

# VOTE 7

## DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

To be appropriated by vote in 2015/16	R 406 972 000
Responsible MEC	MEC for Cooperative Governance and Traditional Affairs
Administering Department	Department of Cooperative Governance and Traditional Affairs
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

The vision of the Department of Cooperative Governance and Traditional Affairs is: Sustainable, viable local government, traditional councils and communities in Gauteng.

#### Mission

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

#### Strategic Goals

The department is geared towards achieving the five strategic objectives which are to:

- Promote and facilitate viable and sustainable local governance;
- Promote integrated development planning through efficient land use management , provincial coordination of disaster management and improved access to basic services;
- Promote and facilitate viable and sustainable traditional institutions;
- Build an inclusive economic environment conducive to the creation of decent work; and
- Manage human resources (HR) in ways which develop the department and enable it to carry out its core functions.

#### Core functions and responsibilities

The mandate of the department highlights cooperative governance, this is essential for integrated development, the department provides support and monitors municipalities and tribal authorities by:

- Monitoring the municipalities and traditional authorities development and performance;
- Supporting local authorities where there are capacity constraints;
- Promoting capacity development in a systematic manner; to ensure that municipalities are able to manage their own affairs;
- Advising, commenting on and approving Integrated Development Plans (IDP's);
- Providing key support services to municipalities in implementing the Municipal Finance Management Act, No.56 of 2003 (MFMA) and supporting Community Development Workers (CDW's);
- Intervening where local authorities fail to perform their designated functions and mandates; and
- Strengthening the functioning of Municipal Public Accounts Committees.

#### Main services

The department continues to support and monitor the province's municipalities by helping them to achieve good governance and accountability through the implementation of the oversight model. It monitors the effectiveness and impact of Municipal Public Accounts Committees (MPACs') oversight and accountability functions. This enables MPACs to contribute to improved assessments of the municipalities and traditional authorities.

The department continues to monitor the effectiveness and the impact of MPAC in carrying out their oversight and accountability functions. The department has assessed the progress and challenges in local government in the province over the past 15 years. The department also takes into account lessons learned from Project Consolidate and the deployment of engineers by the South African Institute of Engineers (SAICE) and accountants by the South African Institute of Chartered Accountants (SAICA). The main focus in the 2015/16 financial year will remain on strengthening ward based planning and public participation through the involvement and training of ward committees. In 2015/16 the Department allocated resources to establish the Provincial Disaster Management Centre.

The department will continue to ensure that traditional leadership receives administrative support through appropriate systems and structures including the impending legislation that will define heads of Khoisan communities as traditional leaders. The department exercises oversight over the relationship between local municipalities' structures and traditional leadership structures and communities in the province. The department also monitors progress in achieving targets such as the implementation of waste water management systems, and provincial sanitation and water demand management strategies.

During the 2015/16 financial year, the department will prioritise capacity-building support for local government. It will also maintain partnerships with stakeholders who provide scarce skills to augment municipal capacity. This enables service delivery, and audit findings, to improve. Revenue management, the integration of IDPs and municipal debt are some of the specific areas in which the department will provide support in the coming financial year. In line the decision of the Municipal Demarcation Board, it intends to finalize the mergers of municipalities in the West Rand and Sedibeng districts. The department will also carry out voter education in advance of the 2016 local government elections; and assist municipalities with developing their consolidated municipal sector plans.

### **Transformation of state and governance**

The allocation to this output is aimed at providing capacity support to municipalities in areas identified as critical for complying with Operation Clean Audit in Gauteng. To achieve this, the department will support municipalities in the areas of asset management, financial management, revenue enhancement, project and contract management and skills development within scarce skills areas. The department will allocate R10 million in the 2015/16 financial year to finalize the process of municipal mergers prior to the 2016 local government elections. The merger process will enable municipalities to be self-sufficient, to manage resources more effectively, and to achieve their mandates and functions in line with the transformation of the State and its governance.

The budget for this output relates to providing training and skills auditing for members of ward committees, including on their structures and functions; assessing the committees' impact; and strengthening public participation. The process of ensuring that 508 ward committees are in place will continue in the 2015/16 financial year. The department will, as needed, work with municipalities on their local economic development (LED) strategies intended to strengthen their economies within the context of an economically inclusive Global City Region.

### **Modernisation of the public service**

The funds allocated to this output cater for the continuous provision of free basic services to the indigent communities such as free electricity and water from municipalities. The department allocated a substantial amount of funding to improve access to basic services. However the Province continues to experience in-migration coupled with the 2016 local government elections with municipal mergers pending.

### **National Development Plan**

The department's alignment with the National Development Plan (NDP) seeks to create a liveable, equitable, prosperous and united Gauteng City Region characterized by economic and social inclusivity and cohesion, sustainable development and infrastructure and good governance. By positioning the province as a globally competitive City Region, the department will pursue its aim of reducing employment and poverty through equitable growth, integrated strategies and prudent planning by all spheres of government.

