

# VOTE 10

## The Royal Household

Operational budget	R 54 211 000
MEC remuneration	Nil
<b>Total amount to be appropriated</b>	<b>R 54 211 000</b>
<i>of which:</i>	
Unauthorised expenditure (1 <sup>st</sup> charge) not available for spending	R 2 500 000
Vote 10 baseline available for spending after 1 <sup>st</sup> charge	R 51 711 000
<b>Responsible Executive Authority</b>	<b>The Premier, Mr. E. S. Mchunu<sup>1</sup></b>
<b>Administering department</b>	<b>The Royal Household</b>
<b>Accounting officer</b>	<b>Head: Royal Household</b>

### 1. Overview

#### Vision

The vision of the Department of the Royal Household is: *To enhance and promote the status of the Zulu Monarch and to establish the necessary institutional arrangement in support of the Zulu Monarchy and members of the Royal Family.*

#### Mission statement

The mission of the Department of the Royal Household is: *To create a sustainable, conducive environment for the Zulu Monarch in which to lead, develop and protect the Zulu Nation.*

#### Strategic objectives

**Strategic policy direction:** The Royal Household seeks to align its operations and strategic position with the overall direction of government and to serve His Majesty, the King in the following areas: to create decent employment through inclusive economic growth, and to protect and enhance environmental assets and natural resources.

The main strategic objectives of the department are as follows:

- To monitor progress in establishing and running the Royal Household Trust (hereafter referred to as the Royal Trust).
- To identify potential challenges in the implementation of Executive Council directives.
- To identify His Majesty, the King's mandatory responsibilities in terms of legislation.
- To establish His Majesty, the King's mandatory responsibilities in terms of custom/tradition.
- To determine Inter-Governmental Relations (IGR) and other protocol requirements.
- To investigate sustainability strengths and opportunities in respect of each palace.
- To collaborate with other government departments and/or agencies with a view to identifying a role for palaces in income-generating tourism activity.
- To investigate potential twinning opportunities that are likely to yield long-term benefits for palaces.
- To position the palaces as critical heritage sites without compromising traditional/customary protocols.

---

<sup>1</sup> The salary of the Executive Authority for the Royal Household is budgeted under Vote 1: Office of the Premier.

- To identify Royal Household assets that can play a major role toward the enhancement of the Zulu brand.
- To develop an operational business plan for each farm that belongs to His Majesty, the King.
- To develop and implement a business strategy for the protection and promotion of Nguni cattle.

### **Core functions**

The core functions of the department are as follows:

- To facilitate the smooth introduction and functioning of the Royal Trust.
- The maintenance of the Royal residences and His Majesty, the King's farms.
- To enable His Majesty, the King to participate in various government initiatives as an ambassador to KZN.

### **Legislative mandate**

The mandate of the department is derived from the following pieces of legislation and policy directives:

- The Constitution of the Republic of South Africa, 1996
- KZN Royal Household Trust Act, 2007
- Traditional Leadership and Governance Framework Act, 2003
- KZN Traditional Leadership and Governance Act, 2005
- Municipal Structures Act, 1998
- Municipal Systems Act, 2000
- Municipal Demarcation Act, 1998
- Traditional Leadership and Governance Act, 2005
- Public Finance Management Act, 1999, as amended, and Treasury Regulations
- Skills Development Act, 1998
- Labour Relations Act, 1995
- Employment Equity Act, 1998
- KZN Provincial SCM Policy Framework, 2006
- Remuneration of Public Office Bearers Act, 1998

## **2. Review of the 2013/14 financial year**

Section 2 provides a review of 2013/14, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

### ***The Royal Trust***

The Royal Trust was established in 2009 in terms of the KZN Royal Household Trust Act and has as its objective to administer the following for the benefit of the Monarch and the Royal Household:

- To provide for the Royal Household, including educational needs of His Majesty's children, running costs of the Royal residences, His Majesty's Queens' expenses, etc.
- To develop administrative systems, processes and controls to administer the operations of the Royal Household.
- To ensure the sustainable, financial independence of the Royal Household.
- To market the Royal Trust, and its related activities.

In 2013/14, the department continued to transfer funds to the Royal Trust to cater for, among others, staff remuneration, emolument for Trustees, as well as the Queens' expenses. Also, some functions relating to palace maintenance and farming operations were transferred to the Royal Trust.

Staff transfer processes were not finalised as anticipated, with negotiations with organised labour, being co-ordinated by the Office of the Premier (OTP), taking longer than expected. The department therefore continued to pay for staff who were performing functions on behalf of the Royal Trust.

#### ***Renovations to palaces***

The department implemented many capital projects such as major renovation, upgrading and refurbishment of buildings, emergency repairs to both the inside and outside of the palaces, paving of driveways, as well as providing for water reticulation systems, and upgrading of the sewerage system at KwaKhethomthandayo, KwaDlamahlahla, KwaLinduzulu, Ingwavuma and KwaKhangela palaces. It must be noted that the department received R12 million in 2013/14 which was specifically and exclusively appropriated for the renovation and refurbishment of palaces. The department also received a roll-over of R3.466 million from 2012/13, being unspent funds ring-fenced for renovation and refurbishment of palaces, in order to continue with Ingwavuma palace infrastructure projects which commenced in 2012/13.

#### ***His Majesty, the King's activities***

During 2013/14, His Majesty, the King undertook the following:

- Participated in government events and ceremonies, such as the opening of the KZN Provincial Legislature, and many other events organised by various departments.
- Hosted major traditional events, such as the Reed Dance, First Fruits and *Amaganu* (amarula) ceremonies.
- Installed *Amakhosi* both statutorily and customarily.
- Was involved in farming activities, such as crop and animal production.

#### ***Feasibility studies of His Majesty, the King's farms***

It must be noted that the commercialisation of three of His Majesty's farms will now be undertaken by the Royal Trust. The department, however, continued with subsistence farming activities. The farming activities undertaken on the farms included animal disease control, Nguni and Boran breeding, providing and fencing of grazing areas, plant production which included providing inputs, ploughing and planting, harvesting of crops such as beans and maize, and fencing of arable land.

### **3. Outlook for the 2014/15 financial year**

Section 3 looks at the key focus areas of 2014/15, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

#### ***The Royal Trust***

The department will continue to give support to the Royal Trust and transfer funds for operational costs such as staff remuneration, emolument for Trustees, Queens' expenses, palace maintenance and farming operations costs.

It is anticipated that negotiations with organised labour will be finalised during 2014/15. The department will continue to pay for staff performing functions on behalf of the Royal Trust until the transfer of staff is finalised. The ultimate objective over the next three to five years will be for Vote 10 to only have one budget programme, with two sub-programmes, namely the King's Office Support Services and Royal Trust. The King's Office Support Services sub-programme will cater only for the administrative costs in respect of His Majesty, the King, including the salaries of all support staff to His Majesty, His Majesty's salary, and other associated costs, such as His Majesty's subsistence and travel costs. All costs relating to the remainder of the Royal Family (His Majesty's Queens', school fees, transport, etc.), as well as the maintenance of palaces and all farming activities, will be administered by the Royal Trust, under the sub-programme: Royal Trust. The department will therefore be left with a small staff complement to render

administrative support services to His Majesty, the King. The decision to retain Vote 10 as a separate department, or to incorporate it as a programme (with these two sub-programmes) under the OTP, is still under discussion at a political level.

#### **Renovations to palaces**

The department intends to finalise all infrastructure projects, such as extension of His Majesty's house, construction of four rondavels and a garage, in 2014/15, as the funding stream for this ends in 2014/15. It is anticipated that all palace maintenance functions will be transferred to the Royal Trust during the year.

#### **His Majesty, the King's activities**

During 2014/15, His Majesty, the King will continue to participate in government ceremonies and events, install *Amakhosi*, host the First Fruits ceremony and the Reed Dance ceremony, among others. The department will continue to provide logistic arrangements to His Majesty, the King for national and international trips undertaken as a business ambassador to KZN.

#### **Farming activities**

The department intends to transfer all farming activities to the Royal Trust during the financial year.

## **4. Receipts and financing**

### **4.1 Summary of receipts**

Table 10.1 gives the sources of funding used for Vote 10 over the seven-year period 2010/11 to 2016/17. The table also compares actual and budgeted receipts against actual and budgeted payments. The department is liable for the repayment of unauthorised expenditure relating to prior years, in line with SCOPA Resolutions 18 of 2009, 20 and 21 of 2010, and 71 of 2011, as explained in further detail in Section 5.3.

**Table 10.1 : Summary of receipts and financing**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Equitable share	45 113	55 643	59 566	63 330	63 837	63 837	54 211	56 536	59 549
<b>Total receipts</b>	<b>45 113</b>	<b>55 643</b>	<b>59 566</b>	<b>63 330</b>	<b>63 837</b>	<b>63 837</b>	<b>54 211</b>	<b>56 536</b>	<b>59 549</b>
<b>Total payments</b>	<b>50 627</b>	<b>59 409</b>	<b>61 367</b>	<b>63 330</b>	<b>68 746</b>	<b>68 804</b>	<b>54 211</b>	<b>56 536</b>	<b>59 549</b>
Surplus/(Deficit) before financing	(5 514)	(3 766)	(1 801)	-	(4 909)	(4 967)	-	-	-
Financing									
of which									
Provincial roll-overs	236	-	5 383	-	3 909	3 909	-	-	-
Provincial cash resources	1 800	5 000	412	-	1 000	1 000	-	-	-
<b>Surplus/(Deficit) after financing</b>	<b>(3 478)</b>	<b>1 234</b>	<b>3 994</b>	<b>-</b>	<b>-</b>	<b>(58)</b>	<b>-</b>	<b>-</b>	<b>-</b>

In 2010/11, the department received a roll-over of R236 000 from 2009/10, and additional funding of R1.800 million allocated as provincial cash resources to cater for back-pay in respect of the King's salary which was inadvertently under-paid since 2000/01. After the repayment of the first charge of R3.767 million (see Section 5.3), the department ended the year with over-expenditure of R3.478 million.

In 2011/12, the department received provincial cash resources of R5 million, specifically allocated as once-off seed funding to establish (i.e. for the set-up and operational costs) the Royal Trust, in line with a Cabinet resolution. After the repayment of the second instalment of the first charge of R3.767 million, the budget was under-spent by R1.234 million due to under-spending on ring-fenced funds. As mentioned previously, the department received R8 million which was specifically and exclusively appropriated for the rehabilitation, renovation and refurbishment of palaces. Section 43(4)(a) of the PFMA prohibits the department from using savings realised against these infrastructure projects to offset over-expenditure in other areas. The under-spending of R5.383 million relating to these funds must therefore be taken into account when calculating the real net over-spending, which resulted in over-expenditure for the vote as a whole of R4.239 million (not in the table).

In 2012/13, the department received a roll-over of R5.383 million from 2011/12, being the under-spending on funds which were specifically and exclusively appropriated for the rehabilitation, renovation and refurbishment of palaces. Also, the department was allocated provincial cash resources of R412 000 for the higher than budgeted 2012 wage agreement. The under-expenditure of R3.994 million again largely relates to under-spending against ring-fenced funds, as explained above.

In 2013/14, the department received a roll-over of R3.909 million, of which R3.466 million was under-spending of funds which were specifically and exclusively appropriated for the rehabilitation, renovation and refurbishment of palaces and R443 000 to cater for commitments for services such as consultants, accommodation, etc. Also, the department received R1 million in the form of provincial cash resources for Operation *Sukuma Sakhe* (OSS) initiatives as identified by the Premier, aimed at improving the lives of the people of KZN. The department is anticipating year-end over expenditure of R58 000, mainly due to the expansion of scope of the Ingwavuma palace infrastructure projects.

