and rescue services) legislation and other related frameworks for the effective management of disasters at national, provincial and local levels; and
- To exercise oversight and provide strategic support to municipalities with regard to the development, review and implementation of credible IDPs that promote integrated planning.

TABLE 7.10: SUMMARY OF PAYMENTS AND ESTIMATES: DEVELOPMENT AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
1. Land Use Management	4 352	4 781	4 639	5 307	5 287	5 287	5 332	5 946	6 261
2. IDP Coordination	6 925	8 463	9 494	3 839	3 470	3 470	4 844	5 130	5 632
3. Disaster Management	8 698	12 033	9 137	16 234	15 807	15 807	19 394	18 034	19 088
4. Municipal Infrastructure	8 630	3 508	1 827	3 468	3 306	3 306	4 518	4 408	4 720
<b>Total payments and estimates</b>	<b>28 605</b>	<b>28 785</b>	<b>25 097</b>	<b>28 848</b>	<b>27 870</b>	<b>27 870</b>	<b>34 088</b>	<b>33 518</b>	<b>35 700</b>

## Vote 7 - Cooperative Governance and Traditional Affairs • EPRE - 2014/15

**TABLE 7.11: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DEVELOPMENT AND PLANNING**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
<b>Current payments</b>	<b>27 628</b>	<b>28 785</b>	<b>25 097</b>	<b>28 848</b>	<b>27 870</b>	<b>27 870</b>	<b>33 088</b>	<b>33 277</b>	<b>35 701</b>
Compensation of employees	24 497	23 028	23 040	19 927	18 949	18 949	21 251	22 273	23 544
Goods and services	3 131	5 757	2 057	8 921	8 921	8 921	11 837	11 004	12 156
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>25</b>						<b>1 000</b>		
Provinces and municipalities							1 000		
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	25								
Payments for capital assets	952							241	
Buildings and other fixed structures									
Machinery and equipment	952							241	
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>28 605</b>	<b>28 785</b>	<b>25 097</b>	<b>28 848</b>	<b>27 870</b>	<b>27 870</b>	<b>34 088</b>	<b>33 518</b>	<b>35 700</b>

The spending for the programme remained constant at R28 million for 2010/11 and 2011/12 financial years, while recording a slight decline to R25 million in 2012/13. The allocation for this programme Development and Planning has a marginal increase from R29 million in the 2013/14 to R34 million in the 2014/15 financial year. The increase is mainly for the conceptualisation of the new Provincial Disaster Management Centre and its infrastructure equipment, IDP coordination within municipalities and installation of geysers to communities on targeted municipalities. However, the programme decreased to R33 million in the 2015/16 financial year before it increases to R36 million in 2016/17. The uneven trend is because of the once-off additional funding of R1 million as part of the EPWP conditional grant for increasing the Community Development Worker programme. The increase on sub-programme Land Management from 2013/14 to 2014/15 and the MTEF is mainly due to the on-going transfer of properties to the relevant beneficiaries and the vesting of properties to the state, which takes longer than expected since only the minister of Land Affairs can authorise vesting. This increase is also due to the disposal of redundant properties on the land asset register and the application of title deeds, which is on-going.

The sub-programme Integrated Development Planning allocation has a slight increase from R3 million in the 2013/14 financial year to R4 million in the 2014/15 financial year and constantly remains the same over the MTEF. The allocation is due to the IDP's education and training, the roll out of the IDPs framework, inter-governmental IDP engagements and municipal analysis, and the MEC commenting process to be conducted by the department in various municipalities within the Province. The additional funding request on this sub-programme is aimed at ensuring the successful implementation of the inter-governmental planning roadmap that has been introduced so as to facilitate alignment of IDPs to the NDP and Gauteng 2055 vision.

The sub-programme Disaster Management allocation increased from R16 million in the 2013/14 financial year to R19 million in the 2014/15 financial year in order to gradually establish the new Provincial Disaster Management Centre. The minimal increase over the MTEF is attributed to the fact that the department is not intending to lease a building for the centre but to acquire a state building to accommodate all the requirements of the Act in terms of the centre. The increase will be part of the implementation of the new PDMC and the coordination of its structures so that a link with municipalities will be easily accessible.

The sub-programme Municipal Infrastructure has increased from R3.4 million in the 2013/14 financial year to R4.7 million for the outer year of the MTEF. This increase is attributed to the need for increased interventions in water conservation and water demand management which will be implemented at 5 municipalities, namely Randfontein, Emfuleni, Merafong, Westonaria and Midvaal with a budget of R1 million to be set aside for the project. The department will continue the review of the sector plans, which is the legislative requirement of the Water Act and the Municipal System Act, and to inform the Gauteng Integrated Infrastructure Master Plan initiated by the GPC. There is a further R1 million allocated to this sub-programme as part of the conditional grant that will assist the department to supplement job creation activities on certain projects in municipalities. The increase in the sub-programme is further motivated by the development of the electricity loss management strategy and the database of alternative/efficient energy projects in the province in pursuit of monitoring the use of alternative and efficient energy in the province.

Compensation of employees increased slightly by 5 per cent from R20 million in the 2013/14 financial year to R21 million in the 2014/15 financial year as a result of expected filling of critical positions within the Unit. Over the MTEF the increases are meant to supplement the costs of living as result of wage agreement.

The slight increase on goods and services from R9 million in the 2013/14 financial year to R12 million in the 2014/15 financial year represents 3 percent over the MTEF. The growth is due to gradual establishment of the new PDMC, the connection of free basic services to registered indigent communities, and the vesting and transfer of properties to beneficiaries. This is also due to the reviewing and integration of municipal IDPs and the implementation of Water Conservation and Water Demand Management at 5 targeted municipalities. It also provides for the continuous deployment of engineers to municipalities for technical support. The installation of geysers has become a cost-driver for this sub-programme.

The programme had no significant expenditure on machinery and equipment in the previous years. However the R241 000 allocated to machinery and equipment in 2015/16 provides for the tools of trade for newly appointed employees and other staff members who will be appointed from other components within the sub-programme.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: DEVELOPMENT AND PLANNING

Performance measures	Estimated Annual Targets		
	2013/14	2014/15	2015/16
<b>Sup-programme: Land Used Management</b>			
Number of properties acquired	22	22	Nothing Planned
Number of properties disposed to National Government and the public	National – 10 Public - 10	National – 10 Public - 10	Nothing Planned
Number of properties inspected and cases dealt with for safeguarding of GPG vacant land	700 inspections and 5 cases	800 inspections and 5 cases	Nothing Planned
Number of properties recommended for vesting with GPG	2000	2000	Nothing Planned
Number of servitudes granted to owned land	30	30	Nothing Planned
<b>Sup-programme: Municipal Infrastructure</b>			
Number of households with access to basic electricity supply	40 000 HH	50 000 HH	50 000 HH
Number of households reached with basic services funded by MIG	Water – 1 500 HH	Water -1 500 HH	Water -1 500 HH
	Sanitation – 1 500 HH	Sanitation – 1 500 HH	Sanitation – 1 500 HH
Number of households with access to basic refuse removal services	23 000 HH	23 000 HH	23 000 HH
<b>Sup-programme: Disaster Management</b>			
Fully functional Provincial Disaster Management coordinating structures.	Provincial Disaster Management coordinating structures functional.	Provincial Disaster Management coordinating structures functional.	Provincial Disaster Management coordinating structures functional.
Number of quarterly reports on Disaster Risk Reduction and Management Strategies for events completed.	4 Quarterly monitoring reports completed on the Disaster Risk Reduction and Management Strategies	4 Quarterly monitoring reports completed on the Disaster Risk Reduction and Management Strategies	4 Quarterly monitoring reports completed on the Disaster Risk Reduction and Management Strategies
Number of preparedness exercises and risk reduction strategies completed for Gautrain Rapid Rail Link.	Continued monitoring and coordination of risk reduction strategies for the Gautrain Rapid Rail link.	Continued monitoring and coordination of risk reduction strategies for the Gautrain Rapid Rail link.	Continued monitoring and coordination of risk reduction strategies for the Gautrain Rapid Rail link.
Number of disaster management awareness campaigns conducted	4 awareness campaigns of Disaster Management conducted.	4 awareness campaigns of Disaster Management conducted.	4 awareness campaigns of Disaster Management conducted.
Fully functional Provincial Fire & Rescue Services coordinating structures	Provincial Fire & Rescue Services coordinating structures functional.	Provincial Fire & Rescue Services coordinating structures functional.	Provincial Fire & Rescue Services coordinating structures functional.