The increase in the budget allocation over the 2014/15 MTEF is largely attributed to additional funding for the re-grading of clerical posts and carry-through costs for previous wage agreements, as well as inflation. The reduction from 2013/14 to 2014/15 is due to the fact that the infrastructure allocation for the renovations to palaces comes to an end in 2013/14, in line with project requirements.

## 4.2 Departmental receipts collection

Table 10.2 below provides a summary of the sources of revenue for the department. Details of the receipts are provided in *Annexure – Vote 10: Royal Household*.

**Table 10.2 : Summary of departmental receipts collection**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	81	104	96	103	103	90	109	110	117
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	335	-	-	-	-	594	-	-	-
Transactions in financial assets and liabilities	97	50	3	-	-	11	-	-	-
<b>Total</b>	<b>513</b>	<b>154</b>	<b>99</b>	<b>103</b>	<b>103</b>	<b>695</b>	<b>109</b>	<b>110</b>	<b>117</b>

*Sale of goods and services other than capital assets* is the department's main source of revenue and this shows a fluctuating trend over the seven-year period. The revenue is derived from rent from officials occupying state accommodation and commission on payroll deductions, such as insurance and garnishee orders. The increase reflected in 2011/12 relates to higher than anticipated insurance and garnishee orders received by the department. The revenue increase over the MTEF is due to inflationary increments.

*Sale of capital assets* reflects receipts from the sale of redundant assets such as land, vehicles and equipment. The amounts of R335 000 and R594 000 collected in 2010/11 and the 2013/14 Revised Estimate, respectively, related to sale of redundant vehicles. There are no projections provided by the department over the 2014/15 MTEF due to its uncertain nature.

*Transactions in financial assets and liabilities* reflects revenue recovered from staff debts. In 2010/11, the department received an amount of R97 000 recovered from staff debts dating back to 2005/06. During 2011/12, R50 000 was collected, relating to a stale cheque for staff exit costs. The 2012/13 amount of R3 000 relates to reversals from contribution and salaries incurred from previous years. The 2013/14 Revised Estimate reflects R11 000 related to over-payment on insurance premiums. Revenue from this source is difficult to project due to its uncertain nature, hence there are no projections over the 2014/15 MTEF.

### 4.3 Donor funding – Nil

## 5. Payment summary

This section summarises payments and budgeted estimates for the vote in terms of programme and economic classification, details of which are given in *Annexure – Vote 10: Royal Household*.

### 5.1 Key assumptions

Broad assumptions have been made in the setting of priorities, the determining of service levels and allocation of financial resources. These assumptions are as follows:

- Provision was made through internal reprioritisation for the inflationary wage adjustment of 6.4 per cent in 2014/15, 6.4 per cent in 2015/16 and 6.3 per cent in 2016/17, as well as the annual 1.5 per cent pay progression.
- Inflation related items are based on CPI projections.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2013/14, will continue to be adhered to over the 2014/15 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures.
- The operations of the Royal Trust will be phased in over the next three to five years, and various staff will be transferred to the Royal Trust.

### 5.2 Additional allocation for the 2012/13 to 2014/15 MTEF

Table 10.3 shows additional funding received by the department over the three MTEF periods 2012/13, 2013/14 and 2014/15. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of the table is two-fold. Firstly, it shows the quantum of additional funding allocated in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated. The carry-through allocations for the 2012/13 and 2013/14 MTEF periods (i.e. for the financial year 2016/17) are based on the incremental percentage used in the 2014/15 MTEF.

**Table 10.3 : Summary of additional provincial allocations for the 2012/13 to 2014/15 MTEF**

R thousand	2012/13	2013/14	2014/15	2015/16	2016/17
<b>2012/13 MTEF period</b>	<b>132</b>	<b>138</b>	<b>(12 575)</b>	<b>(13 153)</b>	<b>(13 759)</b>
Carry-through of 2011/12 Adjustments Estimate - 2011 wage agreement	132	138	145	152	159
Prov. priorities: Renovations, refurbishment of the Royal residences	-	-	(12 720)	(13 305)	(13 917)
<b>2013/14 MTEF period</b>		<b>(873)</b>	<b>(782)</b>	<b>(870)</b>	<b>(870)</b>
Census data update and 1%, 2% and 3% baseline cuts		(873)	(1 464)	(1 816)	(1 900)
<b>2014/15 MTEF period</b>			<b>341</b>	<b>473</b>	<b>515</b>
Re-grading of clerical staff			200	200	200
Carry-through of previous wage agreements			141	273	315
<b>Total</b>	<b>132</b>	<b>(735)</b>	<b>(13 016)</b>	<b>(13 550)</b>	<b>(14 113)</b>

The department received additional funding in the 2012/13 MTEF to provide for the carry-through costs of the higher than anticipated 2011 wage agreement. The decrease from 2014/15 onward is due to the removal of the palace renovations funding, in line with project requirements.

In the 2013/14 MTEF, National Treasury took a decision to impose 1, 2 and 3 per cent baseline cuts on all spheres of government (i.e. National, Provincial and Local) in order to curb the national deficit as public spending is growing faster than revenue collection. In addition, KZN received reduced equitable share allocations as a result of the reduced proportion in terms of population numbers as reported in the 2011 Census data results. The effect of this on the department was a substantial reduction in the budget over the entire period.

In the 2014/15 MTEF, the department received additional funding to provide for the re-grading of clerical posts, in line with DPSA requirements, as well as carry-through costs of previous wage agreements.

### 5.3 Summary by programme and economic classification

Tables 10.4 and 10.5 below provide a summary of the vote's expenditure and budgeted estimates by programme and economic classification, respectively, for the period 2010/11 to 2016/17.

**Table 10.4 : Summary of payments and estimates by programme: Royal Household**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
1. Support Services - His Majesty, the King	36 120	43 215	34 421	39 027	40 539	38 707	42 226	43 952	46 109
2. Royal Household Planning and Development	11 964	14 336	24 393	20 575	26 744	28 417	9 047	9 513	10 206
3. His Majesty, the King's Farms	2 543	1 858	2 553	3 728	1 463	1 680	2 938	3 071	3 234
<b>Total</b>	<b>50 627</b>	<b>59 409</b>	<b>61 367</b>	<b>63 330</b>	<b>68 746</b>	<b>68 804</b>	<b>54 211</b>	<b>56 536</b>	<b>59 549</b>
Unauth. Exp. (1st charge) not available for spending	(3 767)	(3 767)	(1 800)	(2 500)	(2 500)	(2 500)	(2 500)	(4 694)	-
<b>Baseline available for spending after 1st charge</b>	<b>46 860</b>	<b>55 642</b>	<b>59 567</b>	<b>60 830</b>	<b>66 246</b>	<b>66 304</b>	<b>51 711</b>	<b>51 842</b>	<b>59 549</b>

**Table 10.5 : Summary of payments and estimates by economic classification: Royal Household**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
<b>Current payments</b>	<b>38 973</b>	<b>41 086</b>	<b>34 910</b>	<b>26 122</b>	<b>33 303</b>	<b>32 516</b>	<b>26 760</b>	<b>25 734</b>	<b>32 056</b>
Compensation of employees	20 238	20 093	21 615	13 938	20 976	20 981	13 815	14 567	15 485
Goods and services	18 735	20 993	13 295	12 184	12 327	11 535	12 945	11 167	16 571
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>6 564</b>	<b>11 524</b>	<b>11 134</b>	<b>20 541</b>	<b>15 800</b>	<b>15 844</b>	<b>22 548</b>	<b>23 575</b>	<b>24 825</b>
Provinces and municipalities	19	-	28	9	9	27	10	10	11
Departmental agencies and accounts	5 857	11 300	10 500	20 393	15 393	15 300	22 393	23 415	24 656
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	688	224	606	139	398	517	145	150	158
<b>Payments for capital assets</b>	<b>1 106</b>	<b>3 032</b>	<b>13 355</b>	<b>14 167</b>	<b>17 143</b>	<b>17 944</b>	<b>2 403</b>	<b>2 533</b>	<b>2 668</b>
Buildings and other fixed structures	259	2 527	12 738	12 866	16 332	16 716	1 063	1 112	1 171
Machinery and equipment	763	505	617	1 301	811	1 228	1 340	1 421	1 497
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	84	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>3 984</b>	<b>3 767</b>	<b>1 968</b>	<b>2 500</b>	<b>2 500</b>	<b>2 500</b>	<b>2 500</b>	<b>4 694</b>	<b>-</b>
<b>Total</b>	<b>50 627</b>	<b>59 409</b>	<b>61 367</b>	<b>63 330</b>	<b>68 746</b>	<b>68 804</b>	<b>54 211</b>	<b>56 536</b>	<b>59 549</b>
Unauth. Exp. (1st charge) not available for spending	(3 767)	(3 767)	(1 800)	(2 500)	(2 500)	(2 500)	(2 500)	(4 694)	-
<b>Baseline available for spending after 1st charge</b>	<b>46 860</b>	<b>55 642</b>	<b>59 567</b>	<b>60 830</b>	<b>66 246</b>	<b>66 304</b>	<b>51 711</b>	<b>51 842</b>	<b>59 549</b>

In terms of Section 34(2) of the PFMA, and in line with SCOPA Resolutions 18 of 2009, 20 and 25 of 2010, the department is liable for the repayment of over-expenditure from 2005/06 to 2008/09, resulting in a first charge against the department's budget of R11.301 million spread over the three-year period 2010/11 to 2012/13. The first and second instalments of R3.767 million were implemented against the 2010/11 and 2011/12 budgets. In 2010/11, the instalment was paid but there was further unauthorised expenditure, which became a further first charge. Due to budget constraints, it was agreed that the department could extend the period – i.e. pay the remaining instalments over six years, in line with SCOPA Resolution 71 of 2011. In 2011/12, the second instalment of R3.767 million was paid but there was further unauthorised expenditure, which became a further first charge. In terms of SCOPA Resolution 7 of 2012, the instalments of R1.800 million and R2.500 million were paid in 2012/13 and 2013/14, respectively, with instalments of R2.500 million and R4.694 million to be implemented in 2014/15 and 2015/16, respectively. The first charge implemented was allocated under Programme 1, against *Payments for financial assets*, and the amounts available for spending from 2010/11 to 2015/16 have been reduced by the instalment amounts.

The increase in Programme 1 in 2011/12 related to an additional R5 million, being seed funding for the establishment of the Royal Trust, and R343 000 for the higher than anticipated 2011 wage agreement. The decrease in 2012/13 was due to the above-mentioned once-off seed funding. The increase in the 2013/14 Adjusted Appropriation relates to additional funding received for OSS initiatives aimed at improving the

lives of the people of KZN, as well as the higher than anticipated 2013 wage agreement and re-grading of clerical posts, in line with DPSA requirements. The decrease in the 2013/14 Revised Estimate largely relates to the non-purchase of office furniture and equipment in order to offset spending pressures under Programme 2 due to the non-transfer of staff to the Royal Trust. The increase over the 2014/15 MTEF is due to the increase in transfers to the Royal Trust as staff are transferred to the Royal Trust, assuming finalisation of negotiations with organised labour. These funds are shifted from Programmes 2 and 3, to provide for the Royal Trust as it takes over more and more functions from the department.