## Vote 7 - Cooperative Governance and Traditional Affairs • EPRE - 2014/15

Performance measures	Estimated Annual Targets		
	2013/14	2014/15	2015/16
<b>Sup-programme: IDP Coordination</b>			
Number of municipalities with approved IDP's	12	12	Nothing Planned
Number of intergovernmental IDP engagements held through the Gauteng IDP Technical Steering Committee to ensure alignment and coordination to: Linking IDP's to outcomes reflect provincial capital projects and budgets in IDPs	4	4	Nothing Planned
Number of identified municipalities implementing the revised IDP framework	12	12	12
Number of municipalities assisted with IDP education	12	12	12
Number of municipalities participating in the IDP analysis and receiving MEC comments	12	12	12

## PROGRAMME 4: TRADITIONAL INSTITUTIONAL DEVELOPMENT

### Programme description

This programme seeks to promote and facilitate viable and sustainable traditional institutions and to support and enhance the capacity of traditional authorities. The key performance areas in this programme are: Traditional Institutional Administration, Traditional Resource Administration, Rural Development Facilitation and Traditional Land Administration.

### Programme objectives

To support and enhance the capacity of traditional leadership (TL) and local government institutions, including intergovernmental relations.

TABLE 7.12: SUMMARY OF PAYMENTS AND ESTIMATES: TRADITIONAL INSTITUTIONAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
1. Traditional Institution Administration	1 531	1 723	1 596	3 676	3 676	6 042	4 466	4 086	4 831
2. Traditional Resource Administration	841	919	1 481	1 604	1 604	152	1 601	1 687	1 776
3. Rural Development Facilitation	498	209	300	247	247	71	404	688	791
4. Traditional Land Administration	260	296	389	892	892	154	648	712	780
<b>Total payments and estimates</b>	<b>3 130</b>	<b>3 147</b>	<b>3 766</b>	<b>6 419</b>	<b>6 419</b>	<b>6 419</b>	<b>7 119</b>	<b>7 173</b>	<b>8 178</b>

TABLE 7.13: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADITIONAL INSTITUTIONAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
<b>Current payments</b>	<b>3 130</b>	<b>3 147</b>	<b>3 766</b>	<b>6 419</b>	<b>6 419</b>	<b>6 419</b>	<b>7 119</b>	<b>7 173</b>	<b>8 178</b>
Compensation of employees	2 396	2 789	3 280	4 268	4 268	4 268	4 854	4 873	5 134
Goods and services	734	358	486	2 151	2 151	2 151	2 265	2 300	3 044
Interest and rent on land									
<b>Transfers and subsidies</b>									
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households									
<b>Payments for capital assets</b>									
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									
<b>Total economic classification</b>	<b>3 130</b>	<b>3 147</b>	<b>3 766</b>	<b>6 419</b>	<b>6 419</b>	<b>6 419</b>	<b>7 119</b>	<b>7 173</b>	<b>8 178</b>

The budget has increased by 11 percent from R6.4 million in 2013/14 to R7.1 million in the 2014/15 financial year and a further increase of R8.1 million for the outer year of the MTEF. This increase is attributed to the expected national traditional bill still to be passed by parliament which recognises Khoisan leaders as traditional leaders. Moreover, the increase is for statutory payments to tribal authorities by the department to assist these authorities to function effectively and meet their mandate to the communities and enable the department to finance the Kings' commemorations. The allocated budget will also meet the obligations and needs of the tribal authorities.

The sub-programme Traditional Institutional Administration has a substantial increase in allocation from R3.6 million in the 2013/14 financial year to R4.4 million in 2014/15 and a further increase of R4.8 million for the final year of the MTEF. This increase is attributed to the increase on expenses by the traditional leadership, including remuneration of traditional leaders, an envisaged procurement of new vehicles for the chiefs during the coming financial year and filling of vacancies that are critical within the directorate in the Department.

The allocation to the sub-programme Traditional Resource Administration shows a relative increase over the MTEF period because there are not many disputes and claims between the subjects of the chiefs, since there is an appointment of the new chief that was disposed of by the previous government against the will of the communities.

The sub-programme Rural Development Facilitation has a substantial increase from the previous years as a result of the maintenance that is carried out on the aging vehicles of the chiefs and the subsequent procurement of new vehicles for them. The increase in allocation over the MTEF will mainly be to maintain the said vehicles in respect of the running costs and service maintenance.

The expenditure and allocation on the sub-programme Traditional Land Administration is mainly related to capacity building programmes for traditional leadership and the development of women within the tribal communities. The funding will be utilised to continuously integrate the traditional leaders into the mainstream of the municipal councils. The expenditure on this sub-programme has decreased slightly as a result of other women being already capacitated on certain categories.

Compensation of employees increased from R4.2 million in the 2013/14 financial year to R4.8 million which amounts to a 14 percent increase in the 2014/15 financial year and a further 6 per cent increase over the MTEF. This is due to an increase in remuneration for traditional chiefs and their staff members, including the increase in departmental staff members as a result of wage agreements.

Expenditure on goods and services has increased by a mere 42 percent from R2.1 million in 2013/14 to R3 million over the MTEF period. The increase is attributed to envisaged procurement of vehicles for the chiefs, the granting, transfer and the financing of commemorations of traditional leaders as well as the operational activities of the Department.

## **SERVICE DELIVERY MEASURES**

### **PROGRAMME 4: TRADITIONAL INSTITUTIONAL DEVELOPMENT**

Performance measures	Estimated Annual Targets		
	2013/14	2014/15	2015/16
Number of traditional councils (TC) transformed	2 Traditional councils	2 Traditional councils	2 Traditional councils
Number of traditional councils complying to legislative prescripts	2	2	2
Number of Local House of Traditional Leadership established and complying to legislative prescripts	1	1	1
Number of Traditional council trained	20	20	20
Number of events organised to support traditional communities and their institutions	1	2	2

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and costs

TABLE 7.14: PERSONNEL NUMBERS AND COSTS1: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Personnel numbers	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	As at 31 March 2017
1. Administration	116	115	115	114	114	114	114
2. Local Governance	752	752	598	598	598	598	598
3. Development Planning	61	61	61	61	61	61	61
4. Traditional Institutional Management	8	8	8	10	10	10	10
<b>Total departmental personnel numbers</b>	<b>937</b>	<b>936</b>	<b>782</b>	<b>783</b>	<b>783</b>	<b>783</b>	<b>783</b>
Total provincial personnel cost (R thousand)	183 843	207 695	182 710	235 488	252 131	266 481	281 297
Unit cost (R thousand)	196	222	301	233	322	340	359

TABLE 7.15: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS

	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
<b>Total for department</b>									
Personnel numbers (head count)	937	936	782	783	783	783	783	783	783
Personnel cost (R thousands)	183 842	207 695	182 710	235 345	235 488	23 5488	251 131	266 481	281 296
<b>Human resources component</b>									
Personnel numbers (head count)	14	15	16	17	17	17	17	17	17
Personnel cost (R thousands)	5 600	5 700	5 800	5 838	5 838	5 838	5 840	5 842	5 850
Head count as % of total for department	1%	2%	2%	2%	2%	2%	2%	2%	2%
Personnel cost as % of total for department	3%	3%	3%	2%	2%	2%	2%	2%	2%
<b>Finance component</b>									
Personnel numbers (head count)	18	20	20	21	21	21	21	21	21
Personnel cost (R thousands)	7 000	7 200	7 400	7 727	7 727	7 727	7 730	7 780	7 790
Head count as % of total for department	2%	2%	3%	3%	3%	3%	3%	3%	3%
Personnel cost as % of total for department	4%	3%	4%	3%	3%	3%	3%	3%	3%
<b>Full time workers</b>									
Personnel numbers (head count)	937	936	782	783	783	783	783	783	783
Personnel cost (R thousands)	183 842	207 695	182 710	235 345	235 488	23 5488	251 131	266 481	281 296
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%
<b>Part-time workers</b>									
Personnel numbers (head count)									
Personnel cost (R thousands)									
Head count as % of total for department									
Personnel cost as % of total for department									
<b>Contract workers</b>									
Personnel numbers (head count)									
Personnel cost (R thousands)									
Head count as % of total for department									
Personnel cost as % of total for department									

The department is in the process of finalising its service delivery model and organisational structure as a matter of the de-merger nearing its total completion. The critical vacant positions are to be filled in the next quarter to ensure that all core functions and support functions are delivered appropriately. The personnel numbers of the department might increase since the placement of staff is not completely finalised. The difference between the current establishment and PERSAL is due to the fact that the department is still paying compensation to employees of the Department of Human Settlement. The figures might change as the PERSAL cleanup is currently under way.