The increase in Programme 2 in 2011/12 related to the higher than budgeted 2011 wage agreement, as well as the renovations and refurbishment of palaces. The department received additional funding from 2011/12 for the renovations and maintenance of Royal residences, with this coming to an end in 2013/14, in line with project requirements, explaining the substantial decrease in 2014/15. The department, however, did not fully spend the funds allocated for renovations and refurbishment of palaces in 2011/12 due to delays in the implementation of certain infrastructure projects, such as the construction of the King's residence at eNyokeni, emanating from the fact that His Majesty, the King was not completely satisfied with the infrastructure plan. In 2012/13, R5.383 million was rolled over from 2011/12, being unspent funds ring-fenced for infrastructure projects, accounting for the increase in 2012/13. The increase in the 2013/14 Adjusted Appropriation relates to a roll-over of R3.466 million from 2012/13, again being unspent funds ring-fenced for infrastructure projects, in order to cater for commitments relating to Ingwavuma palace infrastructure projects. Also, funds were moved from Programme 3 to Programme 2 to address spending pressures as the department continued to pay for staff who were performing functions on behalf of the Royal Trust. The increase in the 2013/14 Revised Estimate relates to the expansion of scope of the Ingwavuma palace infrastructure projects.

Spending against Programme 3 shows a fluctuating trend over the seven-year period. The decrease in 2011/12 was due to the non-filling of vacant posts and implementation of cost-cutting, which resulted in savings against training and development costs. The increase in 2012/13 relates to the fact that the department continued to pay for staff who were anticipated to be transferred to the Royal Trust, as the negotiations with organised labour were not finalised. The decrease in the 2013/14 Adjusted Appropriation relates to the fact that R2.300 million, being savings from the non-filling of vacant posts, pending the transfer of staff to the Royal Trust, was moved to Programme 2 to address some spending pressures, as previously mentioned. The increase in the 2013/14 Revised Estimate relates to the correction of the misallocation of some staff salaries, such as farm manager, which were erroneously allocated under Programme 1. The increases over the 2014/15 MTEF are inflationary.

The increase against *Compensation of employees* in 2012/13 was mainly in respect of the higher than anticipated 2012 wage agreement. The decrease in the 2013/14 Main Appropriation relates to the then anticipated transfer of staff to the Royal Trust, which did not take place, as explained previously. In the 2013/14 Adjusted Appropriation, funds were moved from *Transfers and subsidies to: Departmental agencies and accounts to Compensation of employees* to cater for the payment of salaries of staff who were performing functions on behalf of the Royal Trust, accounting for the increase against *Compensation of employees*. The decrease in 2014/15 again relates to the anticipated transfer of staff to the Royal Trust, assuming finalisation of labour negotiations, being co-ordinated by the Office of the Premier. The increases from 2015/16 onward can be ascribed to additional funding allocated to the department for the re-grading of posts and carry-through costs of previous wage agreements.

The increase in *Goods and services* in 2011/12 related to the fact that the department continued to perform many of the functions which the Royal Trust was anticipated to perform, such as paying for expenditure relating to His Majesty's Queens, municipal and maintenance costs, etc., as the Royal Trust was not yet fully functional. The decrease in 2012/13 was due to cost-cutting, as well as the fact that some of the costs relating to the Royal Family, such as costs in respect of His Majesty's Queens, school fees and transport, were administered by the Royal Trust. The decrease in the 2013/14 Main Appropriation and over the 2014/15 MTEF is to cater for the anticipated transfer of all palace maintenance and farming operations functions to the Royal Trust. The decrease in the 2013/14 Revised Estimate can be ascribed to cost-cutting to offset spending pressures in other areas. The increase in 2016/17 relates to the department's intention to cater for pressures that exist against items such as travel and subsistence, consultants' fees, etc.



*Transfers and subsidies to: Provinces and municipalities* relates to motor vehicle licences. The department did not receive invoices from the Department of Transport (DOT) in 2011/12, which accounts for no spending recorded against this category and the substantial increase in 2012/13. The increase in the 2013/14 Revised Estimate relates to incorrect allocation of expenditure relating to *Transfers and subsidies to: Households*. The increase in 2016/17 is due to the anticipated increase in annual tariffs.

Transfers to the Royal Trust are reflected against *Transfers and subsidies to: Departmental agencies and accounts*. The increase in 2011/12 was due to the fact that the Royal Trust was allocated once-off seed funding of R5 million for establishment costs, in line with a Cabinet resolution. The decrease in 2012/13 related to the decision taken by the department not to transfer the full allocation of the Royal Trust as the department continued to pay for functions which were anticipated to be paid for by the Royal Trust. The low 2013/14 Adjusted Appropriation and Revised Estimate can be ascribed to the movement of funds to *Compensation of employees*, as the department continued to pay for staff who were performing functions on behalf of the Royal Trust. The increase over the 2014/15 MTEF is due to the anticipated increase in transfers as staff are transferred to the Royal Trust, assuming finalisation of labour negotiations.

The amounts reflected against *Transfers and subsidies to: Households* over the seven-year period relate to the payment of staff exit costs. The high spending in 2010/11 and 2012/13 was due to higher than anticipated staff exits. The increase in the 2013/14 Revised Estimate relates to higher than anticipated staff exits. The reduction from 2014/15, with inflationary adjustments thereafter, is due to fewer anticipated staff exits from the Vote itself, because staff are going to be transferred to the Royal Trust. Any exit costs would therefore be paid for by the Royal Trust, rather than the department.

*Buildings and other fixed structures* shows substantial growth from 2011/12, where the department's budget was increased in line with a funding request which indicated that the palaces were in dire need of renovations and repairs. The department commenced with the renovations and refurbishment of two palaces, i.e. KwaKhethomthandayo and KwaDlamahlahla, in 2011/12. The department however, did not fully spend the funds allocated for renovations and refurbishment of palaces in 2011/12, due to delays in the implementation of certain infrastructure projects, as His Majesty, the King was not completely satisfied with the infrastructure plan. The increase in 2012/13 comprises a roll-over of R5.383 million relating to 2011/12 unspent funds ring-fenced for infrastructure projects. The increase in the 2013/14 Adjusted Appropriation is due to the roll-over of R3.466 million relating to 2012/13 unspent funds ring-fenced for infrastructure projects in order to cater for commitments from Ingwavuma palace infrastructure projects, as the appointed contractor abandoned the project in 2012/13. All the renovations, upgrading and refurbishment of palaces are expected to be completed by 2013/14, which is when the funding stream for these projects ends, explaining the decrease in 2014/15. The 2014/15 MTEF allocation provides for the completion of existing projects such the Ingwavuma palace projects, as well as head office renovations.

*Machinery and equipment* includes provision for the acquisition of vehicles and office equipment. The fluctuating trend is due to the cyclical nature of such purchases, such as the acquisition of new vehicles for His Majesty, and replacement of vehicles in the departmental fleet. The decrease in the 2013/14 Adjusted Appropriation relates to savings identified against this category due to cost-cutting which were moved to ease spending pressures in other categories. The increase in the 2013/14 Revised Estimate was due to the incorrect allocation of expenditure against this category instead of *Buildings and other fixed structures* because of challenges with BAS. This is currently being addressed by National Treasury. The steady increase over the 2014/15 MTEF results from the department's plan to replenish the departmental fleet.

The amount of R84 000 against *Biological assets* in 2010/11 relates to the purchase of 12 Nguni cattle.

The amounts reflected against *Payments for financial assets* can largely be ascribed to payments in respect of the first charge. A portion of the 2010/11 amount pertained to the write-off of staff debts. In 2010/11, the first instalment of R3.767 million was paid but further unauthorised expenditure was incurred, which became a further first charge. In 2011/12, the second instalment of R3.767 million was paid but again unauthorised expenditure was incurred, which became a further first charge. The third and fourth instalments of R1.800 million and R2.500 million were paid in 2012/13 and 2013/14, respectively. The instalments of R2.500 million and R4.694 million will be implemented in 2014/15 and 2015/16, respectively, as previously explained.

## 5.4 Summary of payments and estimates by district municipal area

The spending by the department is concentrated in the Zululand district municipal area, given the fact that the department's prime function is to provide services to the Royal Household.

## 5.5 Summary of conditional grant payments and estimates – Nil

## 5.6 Summary of infrastructure payments and estimates

Table 10.6 presents a summary of infrastructure payments and estimates by category for Vote 10.

Detailed information on infrastructure is given in *Annexure – Vote 10: Royal Household*.

**Table 10.6 : Summary of infrastructure payments and estimates by category**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
New and replacement assets	-	-	-	-	-	-	-	-	-
Existing infrastructure assets	997	4 027	16 266	13 366	16 832	17 281	1 563	1 642	1 733
Upgrades and additions	-	-	-	-	-	-	-	-	-
Rehabilitation, renovations and refurbishments	259	2 527	12 738	12 866	16 332	16 716	1 063	1 112	1 171
Maintenance and repairs	738	1 500	3 528	500	500	565	500	530	562
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Current	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>997</b>	<b>4 027</b>	<b>16 266</b>	<b>13 366</b>	<b>16 832</b>	<b>17 281</b>	<b>1 563</b>	<b>1 642</b>	<b>1 733</b>

The maintenance and repair work that is undertaken at the royal residences is recorded as *Maintenance and repairs*. Capital additions are reflected against *Rehabilitation, renovations and refurbishments*.

In 2011/12, the department received additional funds for the upgrading, refurbishment and rehabilitation of palaces allocated against *Rehabilitation, renovations and refurbishments*. The department commenced in 2011/12 with the process of renovating and repairing two palaces, i.e. KwaKhethomthandayo and KwaDlamahlaha. This allocation was substantially under-spent in 2011/12 due to delays in the implementation of certain infrastructure projects, such as the construction of the King's residence at eNyokeni, emanating from the fact that His Majesty, the King was not completely satisfied with the infrastructure plan and, as a consequence, R5.383 million was rolled over to 2012/13, explaining the increase in 2012/13. The allocation was under-spent in 2012/13 due to delays in the implementation of Ingwavuma palace infrastructure projects, such as the extension of His Majesty, the King's house, etc., as the appointed contractor abandoned the project. The increase in the 2013/14 Adjusted Appropriation can be ascribed to the 2012/13 unspent funds which were rolled over to 2013/14 to cater for commitments with regard to Ingwavuma palace infrastructure projects. The increase in the 2013/14 Revised Estimate relates to the expansion of scope of the Ingwavuma palace infrastructure projects.

All the renovations, upgrading and refurbishment of palaces, such as the construction of rondavels at Ingwavuma palace, providing water reticulation systems, etc., are envisaged to be completed by the end of 2013/14, which is when the funding stream for these projects ends. The allocation over the 2014/15 MTEF provides for the completion of existing projects, such as the Ingwavuma palace projects, as well as head office renovations.

The department reduced its *Maintenance and repairs* spending in 2010/11, by not commencing with certain maintenance projects to palaces which were not considered urgent, in an attempt to remain within budget. The increase in 2012/13 related to projects which were scheduled in 2011/12, but commenced in 2012/13 due to the above-mentioned delays with the implementation of infrastructure projects. The allocation over the 2014/15 MTEF provides for general repairs and maintenance at head office.

## 5.7 Summary of Public Private Partnerships – Nil

## 5.8 Transfers to public entities listed in terms of Schedule 3 of the PFMA

Table 10.7 presents the summary of transfer payments made to other entities by Vote 10.

Financial summaries in respect of the public entity is presented in *Annexure – Vote 10: Royal Household*.

**Table 10.7 : Summary of departmental transfers to public entities**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Royal Household Trust	5 857	11 300	10 500	20 393	15 393	15 300	22 393	23 415	24 656
<b>Total</b>	<b>5 857</b>	<b>11 300</b>	<b>10 500</b>	<b>20 393</b>	<b>15 393</b>	<b>15 300</b>	<b>22 393</b>	<b>23 415</b>	<b>24 656</b>

The Royal Trust was established in 2009 as an entity in terms of the KZN Royal Household Trust Act and registered as a Schedule 3C provincial public entity during 2012/13.