TABLE 7.16: PAYMENTS ON TRAINING: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
<b>1. Administration</b>	<b>336</b>	<b>482</b>	<b>67</b>	<b>1 683</b>	<b>1 683</b>	<b>1 683</b>	<b>6 461</b>	<b>5 502</b>	<b>6 501</b>
Subsistence and travel	168	241	67						
Payments on tuition	168	241		1 683	1 683	1 683	6 461	5 502	6 501
Other									
<b>2. Local Governance</b>	<b>593</b>	<b>1 077</b>	<b>4 467</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>1 100</b>	<b>1 100</b>	<b>1 080</b>
Subsistence and travel									
Payments on tuition	500	1 077	67	1 000	1 000	1 000	1 100	1 100	1 080
Other	93		4 400						
<b>3. Development Planning</b>	<b>110</b>		<b>4 400</b>	<b>2 400</b>	<b>2 400</b>	<b>2 400</b>	<b>3 160</b>	<b>2 660</b>	<b>2 660</b>
Subsistence and travel	93								
Payments on tuition	17		4 400	2 400	2 400	2 400	3 160	2 660	2 660
Other									
<b>4. Traditional Institutional Management</b>	<b>17</b>		<b>40</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>780</b>	<b>1 380</b>	<b>1 080</b>
Subsistence and travel									
Payments on tuition	17		40	600	600	600	780	1 380	1 080
Other									
<b>Total payments on training</b>	<b>1 056</b>	<b>1 559</b>	<b>8 974</b>	<b>5 683</b>	<b>5 683</b>	<b>5 683</b>	<b>11 501</b>	<b>10 642</b>	<b>11 321</b>

TABLE 7.17: INFORMATION ON TRAINING: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Number of staff	837	799	782			783			
Number of personnel trained	42	235	282	120	120	120	120	120	120
of which									
Male	18	94	94	40	40	40	40	40	40
Female	24	141	188	80	80	80	80	80	80
Number of training opportunities	5	16	47	68	68	68	68	68	68
of which									
Tertiary		24	24	50	50	50	50	50	50
Workshops		12	12	16	16	16	16	16	16
Seminars		2	2	2	2	2	2	2	2
Other	16	2	9						
Number of bursaries offered	24	9	24	50	50	50	50	50	50
Number of interns appointed		28	33	10	10	10	10	10	10
Number of learnerships appointed			5						
Number of days spent on training		19	19	100	100	100	100	100	100

The allocation of training for the department is mostly related to bursaries for employees in order to improve capacity within all departmental programmes so that the constitutional mandate can be achieved. The training offered through bursaries relates to computer training, financial management, project management and other trainings that are related to functions of the department and offered by various institutions. The table shows the gender breakdown and types of training. The budget for training is centralised in program one under HR for better coordination and management.

# ANNEXURES TO THE ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

2014/15 - EPRE • **Vote 7 - Cooperative Governance and Traditional Affairs****TABLE 7.18: SPECIFICATION OF RECEIPTS: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
<b>Tax receipts</b>									
Casino taxes									
Horse racing taxes									
Liquor licenses									
Motor vehicle licenses									
<b>Sales of goods and services other than capital assets</b>	<b>138</b>	<b>127</b>	<b>360</b>	<b>130</b>	<b>130</b>	<b>130</b>	<b>140</b>	<b>141</b>	<b>148</b>
Sale of goods and services produced by department (excluding capital assets)	<b>138</b>	<b>127</b>	<b>360</b>	<b>130</b>	<b>130</b>	<b>130</b>	<b>140</b>	<b>141</b>	<b>148</b>
Sales by market establishments	138	127	360	130	130	130	140	141	148
Administrative fees									
Other sales									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
<b>Transfers received from:</b>									
Other governmental units									
Higher education institutions									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>78</b>	<b>18</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>26</b>	<b>27</b>
Interest	78	18	25	25	25	25	25	26	27
Dividends									
Rent on land									
<b>Sales of capital assets</b>									
Land and sub-soil assets									
Other capital assets									
<b>Transactions in financial assets and liabilities</b>	<b>23</b>	<b>468</b>	<b>56</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>314</b>	<b>331</b>
<b>Total departmental receipts</b>	<b>239</b>	<b>613</b>	<b>441</b>	<b>455</b>	<b>455</b>	<b>455</b>	<b>465</b>	<b>481</b>	<b>506</b>