In 2010/11 and 2011/12, funds were transferred to the Royal Trust to cater for the set-up and operational costs of the Royal Trust, the remuneration of the Trustees, as well as various costs of the Royal Household which were administered by the Royal Trust. This included municipal costs, fuel, food supplies, etc., relating to His Majesty's Queens and other members of the Royal Family. It should be noted that the original purpose of funds appropriated for the operations of the Royal Trust did not change, but were merely being administered by the Royal Trust.

In 2011/12, according to a Cabinet Resolution, the Royal Trust received once-off seed funding of R5 million for establishment costs. The decrease in 2012/13 related to the fact that the department continued to pay for functions which were anticipated to be paid by the Royal Trust as the Royal Trust was not fully functional. The decrease in the 2013/14 Adjusted Appropriation related to the fact that, though some functions relating to palace maintenance and farming operations were transferred to the Royal Trust, the department continued to pay for staff who were performing these functions on behalf of the Royal Trust, as negotiations with organised labour, being co-ordinated by the OTP, are taking longer than anticipated. The decrease in the 2013/14 Revised Estimate relates to a decision taken by the department to cater for expenditure, such as His Majesty's Queens cell phone accounts, paid by the department on behalf of the Royal Trust. The department indicated that adjustments in this regard will be finalised together with the Royal Trust upon the preparation of the annual financial statements (AFS).

It is envisaged that the transfer of palace support staff in Programme 2 and farm staff from Programme 3 will take place from 2014/15, assuming finalisation of the labour negotiations. This accounts for the anticipated increase in transfers to the Royal Trust over the 2014/15 MTEF.

## 5.9 Transfers to other entities – Nil

## 5.10 Transfers to local government

The Royal Household makes no transfer payments to local government.

Although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and therefore the table reflecting transfers to local government is excluded.

## 5.11 Transfers and subsidies

Table 10.8 below provides a summary of transfers and subsidies per programme.

**Table 10.8 : Summary of transfers and subsidies by programme and main category**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
<b>1. Support Services- His Majesty the King</b>	<b>6 357</b>	<b>11 392</b>	<b>10 800</b>	<b>20 402</b>	<b>15 502</b>	<b>15 347</b>	<b>22 403</b>	<b>23 425</b>	<b>24 667</b>
Provinces and municipalities	19	-	28	9	9	2	10	10	11
Motor vehicle licences	19	-	28	9	9	2	10	10	11
Departmental agencies and accounts	5 857	11 300	10 500	20 393	15 393	15 300	22 393	23 415	24 656
Royal Household Trust	5 857	11 300	10 500	20 393	15 393	15 300	22 393	23 415	24 656
Households	481	92	272	-	100	45	-	-	-
Social benefits	481	92	272	-	100	45	-	-	-
<b>2. Royal Household Planning and Dev</b>	<b>192</b>	<b>132</b>	<b>253</b>	<b>139</b>	<b>298</b>	<b>461</b>	<b>145</b>	<b>150</b>	<b>158</b>
Households	192	132	253	139	298	461	145	150	158
Motor vehicle licences	-	-	-	-	-	25	-	-	-
Social benefits	192	132	253	139	298	436	145	150	158
<b>3. His Majesty the King's Farms</b>	<b>15</b>	<b>-</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	15	-	81	-	-	36	-	-	-
Social benefits	15	-	81	-	-	36	-	-	-
<b>Total</b>	<b>6 564</b>	<b>11 524</b>	<b>11 134</b>	<b>20 541</b>	<b>15 800</b>	<b>15 844</b>	<b>22 548</b>	<b>23 575</b>	<b>24 825</b>

*Provinces and municipalities* in Programme 1 reflects the payment of motor vehicle licences. No expenditure was recorded against this category in 2011/12 due to the fact that the department did not receive invoices from DOT, which accounts for the increase in 2012/13. Also contributing to the increase in 2012/13 was the registration and licensing of new departmental vehicles. The increase in 2016/17 is due to the anticipated increase in annual tariffs. It must be noted that the amount reflected against this category under Programme 2 in the 2013/14 Revised Estimate relates to an error in the classification of expenditure, as this cost is centralised under Programme 1.

The large transfers against *Departmental agencies and accounts* in Programme 1 relate to the transfer of funds to the Royal Trust. The increase in 2011/12 relates to once-off seed funding of R5 million received by the Royal Trust to cater for establishment costs, in line with a Cabinet resolution. The decrease in 2012/13 is due to the fact that the department continued to perform many of the functions that the Royal Trust was anticipated to perform, as it was not yet fully functional. The decrease in the 2013/14 Adjusted Appropriation relates to the fact that, though some functions relating to palace maintenance and farming operations were transferred to the Royal Trust, the department continued to pay for staff who were performing these functions on behalf of the Royal Trust, as the negotiations with organised labour are taking longer than anticipated. The decrease in the 2013/14 Revised Estimate relates to the department's decision to cater for expenditure, such as His Majesty's Queens cell phone accounts, paid by the department on behalf of the Royal Trust. The department indicated that adjustments in this regard will be finalised together with the Royal Trust upon the preparation of the AFS. The increase over the 2014/15 MTEF relates to the anticipated transfer of staff to the Royal Trust, assuming finalisation of the labour negotiations.

*Households*, against all programmes, pertains mainly to the payment of leave gratuities and other staff exit costs over the seven years, which are difficult to predict. The decrease in 2014/15 relates to fewer anticipated staff exits from the Vote itself, as staff are going to be transferred to the Royal Trust.

## 6. Programme description

The services rendered by this department are categorised under three programmes. The expenditure and budgeted estimates for each of these programmes are summarised in terms of sub-programme and economic classification below, details of which are given in *Annexure – Vote 10: Royal Household*.

### 6.1 Programme 1: Support Services – His Majesty, the King

The purpose of this programme is to provide administrative and auxiliary services to His Majesty, the King and the Royal Family. It is charged with the responsibility of ensuring that His Majesty, the King and the Royal Family execute the mandate as provided in the legislation. It is also responsible for the development and protection of the Monarchy as a provincial brand.

This programme consists of two sub-programmes. The sub-programme: King's Office Support Services caters for all costs in respect of His Majesty, the King, such as the salary of His Majesty, the King and all administrative costs. The sub-programme: Royal Trust caters for the operational costs of the Royal Trust, the running costs of the Royal Household, in respect of His Majesty's Queens and the rest of the Royal Family, as well as running costs of the palace maintenance and farming operations (over the MTEF).

Tables 10.9 and 10.10 reflect information relating to the programme for the period 2010/11 to 2016/17.

**Table 10.9 : Summary of payments and estimates by sub-programme: Support Services - His Majesty, the King**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
1. King's Office Support Services	30 263	31 915	23 921	18 634	25 146	23 407	19 833	20 537	21 453
2. Royal Trust	5 857	11 300	10 500	20 393	15 393	15 300	22 393	23 415	24 656
<b>Total</b>	<b>36 120</b>	<b>43 215</b>	<b>34 421</b>	<b>39 027</b>	<b>40 539</b>	<b>38 707</b>	<b>42 226</b>	<b>43 952</b>	<b>46 109</b>
Unauth. Exp. (1st charge) not available for spending	(3 767)	(3 767)	(1 800)	(2 500)	(2 500)	(2 500)	(2 500)	(4 694)	-
<b>Baseline available for spending after 1st charge</b>	<b>32 353</b>	<b>39 448</b>	<b>32 621</b>	<b>36 527</b>	<b>38 039</b>	<b>36 207</b>	<b>39 726</b>	<b>39 258</b>	<b>46 109</b>

**Table 10.10 : Summary of payments and estimates by economic classification: Support Services - His Majesty, the King**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
<b>Current payments</b>	<b>25 265</b>	<b>27 549</b>	<b>21 231</b>	<b>15 029</b>	<b>21 841</b>	<b>20 844</b>	<b>16 198</b>	<b>14 637</b>	<b>20 182</b>
Compensation of employees	10 482	9 801	10 151	4 585	10 701	10 474	5 064	5 367	5 609
Goods and services	14 783	17 748	11 080	10 444	11 140	10 370	11 134	9 270	14 573
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>6 357</b>	<b>11 392</b>	<b>10 800</b>	<b>20 402</b>	<b>15 502</b>	<b>15 347</b>	<b>22 403</b>	<b>23 425</b>	<b>24 667</b>
Provinces and municipalities	19	-	28	9	9	2	10	10	11
Departmental agencies and accounts	5 857	11 300	10 500	20 393	15 393	15 300	22 393	23 415	24 656
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	481	92	272	-	100	45	-	-	-
<b>Payments for capital assets</b>	<b>514</b>	<b>507</b>	<b>590</b>	<b>1 096</b>	<b>696</b>	<b>16</b>	<b>1 125</b>	<b>1 196</b>	<b>1 260</b>
Buildings and other fixed structures	-	2	-	-	-	-	-	-	-
Machinery and equipment	514	505	590	1 096	696	16	1 125	1 196	1 260
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>3 984</b>	<b>3 767</b>	<b>1 800</b>	<b>2 500</b>	<b>2 500</b>	<b>2 500</b>	<b>2 500</b>	<b>4 694</b>	<b>-</b>
<b>Total</b>	<b>36 120</b>	<b>43 215</b>	<b>34 421</b>	<b>39 027</b>	<b>40 539</b>	<b>38 707</b>	<b>42 226</b>	<b>43 952</b>	<b>46 109</b>
Unauth. Exp. (1st charge) not available for spending	(3 767)	(3 767)	(1 800)	(2 500)	(2 500)	(2 500)	(2 500)	(4 694)	-
<b>Baseline available for spending after 1st charge</b>	<b>32 353</b>	<b>39 448</b>	<b>32 621</b>	<b>36 527</b>	<b>38 039</b>	<b>36 207</b>	<b>39 726</b>	<b>39 258</b>	<b>46 109</b>

As mentioned under Section 5.3 above, in terms of Section 34(2) of the PFMA, and in line with various SCOPA resolutions, the department is liable for the repayment of previous year's over-expenditure, resulting in a first charge against the department's budget. The last two instalments of R2.500 million and R4.694 million will be implemented in 2014/15 and 2015/16, respectively. The first charge implemented was allocated under Programme 1, against the King's Office Support Services sub-programme, under *Payments for financial assets*, and the amounts available for spending from 2010/11 to 2015/16 have been reduced by the instalment amounts.

The high spending against this programme in 2011/12 largely related to spending pressures that exist within the department against *Goods and services*, such as audit fees, financial management consultants' fees, catering, entertainment and subsistence and travel costs. The decrease in 2012/13 was due to the effects of cost-cutting, as well as the fact that some costs relating to the Royal Family, such as costs relating to His Majesty's Queens, school fees, transport, etc., were administered by the Royal Trust.

The increase in the sub-programme: King's Office Support Services in 2011/12 was mainly due to unanticipated pressures in audit costs, financial management consultants, property payments, fleet services

and travel and subsistence costs, largely affecting *Goods and services*. Also, the department continued to perform many of the functions which the Royal Trust was anticipated to perform, such as paying for expenditure relating to His Majesty's Queens, municipal and maintenance costs, etc., as the Royal Trust was not yet fully functional. The decrease in 2012/13 related to cost-cutting, as well as the transfer of functions relating to the Royal Family to the Royal Trust, as previously mentioned. The increase in the 2013/14 Adjusted Appropriation can be ascribed to the fact that the department continued to pay for staff who were performing functions on behalf of the Royal Trust. The decrease in the 2013/14 Revised Estimate relates to enforced savings in order to cater for spending pressure under Programme 2 due to the non-transfer of staff to the Royal Trust, as previously mentioned. The expenditure of this sub-programme is expected to decrease in 2014/15, with inflationary increases from 2015/16 onward, as more of the activities of the department are devolved to the Royal Trust.

In 2010/11, the sub-programme: Royal Trust was created. Funds were transferred to this sub-programme to provide for the set-up and operational costs of the Royal Trust, as well as various running costs of the Royal Household. The increase in 2011/12 was due to once-off seed funding which was transferred to the Royal Trust, as per Cabinet resolution. The decrease in 2012/13 was due to the fact that the department continued to perform many of the functions that the Royal Trust was anticipated to perform, as it was not fully functional. The increase in the 2013/14 Main Appropriation relates to the anticipated transfer of staff to the Royal Trust. The decrease in the 2013/14 Adjusted Appropriation relates to the fact that funds were moved to *Compensation of employees* under the King's Office Support Services sub-programme to cater for the payment of staff who were performing functions on behalf of the Royal Trust, as the anticipated transfer did not take place. The increase over the 2014/15 MTEF relates to the further phasing in of the running costs of the Royal Household that are to be administered by the Royal Trust, such as the anticipated transfer of staff, palace maintenance and farming operations.

*Compensation of employees* was high in 2010/11 when compared to ensuing years due to the back-pay for His Majesty, the King's salary which was inadvertently under-paid since 2000/01 and His Majesty, the King's salary increases in line with Remuneration of Public Office Bearers Act. The increase in 2012/13 relates to the higher than anticipated 2012 wage agreement, as well as the non-transfer of staff to the Royal Trust. The decrease in the 2013/14 Main Appropriation relates to the then anticipated transfer of staff to the Royal Trust. The increase in the 2013/14 Adjusted Appropriation can be attributed to the fact that funds were moved from *Transfers and subsidies to: Departmental agencies and accounts* to *Compensation of employees* to cater for the fact that the department continued to pay for staff who are performing functions on behalf of the Royal Trust. The decrease in 2014/15 provides for the transfer of staff from the department to the Royal Trust, assuming finalisation of labour negotiations. The increases from 2015/16 onward relate to additional funding allocated to the department for the re-grading of clerical posts and carry-through of previous wage agreements.

The increase in *Goods and services* in 2011/12 was attributed to the fact that the department continued to perform many of the functions that the Royal Trust was anticipated to perform, as it was not fully functional. The decrease in 2012/13 relates to cost-cutting and the transfer of functions relating to the Royal Family to the Royal Trust. The increase in the 2013/14 Adjusted Appropriation can be ascribed to additional funds allocated to the department for OSS initiatives, aimed at improving the lives of the people of KZN. The decrease in the 2013/14 Revised Estimate is due to enforced savings to cater for other spending pressures within the department. The increase in 2016/17 relates to the department's intention to cater for pressures that exist against items such as travel and subsistence, consultants' fees, etc.

*Transfers and subsidies to: Provinces and municipalities* relates to motor vehicle licences. The department did not receive invoices from DOT in 2011/12, which accounts for no spending recorded in that year and the substantial increase in 2012/13. The decrease in the 2013/14 Revised Estimate is due to the non-receipt of invoices. The increase from 2014/15 onward relates to the anticipated increase in annual tariffs.

Transfers to the Royal Trust are reflected against *Transfers and subsidies to: Departmental agencies and accounts*. The increase in 2011/12 was due to the fact that the Royal Trust was allocated once-off seed funding of R5 million for establishment costs, in line with a Cabinet resolution. The decrease in 2012/13 related to the decision taken by the department not to transfer the full allocation of the Royal Trust as the

department continued to pay for functions which were anticipated to be paid for by the Royal Trust. The decrease in the 2013/14 Adjusted Appropriation can be ascribed to the movement of funds to *Compensation of employees*, as the department continued to pay for staff who were performing functions on behalf of the Royal Trust. The decrease in the 2013/14 Revised Estimate relates to the decision taken by the department to cater for expenditure, such as His Majesty's Queens cell phone accounts, paid by the department on behalf of the Royal Trust. The department indicated that adjustments in this regard will be finalised together with the Royal Trust upon the preparation of the AFS. The increase over the 2014/15 MTEF is due to the anticipated increase in transfers as staff are transferred to the Royal Trust, assuming finalisation of the labour negotiations.

*Transfers and subsidises to: Households* relates to staff exit costs.

*Machinery and equipment* provides for the acquisition of vehicles and office equipment which is purchased on a cyclical basis. The increase in the 2013/14 Main Appropriation was to cater for the replenishment of the departmental fleet. The decrease from the 2013/14 Main to Adjusted Appropriation relates to the movement of savings, as a result of cost-cutting, to cater for spending pressures against *Transfers and subsidises to: Households* and *Compensation of employees*, brought about by higher than anticipated staff exits, and the fact that the department continues to pay for staff who are performing functions on behalf of the Royal Trust. The allocations over the 2014/15 MTEF provide for the purchase of motor vehicles, office equipment and computers.

The repayment of unauthorised expenditure (i.e. the first charge) is reflected against *Payments for financial assets*. Also, the 2010/11 amount includes R217 000 relating to the write-off of staff debts.

## Service delivery measures – Programme 1: Support Services – His Majesty, the King

Table 10.11 below shows the service delivery information for Programme 1.

**Table 10.11 : Service delivery measures - Programme 1: Support Services - His Majesty, the King**

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2013/14	2014/15	2015/16	2016/17
To support His Majesty, the King in fulfilling his legislative mandate	• No. of <i>Amakhosi</i> installed statutorily	5	5	5	5
	• No. of <i>Amakhosi</i> installed in terms of custom	5	5	5	5

## 6.2 Programme 2: Royal Household Planning and Development

This programme is responsible for the overall infrastructure design and maintenance of the Royal residences, with its core activity being the refurbishment of the palaces.

Tables 10.12 and 10.13 reflect payments and estimates for the period 2010/11 to 2016/17.

The low spending against this programme in 2010/11 was due to cost-cutting, largely against *Goods and services*. Also, the department placed certain maintenance projects to the palaces, which were not urgent, on hold, in an attempt to break-even at year-end. The increase from 2011/12 to the 2013/14 Main Appropriation relates to additional funding allocated in the 2011/12 MTEF, ring-fenced for the renovations and refurbishment of palaces. The further increase in the 2013/14 Adjusted Appropriation related largely to these unspent ring-fenced funds being rolled over from 2012/13 to 2013/14 to continue with renovations and refurbishment of palaces. The roll-over was requested as the original contractor had abandoned the project. The decrease in 2014/15 can be ascribed to the anticipated completion of renovations and refurbishment of palaces, with the funding for this coming to an end in 2013/14.

**Table 10.12 : Summary of payments and estimates by sub-programme: Royal Household Planning and Development**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
1. Support Services - His Majesty, the King	11 964	14 336	24 393	20 575	26 744	28 417	9 047	9 513	10 206
<b>Total</b>	<b>11 964</b>	<b>14 336</b>	<b>24 393</b>	<b>20 575</b>	<b>26 744</b>	<b>28 417</b>	<b>9 047</b>	<b>9 513</b>	<b>10 206</b>

**Table 10.13 : Summary of payments and estimates by economic classification: Royal Household Planning and Development**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
<b>Current payments</b>	<b>11 264</b>	<b>11 679</b>	<b>11 375</b>	<b>7 480</b>	<b>10 114</b>	<b>10 028</b>	<b>7 744</b>	<b>8 151</b>	<b>8 772</b>
Compensation of employees	8 384	9 102	10 037	6 630	9 452	9 274	6 864	7 226	7 798
Goods and services	2 880	2 577	1 338	850	662	754	880	925	974
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>192</b>	<b>132</b>	<b>253</b>	<b>139</b>	<b>298</b>	<b>461</b>	<b>145</b>	<b>150</b>	<b>158</b>
Provinces and municipalities	-	-	-	-	-	25	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	192	132	253	139	298	436	145	150	158
<b>Payments for capital assets</b>	<b>508</b>	<b>2 525</b>	<b>12 765</b>	<b>12 956</b>	<b>16 332</b>	<b>17 928</b>	<b>1 158</b>	<b>1 212</b>	<b>1 276</b>
Buildings and other fixed structures	259	2 525	12 738	12 866	16 332	16 716	1 063	1 112	1 171
Machinery and equipment	249	-	27	90	-	1 212	95	100	105
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>11 964</b>	<b>14 336</b>	<b>24 393</b>	<b>20 575</b>	<b>26 744</b>	<b>28 417</b>	<b>9 047</b>	<b>9 513</b>	<b>10 206</b>

The decrease in *Compensation of employees* in the 2013/14 Main Appropriation relates to the anticipated transfer of staff to the Royal Trust. The transfer was not done in 2013/14 due to the ongoing negotiations with organised labour. The increase in the 2013/14 Adjusted Appropriation is due to additional funding allocated to the department for the higher than anticipated 2013 wage agreement, as well as the movement of funds from Programme 3 to cater for pressures as the department continued to pay for staff who were performing functions on behalf of the Royal Trust. The decrease from 2013/14 to 2014/15 can be attributed to the anticipated transfer of staff to the Royal Trust. The increases from 2015/16 onward relate mainly to additional funding allocated to the department for the re-grading of clerical posts and carry-through costs of previous wage agreements.

The amount reflected against *Provinces and municipalities* in Programme 2 in the 2013/14 Revised Estimate relates to an error in the classification of expenditure as the cost against this category relates to motor vehicle licences which is centralised under Programme 1.

The amounts against *Transfers and subsidies to: Households* relate to staff exit costs.

With regard to *Buildings and other fixed structures*, the department received additional funding from 2011/12, ring-fenced for the renovations and refurbishment of palaces. In 2011/12, major renovations of two palaces, KwaKhethomthandayo and KwaDlamahlaha, commenced. The department, however, did not fully spend the ring-fenced funds in 2011/12 due to delays in the implementation of certain infrastructure projects, as His Majesty, the King was not completely satisfied with the infrastructure plan. The increase in 2012/13 was due to the 2011/12 unspent ring-fenced funds being rolled over to 2012/13 for the renovations and refurbishment of palaces. The increase in the 2013/14 Adjusted Appropriation relates to unspent ring-fenced funds rolled over from 2012/13 to cater for commitments relating to Ingwavuma palace infrastructure projects as the appointed contractor abandoned the project in 2012/13. It is anticipated that the department will complete the renovations of palaces in 2013/14, as the funding stream for this comes to an end in that year. The budget over the 2014/15 MTEF provides for the completion of existing projects, such the Ingwavuma palace projects, as well as head office renovations, such as the installation of air-conditioners, etc.



The department purchases *Machinery and equipment* on a cyclical basis, hence the fluctuating trend. The increase in the 2013/14 Revised Estimate relates to incorrect classification of infrastructure expenditure against this category instead of *Buildings and other fixed structures*, due to challenges with BAS.

### Service delivery measures – Programme 2: Royal Household Planning and Development

Table 10.14 shows the service delivery information for Programme 2. The number of maintenance projects significantly decreases from 2014/15, in line with the additional funding for the rehabilitation, renovation and refurbishment of palaces, coming to an end in 2013/14.

**Table 10.14 : Service delivery measures – Programme 2: Royal Household Planning and Development**

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17
Maintenance of the Royal Residences	• No. of maintenance projects	10	4	4	4

## 6.3 Programme 3: His Majesty, the King's Farms

This programme is responsible for the operation and maintenance of His Majesty, the King's farms. It ensures subsistent and customary relevance in terms of the farms being able to contribute to poverty alleviation and other responsibilities of His Majesty, the King, in his role as guardian and protector of the vulnerable. Tables 10.15 and 10.16 summarise payments and estimates from 2010/11 to 2016/17.