# Vote 7 - Cooperative Governance and Traditional Affairs • EPRE - 2014/15

TABLE 7.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
<b>Current payments</b>	<b>82 634</b>	<b>53 172</b>	<b>35 394</b>	<b>111 515</b>	<b>111 658</b>	<b>111 640</b>	<b>118 013</b>	<b>130 006</b>	<b>137 934</b>
Compensation of employees	58 303	34 763	25 799	82 903	83 046	83 046	86 089	97 455	103 965
Salaries and wages	51 264	30 289	22 441	72 126	72 251	72 250	75 279	85 257	90 888
Social contributions	7 039	4 474	3 358	10 777	10 795	10 796	10 810	12 198	13 077
Goods and services	24 331	18 409	9 595	28 612	28 612	28 594	31 924	32 551	33 969
Administrative fees	17	10	10	860	150	123	196	217	218
Advertising	100	139	396	510	600	770	1 078	550	600
Assets less than the capitalisation threshold	322	282	163	930	257	261	466	67	169
Audit cost: External	968	869	31	2 700	1 055	1 037	3 246	3 500	4 258
Bursaries: Employees	15	26	25	820	820	1 101	864	864	866
Catering: Departmental activities	382	337	237	208	394	642	611	781	934
Communication (G&S)	2 665	4 061	2 470	5 420	5 351	3 596	3 800	3 036	3 197
Computer services	22	178	51	2 855	3 255	3 011	2 870	5 000	5 140
Consultants and professional services: Business and advisory services	1 607	1 594	1 390	132	649	1 908	1 166	391	422
Consultants and professional services: Infrastructure and planning									
Consultants and professional services: Laboratory services									
Consultants and professional services: Scientific and technological services									
Consultants and professional services: Legal costs	3		1	285	285	285	500	317	333
Contractors	30	1 316	329			5	2 364	2 500	531
Agency and support / outsourced services	3 269	380	2	500	852	547	419	431	454
Entertainment			36	15	40	120	407	262	453
Fleet services (including government motor transport)	1			1 557	1 600	1 686	1 640	2 063	3 134
Housing	381	12							
Inventory: Clothing material and accessories									
Inventory: Farming supplies									
Inventory: Food and food supplies	6	2							
Inventory: Fuel, oil and gas			1						
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	1	1							
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Other supplies		4							
Consumable supplies	209	181	194	1 383	1 607	2 282	1 657	1 687	1 938
Consumable: Stationery, printing and office supplies	1 247	1 216	782	2 495	3 203	3 003	1 390	2 168	2 555
Operating leases	2 987	661	564	2 600	2 600	2 400	2 200	2 450	2 541
Property payments	6 190	2 201	427	1 600	483	358	662	830	959
Transport provided: Departmental activity	2 159	28							
Travel and subsistence	1 461	3 905	1 775	1 768	1 963	1 779	2 133	1 964	1 768
Training and development	195	241	242	1 030	1 283	1 350	2 034	2 050	2 098

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Operating payments	1	94	121	881	418	579	534	693	730
Venues and facilities	93	675	344	63	1 747	1 751	1 687	730	674
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>	<b>7 444</b>	<b>3 875</b>	<b>354</b>	<b>4 425</b>	<b>3 425</b>	<b>3 425</b>	<b>3 100</b>	<b>3 530</b>	<b>3 180</b>
Provinces and municipalities	3 228								
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	3 228								
Municipal bank accounts									
Municipal agencies and funds	3 228								
Departmental agencies and accounts									
Social security funds									
Departmental agencies (non-business entities)									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Public corporations									
Subsidies on products and production (pc)									
Other transfers to public corporations									
Private enterprises									
Subsidies on products and production (pe)									
Other transfers to private enterprises									
Non-profit institutions									
Households	4 216	3 875	354	4 425	3 425	3 425	3 100	3 530	3 180
Social benefits	4 216	3 875	354	4 425	3 425	3 425	3 100	3 530	3 180
Other transfers to households									
<b>Payments for capital assets</b>	<b>2 070</b>	<b>1 002</b>	<b>1 257</b>	<b>4 377</b>	<b>4 377</b>	<b>4 377</b>	<b>5 000</b>	<b>3 346</b>	<b>5 305</b>
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	2 070	448	830	4 377	4 377	4 377	5 000	3 346	5 305
Transport equipment									
Other machinery and equipment	2 070	448	830	4 377	4 377	4 377	5 000	3 346	5 305
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets		554	427						

## Vote 7 - Cooperative Governance and Traditional Affairs • EPRE - 2014/15

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
<b>Payments for financial assets</b>	<b>75</b>	<b>109</b>	<b>202</b>						
Thefts and losses	75	109	202						
<b>Total economic classification</b>	<b>92 223</b>	<b>58 158</b>	<b>37 207</b>	<b>120 317</b>	<b>119 460</b>	<b>119 442</b>	<b>126 113</b>	<b>136 882</b>	<b>146 419</b>

TABLE 7.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2015/16
<b>Current payments</b>	<b>103 881</b>	<b>164 310</b>	<b>142 685</b>	<b>156 976</b>	<b>158 954</b>	<b>158 931</b>	<b>172 278</b>	<b>181 921</b>	<b>189 224</b>
Compensation of employees	98 647	147 115	130 592	128 247	129 225	129 225	139 937	141 880	148 653
Salaries and wages	80 752	124 872	114 508	111 576	112 427	112 425	121 433	122 995	128 865
Social contributions	17 895	22 243	16 084	16 671	16 798	16 800	18 504	18 885	19 789
Goods and services	5 234	17 195	12 093	28 729	29 729	29 706	32 341	40 041	40 570
Administrative fees		14	12	70	113	305	85	50	54
Advertising		53	93	180	900	749	785	791	867
Assets less than the capitalisation threshold	5			185	166	72	174	134	1 089
Audit cost: External	347		935						
Bursaries: Employees								65	75
Catering: Departmental activities	193		8	98	165	173	383	652	658
Communication (G&S)	3 837	4 526	3 856	3 355	3 500	3 473	3 953	4 355	4 358
Computer services					240	240			
Consultants and professional services: Business and advisory services		8 014		2 028	4 398	4 072	3 649	3 551	3 214
Agency and support / outsourced services	154	2 111	3 003	12 396	11 561	11 331	10 156	18 202	16 404
Entertainment				10	10	61	295	298	300
Fleet services (including government motor transport)				120	120	85			
Housing									
Inventory: Materials and supplies		138							
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Other supplies									
Consumable supplies		79		237	227	229	25	29	63
Consumable: Stationery, printing and office supplies	27	100	32	591	381	505	606	640	687
Operating leases									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	188	591	1 018	1 821	2 738	2 704	2 851	2 944	3 518
Training and development	312	1 077	2 500	5 480	3 197	3 217	5 829	5 265	6 306
Operating payments			73	237	127	118	37	114	137
Venues and facilities	171	492	563	1 921	1 886	2 372	3 513	2 951	2 841
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									



R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2015/16
<b>Transfers and subsidies</b>		<b>20 013</b>	<b>15</b>			<b>23</b>	<b>1 000</b>		
Provinces and municipalities		20 000					1 000		
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities		20 000					1 000		
Municipal bank accounts		20 000					1 000		
Municipal agencies and funds									
Non-profit institutions									
Households		13	15			23			
Social benefits						23			
Other transfers to households		13	15						
<b>Payments for capital assets</b>		<b>4 040</b>					<b>478</b>	<b>316</b>	
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment		4 040					478	316	
Transport equipment									
Other machinery and equipment		4 040					478	316	
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>107 921</b>	<b>184 323</b>	<b>142 700</b>	<b>156 976</b>	<b>158 954</b>	<b>158 954</b>	<b>173 278</b>	<b>182 399</b>	<b>189 540</b>