**Table 10.15 : Summary of payments and estimates by sub-programme: His Majesty, the King's Farms**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
1. His Majesty, the King's Farms	2 543	1 858	2 553	3 728	1 463	1 680	2 938	3 071	3 234
<b>Total</b>	<b>2 543</b>	<b>1 858</b>	<b>2 553</b>	<b>3 728</b>	<b>1 463</b>	<b>1 680</b>	<b>2 938</b>	<b>3 071</b>	<b>3 234</b>

**Table 10.16 : Summary of payments and estimates by economic classification: His Majesty, the King's Farms**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
<b>Current payments</b>	<b>2 444</b>	<b>1 858</b>	<b>2 304</b>	<b>3 613</b>	<b>1 348</b>	<b>1 644</b>	<b>2 818</b>	<b>2 946</b>	<b>3 102</b>
Compensation of employees	1 372	1 190	1 427	2 723	823	1 233	1 887	1 974	2 078
Goods and services	1 072	668	877	890	525	411	931	972	1 024
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>15</b>	<b>-</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>-</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	15	-	81	-	-	36	-	-	-
<b>Payments for capital assets</b>	<b>84</b>	<b>-</b>	<b>-</b>	<b>115</b>	<b>115</b>	<b>-</b>	<b>120</b>	<b>125</b>	<b>132</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	115	115	-	120	125	132
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	84	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>168</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 543</b>	<b>1 858</b>	<b>2 553</b>	<b>3 728</b>	<b>1 463</b>	<b>1 680</b>	<b>2 938</b>	<b>3 071</b>	<b>3 234</b>

The decrease in this programme in 2011/12 related mainly to cost-cutting, which resulted in savings against training and development costs. The increase in 2012/13 relates to the purchase of farming supplies, such vaccines, due to the purchase of cattle by His Majesty, the King. The allocation for this

programme decreases from the 2013/14 Main Appropriation to 2014/15, in line with the department's plan to transfer staff to the Royal Trust. It must be noted that adjustments will be made to the allocation in-year, depending on the progress made on the transfer of staff to the Royal Trust over the MTEF.

The decrease against *Compensation of employees* in 2011/12 related to the non-filling of posts which became vacant due to staff exits, as well as the fact that some officials, such as the farm manager were incorrectly paid from Programme 1. The increase in 2012/13 relates to the higher than anticipated 2012 wage agreement. The increase in the 2013/14 Main Appropriation relates to the anticipated filling of vacant posts. The department then took a decision not to fill posts, pending the transfer of staff to the Royal Trust, and moved R2.300 million from Programme 3 in the 2013/14 Adjustments Estimate, to cater for spending pressures in Programme 2, as the department continued to pay for staff who are performing functions on behalf of the Royal Trust, accounting for the increase in the 2013/14 Adjusted Appropriation. The allocation increases over the 2014/15 MTEF due to additional funding allocated to the department to cater for the re-grading of clerical posts and carry-through costs of previous wage agreements.

Spending against *Goods and services* was low in 2010/11, with a further significant decrease in 2011/12 due to cost-cutting, which arose from savings in training and development costs. The increase in 2012/13 relates to the purchase of vaccines for new cattle. The decrease in the 2013/14 Adjusted Appropriation relates to the transfer of some farming operations to the Royal Trust, with inflationary increases over the MTEF, as the Royal Trust takes over more and more functions from the department. The decrease in the 2013/14 Revised Estimate relates to the transfer of some of the farming functions to the Royal Trust. The budget over the 2014/15 MTEF caters for current commitments, such as leases for cattle grazing, etc.

The amounts against *Transfers and subsidies to: Households* relate to staff exit costs.

The amounts against *Machinery and equipment* relate to the purchase of farming implements, such as brush cutters and farm fencing material. The department does not intend to purchase these in future, as farming operations were transferred to the Royal Trust. This accounts for no provisions made from the 2013/14 Revised Estimate onward.

The amount of R84 000 against *Biological assets* in 2010/11 relates to the purchase of 12 Nguni cattle.

The amount reflected against *Payments for financial assets* in 2012/13 relates to irrecoverable staff debts written off.

## Service delivery measures – Programme 3: His Majesty, the King's Farms

Table 10.17 shows the service delivery for Programme 3: His Majesty, the King's Farms.

**Table 10.17 : Service delivery measures – Programme 3: His Majesty, the King's Farms**

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2013/14	2014/15	2015/16	2016/17	
To facilitate and manage the sustainability of His Majesty, the King's Farms	• No. of animals vaccinated	1 300	1 300	1 300	1 300	
Crop production	• No. of hectares planted	120	120	120	120	

## 7. Other programme information

### 7.1 Personnel numbers and costs

Tables 10.18 and 10.19 summarise personnel information relating to the department, indicating the number of filled and estimated posts over the seven-year period.

As reflected in the table below, the department did not transfer staff to the Royal Trust as originally anticipated due to negotiations with organised taking longer than anticipated. The department therefore

continued to pay staff who are performing functions on behalf of the Royal Trust, accounting for the increase in personnel costs in the 2013/14 Adjusted Appropriation and Revised Estimate. The department is projecting to transfer more staff to the Royal Trust in 2014/15, hence the reduction in staff numbers. It must be noted the allocation against *Compensation of employees* may be adjusted in-year over the MTEF depending on the progress made with the transfer of staff to the Royal Trust.

**Table 10.18 : Personnel numbers and costs by programme**

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. Support Services - His Majesty, the King	33	33	33	33	17	17	17
2. Royal Household Planning and Development	93	93	93	79	55	55	55
3. His Majesty, the King's Farms	14	14	15	15	8	8	8
<b>Total</b>	<b>140</b>	<b>140</b>	<b>141</b>	<b>127</b>	<b>80</b>	<b>80</b>	<b>80</b>
Total personnel cost (R thousand)	20 238	20 093	21 615	20 981	13 815	14 567	15 485
Unit cost (R thousand)	145	144	153	165	173	182	194

**Table 10.19 : Summary of departmental personnel numbers and costs by component**

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
<b>Total for the department</b>									
Personnel numbers (head count)	140	140	141	92	127	127	80	80	80
Personnel cost (R thousands)	20 238	20 093	21 615	13 938	20 976	20 981	13 815	14 567	15 485
<b>Human resources component</b>									
Personnel numbers (head count)	6	6	6	6	6	6	6	6	6
Personnel cost (R thousands)	1 428	1 735	1 522	1 735	1 735	1 735	1 830	1 940	2 066
Head count as % of total for department	4.29	4.29	4.26	6.52	4.72	4.72	7.50	7.50	7.50
Personnel cost as % of total for department	7.06	8.63	7.04	12.45	8.27	8.27	13.25	13.32	13.34
<b>Finance component</b>									
Personnel numbers (head count)	13	13	13	13	13	13	13	13	13
Personnel cost (R thousands)	3 306	3 922	3 679	3 922	3 922	3 922	3 922	3 922	4 176
Head count as % of total for department	9.29	9.29	9.22	14.13	10.24	10.24	16.25	16.25	16.25
Personnel cost as % of total for department	16.34	19.52	17.02	28.14	18.70	18.69	28.39	26.92	26.97
<b>Full time workers</b>									
Personnel numbers (head count)	140	140	141	92	127	127	80	80	80
Personnel cost (R thousands)	20 238	20 093	21 615	13 938	20 976	20 981	13 815	14 567	15 485
Head count as % of total for department	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Personnel cost as % of total for department	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
<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 information contained in the tables above is provisional, pending the finalisation of negotiations with organised labour being co-ordinated by the OTP. It is noted that the average unit cost is higher from 2014 compared to 2013, even though the number of personnel decreases. This is due to the fact that the majority of staff to be transferred to the Royal Trust consists of farm workers in lower level salary scales.

## 7.2 Training

Tables 10.20 and 10.21 give a summary of departmental spending and information on training for the period 2010/11 to 2011/12, with no provisions for any expenditure from 2013/14 onward due to the anticipated transfer of staff to the Royal Trust.

Table 10.20 illustrates the number of staff affected by the various training programmes and initiatives, as well as a gender breakdown. The department spent a minimal amount of R3 000 on training in 2010/11

and R44 000 in 2011/12. However, no provision has been made for training in 2013/14 and over the 2014/15 MTEF, pending the establishment of the Royal Trust.

**Table 10.20 : Payments on training by programme**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
<b>1. Support Services - His Majesty, the King</b>	<b>3</b>	<b>44</b>	-	-	-	-	-	-	-
Subsistence and travel	3	44	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>2. Royal Household Planning and Development</b>	-	-	-	-	-	-	-	-	-
Subsistence and travel	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>3. His Majesty, the King's Farms</b>	-	-	-	-	-	-	-	-	-
Subsistence and travel	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3</b>	<b>44</b>	-	-	-	-	-	-	-

**Table 10.21 : Information on training: Royal Household**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Number of staff	140	140	141	92	127	127	80	80	80
Number of personnel trained	2	2	-	-	-	-	-	-	-
of which									
Male	-	-	-	-	-	-	-	-	-
Female	2	2	-	-	-	-	-	-	-
Number of training opportunities	-	-	-	-	-	-	-	-	-
of which									
Tertiary	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Seminars	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Number of bursaries offered	-	-	-	-	-	-	-	-	-
Number of interns appointed	-	-	-	-	-	-	-	-	-
Number of learnerships appointed	-	-	-	-	-	-	-	-	-
Number of days spent on training	-	-	-	-	-	-	-	-	-

## ANNEXURE – VOTE 10: ROYAL HOUSEHOLD

Table 10.A : Details of departmental receipts: Royal Household

	Audited 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
<b>Tax receipts</b>	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
<b>Sale of goods and services other than capital assets</b>	<b>81</b>	<b>104</b>	<b>96</b>	<b>103</b>	<b>103</b>	<b>90</b>	<b>109</b>	<b>110</b>	<b>117</b>
Sale of goods and services produced by dept. (excl. capital assets)	81	104	96	103	103	90	109	110	117
Sales by market establishments	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	81	104	96	103	103	90	109	110	117
<i>Of which</i>									
<i>Commission on insurance</i>	81	104	96	103	103	90	109	110	117
Sale of scrap, waste, arms and other used current goods (excl. 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>	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Sale of capital assets</b>	<b>335</b>	-	-	-	-	<b>594</b>	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	335	-	-	-	-	594	-	-	-
<b>Transactions in financial assets and liabilities</b>	<b>97</b>	<b>50</b>	<b>3</b>	-	-	<b>11</b>	-	-	-
<b>Total</b>	<b>513</b>	<b>154</b>	<b>99</b>	<b>103</b>	<b>103</b>	<b>695</b>	<b>109</b>	<b>110</b>	<b>117</b>

Table 10.B : Payments and estimates by economic classification: Royal Household

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
<b>Current payments</b>	<b>38 973</b>	<b>41 086</b>	<b>34 910</b>	<b>26 122</b>	<b>33 303</b>	<b>32 516</b>	<b>26 760</b>	<b>25 734</b>	<b>32 056</b>
Compensation of employees	20 238	20 093	21 615	13 938	20 976	20 981	13 815	14 567	15 485
Salaries and wages	17 506	17 300	18 849	11 763	18 801	18 806	11 590	12 216	13 110
Social contributions	2 732	2 793	2 766	2 175	2 175	2 175	2 225	2 351	2 375
Goods and services	18 735	20 993	13 295	12 184	12 327	11 535	12 945	11 167	16 571
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	46	21	55	55	(252)	58	60	63
Assets less than the capitalisation threshold	52	59	14	7	7	-	7	7	7
Audit cost: External	245	1 909	1 411	1 200	1 200	2 304	1 320	1 200	1 764
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	140	120	307	-	-	77	-	-	-
Communication (G&S)	1 182	1 239	929	1 240	1 240	659	1 250	1 020	945
Computer services	242	166	107	-	-	87	-	-	500
Cons & prof serv: Business and advisory services	1 996	1 705	491	723	1 019	1 312	754	640	1 674
Cons & prof serv: Infras and planning	-	764	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	1 126	132	500	500	-	500	530	558
Agency and support / outsourced services	1 960	-	-	-	-	-	-	-	-
Entertainment	782	969	374	960	1 960	1 273	980	930	979
Fleet services (incl. govt motor transport)	-	-	-	100	100	1 400	120	110	116
Housing	-	-	-	33	33	10	50	36	38
Inventory: Clothing material and accessories	-	-	-	-	-	20	-	-	-
Inventory: Farming supplies	-	-	-	-	35	182	-	-	-
Inventory: Food and food supplies	521	1 576	624	7	7	63	25	7	7
Inventory: Fuel, oil and gas	36	1 031	27	100	100	2	110	115	121
Inventory: Learner and teacher support material	30	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	904	212	313	-	-	2	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	775	-	-	-	-	-	-
Consumable supplies	5	502	-	320	320	103	349	363	382
Consumable: Stationery, printing and office supplies	122	517	127	340	340	50	380	360	379
Operating leases	353	260	251	163	163	51	210	120	126
Property payments	600	1 083	820	11	(289)	54	50	60	105
Transport provided: Departmental activity	2 490	-	-	1 440	840	(38)	1 480	1 320	2 390
Travel and subsistence	6 695	6 070	4 415	4 365	4 477	4 176	4 652	3 609	5 701
Training and development	3	44	-	-	-	-	-	-	-
Operating payments	377	1 595	2 157	620	220	-	650	680	716
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>6 564</b>	<b>11 524</b>	<b>11 134</b>	<b>20 541</b>	<b>15 800</b>	<b>15 844</b>	<b>22 548</b>	<b>23 575</b>	<b>24 825</b>
Provinces and municipalities	19	-	28	9	9	27	10	10	11
Provinces	19	-	28	9	9	27	10	10	11
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	19	-	28	9	9	27	10	10	11
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	5 857	11 300	10 500	20 393	15 393	15 300	22 393	23 415	24 656
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	5 857	11 300	10 500	20 393	15 393	15 300	22 393	23 415	24 656
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	688	224	606	139	398	517	145	150	158
Social benefits	688	224	606	139	398	517	145	150	158
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>1 106</b>	<b>3 032</b>	<b>13 355</b>	<b>14 167</b>	<b>17 143</b>	<b>17 944</b>	<b>2 403</b>	<b>2 533</b>	<b>2 668</b>
Buildings and other fixed structures	259	2 527	12 738	12 866	16 332	16 716	1 063	1 112	1 171
Buildings	259	-	-	-	-	-	-	-	-
Other fixed structures	-	2 527	12 738	12 866	16 332	16 716	1 063	1 112	1 171
Machinery and equipment	763	505	617	1 301	811	1 228	1 340	1 421	1 497
Transport equipment	-	-	405	1 211	811	16	1 245	1 321	1 392
Other machinery and equipment	763	505	212	90	-	1 212	95	100	105
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	84	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>3 984</b>	<b>3 767</b>	<b>1 968</b>	<b>2 500</b>	<b>2 500</b>	<b>2 500</b>	<b>2 500</b>	<b>4 694</b>	<b>-</b>
<b>Total</b>	<b>50 627</b>	<b>59 409</b>	<b>61 367</b>	<b>63 330</b>	<b>68 746</b>	<b>68 804</b>	<b>54 211</b>	<b>56 536</b>	<b>59 549</b>
Unauth. Exp. (1st charge) not available for spending	(3 767)	(3 767)	(1 800)	(2 500)	(2 500)	(2 500)	(2 500)	(4 694)	-
<b>Baseline available for spending after 1st charge</b>	<b>46 860</b>	<b>55 642</b>	<b>59 567</b>	<b>60 830</b>	<b>66 246</b>	<b>66 304</b>	<b>51 711</b>	<b>51 842</b>	<b>59 549</b>

Table 10.C : Payments and estimates by economic classification: Support Services - His Majesty, the King

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
<b>Current payments</b>	<b>25 265</b>	<b>27 549</b>	<b>21 231</b>	<b>15 029</b>	<b>21 841</b>	<b>20 844</b>	<b>16 198</b>	<b>14 637</b>	<b>20 182</b>
Compensation of employees	10 482	9 801	10 151	4 585	10 701	10 474	5 064	5 367	5 609
Salaries and wages	9 233	8 611	9 012	3 365	9 481	9 254	3 730	3 958	4 186
Social contributions	1 249	1 190	1 139	1 220	1 220	1 220	1 334	1 409	1 423
Goods and services	14 783	17 748	11 080	10 444	11 140	10 370	11 134	9 270	14 573
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	46	21	55	55	7	58	60	63
Assets less than the capitalisation threshold	14	59	14	7	7	-	7	7	7
Audit cost: External	245	1 909	1 411	1 200	1 200	2 044	1 320	1 200	1 764
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	140	120	307	-	-	-	-	-	-
Communication (G&S)	1 182	1 239	950	1 240	1 240	659	1 250	1 020	945
Computer services	242	166	107	-	-	77	-	-	500
Cons & prof serv: Business and advisory services	-	1 705	491	723	1 019	1 040	754	640	1 674
Cons & prof serv: Infras and planning	-	764	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	3	109	-	-	-	-	-	-
Agency and support / outsourced services	1 960	-	-	-	-	-	-	-	-
Entertainment	782	931	374	960	1 960	1 262	980	930	979
Fleet services (incl. govt motor transport)	-	-	-	100	100	1 399	120	110	116
Housing	-	-	-	33	33	10	50	36	38
Inventory: Clothing material and accessories	-	-	-	-	-	20	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	262	1 555	621	7	7	63	25	7	7
Inventory: Fuel, oil and gas	7	934	4	-	-	-	-	-	-
Inventory: Learner and teacher support material	30	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	(451)	127	-	-	1	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	168	-	-	-	-	-	-
Consumable supplies	5	460	-	-	-	8	-	-	-
Consumable: Stationery, printing and office supplies	122	517	127	340	340	50	380	360	379
Operating leases	251	159	163	163	163	51	210	120	126
Property payments	267	771	53	11	11	11	50	60	105
Transport provided: Departmental activity	2 490	-	-	1 440	840	(38)	1 480	1 320	2 390
Travel and subsistence	6 457	6 009	4 181	4 165	4 165	3 706	4 450	3 400	5 480
Training and development	3	44	-	-	-	-	-	-	-
Operating payments	324	1 595	1 852	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	(787)	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>6 357</b>	<b>11 392</b>	<b>10 800</b>	<b>20 402</b>	<b>15 502</b>	<b>15 347</b>	<b>22 403</b>	<b>23 425</b>	<b>24 667</b>
Provinces and municipalities	19	-	28	9	9	2	10	10	11
Provinces	19	-	28	9	9	2	10	10	11
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	19	-	28	9	9	2	10	10	11
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	5 857	11 300	10 500	20 393	15 393	15 300	22 393	23 415	24 656
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	5 857	11 300	10 500	20 393	15 393	15 300	22 393	23 415	24 656
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	481	92	272	-	100	45	-	-	-
Social benefits	481	92	272	-	100	45	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>514</b>	<b>507</b>	<b>590</b>	<b>1 096</b>	<b>696</b>	<b>16</b>	<b>1 125</b>	<b>1 196</b>	<b>1 260</b>
Buildings and other fixed structures	-	2	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	2	-	-	-	-	-	-	-
Machinery and equipment	514	505	590	1 096	696	16	1 125	1 196	1 260
Transport equipment	-	-	405	1 096	696	16	1 125	1 196	1 260
Other machinery and equipment	514	505	185	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>3 984</b>	<b>3 767</b>	<b>1 800</b>	<b>2 500</b>	<b>2 500</b>	<b>2 500</b>	<b>2 500</b>	<b>4 694</b>	<b>-</b>
<b>Total</b>	<b>36 120</b>	<b>43 215</b>	<b>34 421</b>	<b>39 027</b>	<b>40 539</b>	<b>38 707</b>	<b>42 226</b>	<b>43 952</b>	<b>46 109</b>
Unauth. Exp. (1st charge) not available for spending	(3 767)	(3 767)	(1 800)	(2 500)	(2 500)	(2 500)	(2 500)	(4 694)	-
<b>Baseline available for spending after 1st charge</b>	<b>32 353</b>	<b>39 448</b>	<b>32 621</b>	<b>36 527</b>	<b>38 039</b>	<b>36 207</b>	<b>39 726</b>	<b>39 258</b>	<b>46 109</b>

Table 10.D : Payments and estimates by economic classification: Royal Household Planning and Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
<b>Current payments</b>	<b>11 264</b>	<b>11 679</b>	<b>11 375</b>	<b>7 480</b>	<b>10 114</b>	<b>10 028</b>	<b>7 744</b>	<b>8 151</b>	<b>8 772</b>
Compensation of employees	8 384	9 102	10 037	6 630	9 452	9 274	6 864	7 226	7 798
Salaries and wages	7 065	7 600	8 532	6 094	8 916	8 738	6 269	6 594	7 172
Social contributions	1 319	1 502	1 505	536	536	536	595	632	626
Goods and services	2 880	2 577	1 338	850	662	754	880	925	974
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	(259)	-	-	-
Assets less than the capitalisation threshold	38	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	260	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	77	-	-	-
Communication (G&S)	-	-	(21)	-	-	-	-	-	-
Computer services	-	-	-	-	-	10	-	-	-
Cons & prof serv: Business and advisory services	1 996	-	-	-	-	272	-	-	-
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	1 123	-	500	500	-	500	530	558
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	38	-	-	-	11	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	1	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	259	21	3	-	-	-	-	-	-
Inventory: Fuel, oil and gas	29	97	23	100	100	2	110	115	121
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	35	211	178	-	-	1	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	105	-	-	-	-	-	-
Consumable supplies	-	-	-	100	100	7	110	115	121
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	333	248	708	-	(300)	43	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	158	52	154	150	262	329	160	165	174
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	32	-	188	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	787	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>192</b>	<b>132</b>	<b>253</b>	<b>139</b>	<b>298</b>	<b>461</b>	<b>145</b>	<b>150</b>	<b>158</b>
Provinces and municipalities	-	-	-	-	-	25	-	-	-
Provinces	-	-	-	-	-	25	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	25	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	192	132	253	139	298	436	145	150	158
Social benefits	192	132	253	139	298	436	145	150	158
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>508</b>	<b>2 525</b>	<b>12 765</b>	<b>12 956</b>	<b>16 332</b>	<b>17 928</b>	<b>1 158</b>	<b>1 212</b>	<b>1 276</b>
Buildings and other fixed structures	259	2 525	12 738	12 866	16 332	16 716	1 063	1 112	1 171
Buildings	259	-	-	-	-	-	-	-	-
Other fixed structures	-	2 525	12 738	12 866	16 332	16 716	1 063	1 112	1 171
Machinery and equipment	249	-	27	90	-	1 212	95	100	105
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	249	-	27	90	-	1 212	95	100	105
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>11 964</b>	<b>14 336</b>	<b>24 393</b>	<b>20 575</b>	<b>26 744</b>	<b>28 417</b>	<b>9 047</b>	<b>9 513</b>	<b>10 206</b>



Table 10.E : Payments and estimates by economic classification: His Majesty, the King's Farms