TABLE 7. 21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DEVELOPMENT AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2015/16
<b>Current payments</b>	<b>27 628</b>	<b>28 785</b>	<b>25 097</b>	<b>28 848</b>	<b>27 870</b>	<b>27 870</b>	<b>33 088</b>	<b>33 277</b>	<b>35 701</b>
Compensation of employees	24 497	23 028	23 040	19 927	18 949	18 949	21 251	22 273	23 544
Salaries and wages	22 575	20 140	20 086	17 325	16 474	16 474	18 476	19 430	20 470
Social contributions	1 922	2 888	2 954	2 602	2 475	2 475	2 775	2 843	3 075
Goods and services	3 131	5 757	2 057	8 921	8 921	8 921	11 837	11 004	12 156
Administrative fees			2	25	25	35	81	88	97
Advertising	259		200	370	360	1 209	1 200	1 456	1 664
Assets less than the capitalisation threshold				210	150	173	29	19	22
Audit cost: External									
Bursaries: Employees									
Catering: Departmental activities	19	265	235	295	425	360	480	884	935
Communication (G&S)	11						26		
Computer services	412	197	90	246	646	596	714	600	966
Consultants and professional services: Business and advisory services	(322)			1 752	1 260	1 024	2 002	222	234
Consultants and professional services: Legal costs	2		8	200	200	200	211	222	234
Contractors				400		81	422	386	376

## Vote 7 - Cooperative Governance and Traditional Affairs • EPRE - 2014/15

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2015/16
Agency and support / outsourced services				1 300	895	1 315	2 097	2 931	2 727
Entertainment							10	20	20
Inventory: Other supplies									
Consumable supplies				1 041	954	1 041	859	903	951
Consumable: Stationery, printing and office supplies	3	20	345	403	303	145	454	478	501
Operating leases	2 413	4 996	151	550	550	400			
Property payments	30	22	1	415	415	155	237	261	226
Transport provided: Departmental activity									
Travel and subsistence	137	190	658	874	874	841	884	1 039	1 231
Training and development	93		148	605	405	466	1 544	877	1 206
Operating payments			63		960		65	73	78
Venues and facilities	74	67	156	235	499	880	522	545	688
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>	<b>25</b>						<b>1 000</b>		
Provinces and municipalities							1 000		
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities							1 000		
Municipal bank accounts							1 000		
Municipal agencies and funds									
Other transfers to private enterprises									
Non-profit institutions									
Households	25								
Social benefits	25								
Other transfers to households									
<b>Payments for capital assets</b>	<b>952</b>						<b>241</b>		
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	952							241	
Transport equipment									
Other machinery and equipment	952							241	
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>28 605</b>	<b>28 785</b>	<b>25 097</b>	<b>28 848</b>	<b>27 870</b>	<b>27 870</b>	<b>34 088</b>	<b>33 518</b>	<b>35 700</b>

TABLE 7.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROGRAMME 4: TRADITIONAL INSTITUTIONAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2015/16
<b>Current payments</b>	<b>3 130</b>	<b>3 147</b>	<b>3 766</b>	<b>6 419</b>	<b>6 419</b>	<b>6 419</b>	<b>7 119</b>	<b>7 173</b>	<b>8 177</b>
Compensation of employees	2 396	2 789	3 280	4 268	4 268	4 268	4 854	4 873	5 132
Salaries and wages	2 085	2 379	2 825	3 684	3 684	3 713	4 166	4 157	4 350
Social contributions	311	410	455	584	584	555	688	716	782
Goods and services	734	358	486	2 151	2 151	2 151	2 265	2 300	3 045
Administrative fees	3				20	31	40	40	40
Advertising	93			100	100	38			
Assets less than the capitalisation threshold	4			200	200	44	20	30	40
Audit cost: External									
Bursaries: Employees									
Catering: Departmental activities	7	15		50	50	200	150	150	150
Communication (G&S)									
Computer services									
Consultants and professional services: Business and advisory services		47							
Contractors									
Agency and support / outsourced services	548			800	800	988	1 104	744	1 299
Entertainment									
Inventory: Other supplies									
Consumable supplies				25		3	1	1	1
Consumable: Stationery, printing and office supplies	17	38	82	126	101	32	100	365	380
Operating leases									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	19	38	22	210	240	200	400	470	535
Training and development	43			80	80	135	200	200	200
Operating payments		20	13	40	40	28			
Venues and facilities		200	369	520	520	452	250	300	400
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>									
Provinces and municipalities									
Provinces									
Non-profit institutions									
Households									
Social benefits									
Other transfers to households									
<b>Payments for capital assets</b>									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>3 130</b>	<b>3 147</b>	<b>3 766</b>	<b>6 419</b>	<b>6 419</b>	<b>6 419</b>	<b>7 119</b>	<b>7 173</b>	<b>8 177</b>



**Vote 7 - Cooperative Governance and Traditional Affairs • EPRE - 2014/15**