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
<b>Current payments</b>	<b>2 444</b>	<b>1 858</b>	<b>2 304</b>	<b>3 613</b>	<b>1 348</b>	<b>1 644</b>	<b>2 818</b>	<b>2 946</b>	<b>3 102</b>
Compensation of employees	1 372	1 190	1 427	2 723	823	1 233	1 887	1 974	2 078
Salaries and wages	1 208	1 089	1 305	2 304	404	814	1 591	1 664	1 752
Social contributions	164	101	122	419	419	419	296	310	326
Goods and services	1 072	668	877	890	525	411	931	972	1 024
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets less than the capitalisation threshold	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	-	23	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	35	182	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	869	452	8	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	502	-	-	-	-	-	-
Consumable supplies	-	42	-	220	220	88	239	248	261
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	102	101	88	-	-	-	-	-	-
Property payments	-	64	59	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	80	9	80	50	50	141	42	44	47
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	21	-	117	620	220	-	650	680	716
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>15</b>	<b>-</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	15	-	81	-	-	36	-	-	-
Social benefits	15	-	81	-	-	36	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>84</b>	<b>-</b>	<b>-</b>	<b>115</b>	<b>115</b>	<b>-</b>	<b>120</b>	<b>125</b>	<b>132</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	115	115	-	120	125	132
Transport equipment	-	-	-	115	115	-	120	125	132
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	84	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>168</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 543</b>	<b>1 858</b>	<b>2 553</b>	<b>3 728</b>	<b>1 463</b>	<b>1 680</b>	<b>2 938</b>	<b>3 071</b>	<b>3 234</b>

Table 10.F : Royal Household - Payments of infrastructure by category

No. Project name	Municipality / Region	Type of infrastructure			Project duration		Source of funding	Budget programme name	Targeted number of jobs for 2014/15	Total project cost	Expenditure to date from previous years	Total available		MTEF Forward estimates
		School - primary/secondary/ specialised; admin block; water, electricity; sanitation/toilet; fencing etc)	Units		Date: Start	Date: Finish						2014/15	MTEF 2015/16	MTEF 2016/17
<b>R thousands</b>														
New and replacement assets														
Upgrades and additions														
<b>Rehabilitation, renovations and refurbishments</b>														
1. Refurbishment of head office projects	Zululand District Municipality	General refurbishment	1		Ongoing	Ongoing	Equitable share	Programme 2	-	3 346	-	1 063	1 112	1 171
<b>Total Rehabilitation, renovations and refurbishments</b>									-	3 346	-	1 063	1 112	1 171
<b>Maintenance and repairs</b>														
1. Repairs and maintenance projects	Zululand District Municipality	General repairs and maintenance	1		Ongoing	Ongoing	Equitable share	Programme 2	-	1 592	-	500	530	562
<b>Total Maintenance and repairs</b>									-	1 592	-	500	530	562
<b>Infrastructure transfers - current</b>									-	-	-	-	-	-
<b>Infrastructure transfers - capital</b>									-	-	-	-	-	-
<b>Total Royal Household Infrastructure</b>									-	4 938	-	1 563	1 642	1 733

Table 10.G : Financial summary for Royal Household Trust (RHT)

R thousand	Audited Outcome			Revised Estimates 2013/14	Medium-term Estimates		
	2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
<b>Revenue</b>							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	81	55	206	127	-	-	-
Sale of goods and services other than capital assets	-	-	-	-	-	-	-
Interest, dividends and rent on land	81	28	6	7	-	-	-
Other non-tax revenue	-	28	200	120	-	-	-
Transfers received*	6 980	12 000	10 800	15 300	22 393	23 415	24 656
Sale of capital assets	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>7 062</b>	<b>12 055</b>	<b>11 006</b>	<b>15 427</b>	<b>22 393</b>	<b>23 415</b>	<b>24 656</b>
<b>Expenses</b>							
Current expense	6 664	13 378	12 207	16 344	19 059	20 187	20 871
Compensation of employees	1 143	2 393	2 601	3 459	4 758	5 091	5 449
Use of goods and services	5 507	10 578	8 288	11 561	14 301	15 096	15 422
Depreciation	13	406	1 318	1 324	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>6 664</b>	<b>13 378</b>	<b>12 207</b>	<b>16 344</b>	<b>19 059</b>	<b>20 187</b>	<b>20 871</b>
<b>Surplus / (deficit)</b>	<b>398</b>	<b>(1 322)</b>	<b>(1 202)</b>	<b>(917)</b>	<b>3 334</b>	<b>3 228</b>	<b>3 785</b>
<b>Cash flow summary</b>							
Adjust surplus / (deficit) for accrual transactions	13	434	1 673	1 324	-	-	-
Adjustments for:							
Depreciation	13	406	1 318	1 324	-	-	-
Net (profit) / loss on disposal of fixed assets	-	-	202	-	-	-	-
Other	-	28	153	-	-	-	-
<b>Operating surplus / (deficit) before changes in working capital</b>	<b>411</b>	<b>(888)</b>	<b>471</b>	<b>407</b>	<b>3 334</b>	<b>3 228</b>	<b>3 785</b>
Changes in working capital	271	2 028	554	(1 729)	-	-	-
(Decrease) / increase in accounts payable	330	3 556	(555)	(1 729)	-	-	-
Decrease / (increase) in accounts receivable	(60)	(1 528)	1 109	-	-	-	-
(Decrease) / increase in provisions	-	-	-	-	-	-	-
<b>Cash flow from operating activities</b>	<b>681</b>	<b>1 140</b>	<b>1 025</b>	<b>(1 322)</b>	<b>3 334</b>	<b>3 228</b>	<b>3 785</b>
Transfers from government	6 980	12 000	10 800	15 300	22 393	23 415	24 656
Capital	(529)	3 888	53	227	3 334	3 228	3 786
Current	7 509	8 112	10 747	15 073	19 059	20 187	20 870
<b>Cash flow from investing activities</b>	<b>(529)</b>	<b>(4 101)</b>	<b>(53)</b>	<b>(227)</b>	<b>(3 334)</b>	<b>(3 228)</b>	<b>(3 785)</b>
<b>Acquisition of assets</b>	<b>(529)</b>	<b>(3 888)</b>	<b>(53)</b>	<b>(227)</b>	<b>(3 334)</b>	<b>(3 228)</b>	<b>(3 785)</b>
Non-residential buildings	-	-	-	-	(1 235)	(997)	(1 047)
Computer equipment	-	(178)	-	-	-	-	-
Furniture and office equipment	(529)	(280)	(53)	-	(487)	(507)	(533)
Other machinery and equipment	-	-	-	(57)	-	-	-
Transport assets	-	(3 356)	-	(143)	(1 582)	(1 693)	(2 173)
Computer software	-	(74)	-	(27)	(29)	(31)	(32)
<b>Other flows from investing activities</b>	<b>-</b>	<b>(213)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loan receivable	-	(213)	-	-	-	-	-
<b>Cash flow from financing activities</b>	<b>-</b>	<b>3 155</b>	<b>(1 203)</b>	<b>(1 203)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Finance lease	-	3 155	(1 203)	(1 203)	-	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>152</b>	<b>194</b>	<b>(231)</b>	<b>(2 753)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Statement of financial position</b>							
<b>Carrying value of assets</b>	<b>516</b>	<b>3 997</b>	<b>2 530</b>	<b>1 392</b>	<b>3 567</b>	<b>3 730</b>	<b>4 844</b>
Computer equipment	-	131	49	12	118	123	137
Furniture and office equipment	516	649	314	273	634	663	629
Other machinery and equipment	-	-	85	56	386	404	485
Transport assets	-	3 169	2 051	1 051	1 754	1 834	2 038
Computer software	-	48	31	-	38	40	91
<b>Investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>286</b>	<b>-</b>	<b>-</b>	<b>-</b>
1<5 Years	-	-	-	286	-	-	-
<b>Cash and cash equivalents</b>	<b>153</b>	<b>347</b>	<b>117</b>	<b>-</b>	<b>329</b>	<b>333</b>	<b>842</b>
Bank	86	119	93	-	329	333	842
Cash on hand	-	1	(1)	-	-	-	-
Call accounts	66	228	25	-	-	-	-
<b>Receivables and prepayments</b>	<b>60</b>	<b>1 800</b>	<b>691</b>	<b>100</b>	<b>328</b>	<b>343</b>	<b>548</b>
Trade receivables	60	-	-	-	328	343	548
Other receivables	-	286	286	-	-	-	-
Prepaid expenses	-	815	106	100	-	-	-
Accrued income	-	700	300	-	-	-	-
<b>Inventory</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>728</b>	<b>6 145</b>	<b>3 338</b>	<b>1 778</b>	<b>4 224</b>	<b>4 406</b>	<b>6 234</b>
<b>Capital and reserves</b>	<b>292</b>	<b>(1 030)</b>	<b>(2 232)</b>	<b>(3 149)</b>	<b>426</b>	<b>451</b>	<b>4 236</b>
Accumulated reserves	(105)	292	(1 030)	(2 232)	(109)	(109)	451
Surplus / (deficit)	398	(1 322)	(1 202)	(917)	535	560	3 785
<b>Borrowings</b>	<b>-</b>	<b>3 183</b>	<b>2 133</b>	<b>1 002</b>	<b>1 663</b>	<b>1 569</b>	<b>822</b>
1<5 Years	-	3 183	2 133	1 002	1 663	1 569	822
<b>Post retirement benefits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Trade and other payables</b>	<b>436</b>	<b>3 543</b>	<b>3 227</b>	<b>3 387</b>	<b>1 484</b>	<b>1 400</b>	<b>757</b>
Trade payables	-	3 543	3 227	2 969	1 484	1 400	757
Other	436	-	-	418	-	-	-
<b>Deferred income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>	<b>-</b>	<b>448</b>	<b>209</b>	<b>538</b>	<b>652</b>	<b>614</b>	<b>419</b>
Leave pay provision	-	-	34	182	286	223	-
13th cheque provision	-	448	174	356	366	391	419
<b>Funds managed (e.g. Poverty alleviation fund)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contingent liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>372</b>	<b>-</b>
<b>Total equity and liabilities</b>	<b>728</b>	<b>6 145</b>	<b>3 338</b>	<b>1 778</b>	<b>4 224</b>	<b>4 406</b>	<b>6 234</b>

\*Note: Some of the amounts reflected as Transfers received do not equal the amounts reflected in Table 10.7, as portion of the transfers is reflected against other items in the statement of financial position.

Table 10.H : Personnel summary for Royal Household Trust (RHT)

Headcount	Audited Outcome			Revised Estimates	Medium-term Estimates		
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
<b>A. Permanent and full-time-contract employees</b>							
Personnel cost (R thousand)	1 143	2 393	901	3 459	4 758	5 091	5 449
Personnel numbers (head count)	2	6	2	7	10	10	10
Unit cost	572	399	451	494	476	509	545
<b>B. Part-time and temporary contract employees</b>							
Personnel cost (R thousand)	-	-	1 508	-	-	-	-
Personnel numbers (head count)	-	-	6	-	-	-	-
Unit cost	-	-	251	-	-	-	-
<b>C. Interns</b>							
Personnel cost (R thousand)	-	-	192	-	-	-	-
Personnel numbers (head count)	-	-	2	-	-	-	-
Unit cost	-	-	96	-	-	-	-
<b>Total for entity</b>							
Personnel cost (R thousand)	1 143	2 393	2 601	3 459	4 758	5 091	5 449
Personnel numbers (head count)	2	6	10	7	10	10	10
Unit cost	572	399	260	494	476	509	545
<b>D. Learnerships</b>							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
<b>Details of personnel numbers according to salary level</b>							
<b>Salary level</b>							
Board Members	7	7	7	7	7	7	7
Executive Management	1	-	-	-	-	-	-
Senior Management	-	2	1	3	3	3	3
Middle Management	-	2	4	3	3	3	3
Professionals	1	-	1	-	-	-	-
Semi-skilled	-	-	2	3	3	3	3
Very low skilled	-	2	2	1	1	1	1
<b>Total</b>	<b>9</b>	<b>13</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>