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

The department will continue to support the Gauteng Planning Commission in conceptualizing and developing the new Provincial Disaster Management Centre. This is a legislative requirement. It will also align itself with Operation Clean Audit, as required by the Office of the Auditor-General in the audit outcomes of municipalities for the 2014/2015 financial year. In addition, the expected promulgation of the National Bill on Traditional leadership which will allow Khoisan leaders to be traditional leaders will have an impact on the budget. The

budget will cater for the implementation of municipal mergers approved by the Demarcation Board. Funds were set aside for the creation and completion of the PDMC in 2014/15.

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

- Intergovernmental Relations Framework Act (Act No. 13 of 2005);
- Local Government: Municipal Property Rate Act (Act No. 6 of 2004);
- National Environmental Management Act (Act No. 107 of 1998), as amended by Act No. 8 of 2004;
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Municipal Finance Management Act (Act No. 56 of 2003);
- Local Government: Municipal Systems Act (Act No. 32 of 2000);
- Public Finance Management Act (Act No. 1 of 1999);
- Local Government: Demarcation Act (Act No. 27 of 1998);
- Local Government: Municipal Structure Act (Act No. 117 of 1998);
- Extension of Security of Tenure Act (Act No. 62 of 1997);
- Land Administration Act (Act No. 2 of 1995);
- Reconstruction and Development Programme Fund Act (Act No. 7 of 1994);
- Expropriation Act (1951), as repealed by Act No. 63 of 1975;
- State Land Disposal Act (Act No. 48 of 1961); and
- Deeds Registries Act (Act No. 47 of 1937).

#### **Provincial Legislation**

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

#### **Good Governance Legislation**

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

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2014/15)**

#### **Transformation of the state and governance**

The department provided hands-on and advisory support to municipalities in maintaining their infrastructure asset registers in line with GRAP 17 requirements. The audit reports and Management Letters of identified municipalities were reviewed. Municipalities receiving support for maintaining and updating their asset registers included Lesedi LM, Emfuleni LM, Randfontein LM and Westonaria LM. The registers for Emfuleni and Lesedi have been updated and are being maintained; however the registers of Randfontein and Westonaria Local Municipalities are not yet fully GRAP 17 compliant.

The department continued to provide support in the 2014/15 financial year to municipalities through the implementation of the Operation Clean Audit, with support for Westonaria and Randfontein. Randfontein had a reduction of the backlog of reconciliations of 95 per cent, and its Annual Financial Statements (AFS) were reviewed and submitted to the Auditor General (AG) on 31 August 2014. The Municipality received a qualified audit outcome with material findings on assets. In Westonaria, the AFS were independently reviewed for quality and submitted to the AG on 31 August 2014. The audit opinion is still outstanding due to discrepancies found on the final set of AFS. In Lesedi, the Municipal Specific ICT Governance Framework is 80 per cent complete, in line with the project plan; implementation is over 50 per cent complete, in line with the project implementation plan. The municipality received an unqualified audit opinion.

In terms of support in the areas of revenue enhancement and debtor management, Lesedi developed an implementation plan and two matters were identified as priorities for 2014/15 financial year. The first was Indigent Management Register cleansing. To date, there are 5340 indigents within the register; 3621 indigents have been flagged and confirmed as indigent. This represents a 67 per cent of cleansing of the indigent data. Data cleansing was the second priority area; 37 094 accounts were analysed and categorised correctly.

In relation to amalgamations affecting the West Rand and Sedibeng District Municipalities, in terms of the transition to the Single Tier System of Governance, implementation of Phase 1 (Transitional Phase) has commenced. The project started with the publication of the Section 14 Notice, the sitting of Joint Councils of the affected municipalities and the establishment of merger governance structures. A report was then prepared

for the project's Technical Steering Committee. This dealt with the establishment of the work streams with the technical steering committee; outlining the ward delimitation process; the publication of the formula for the number of councillors; and the Terms of Reference (ToR) of the due diligence assessment. The department will host a seminar on Municipal Mergers and Incorporation by the end of the financial year.

Finalisation of the revision and adoption of Public Participation Framework (PPF) was delayed, and probably will not be achieved this financial year. The Gauteng Councillor Conference was held for the first time; and a research report on public participation processes, and the role of Councillors in these processes, was prepared. The department also prepared reports on the role played by CDWs in supporting participatory democracy processes, such as by mobilising the community to attend IDP and ward committee meetings.

Training of ward committee members has not commenced, but the supply chain management (SCM) processes will be in place before the end of the 2014/15 financial year. Representation in ward committees is as follows: women 1829 (36 per cent, youth 457 (9 per cent) and people with disabilities (PWD) 15 (3 per cent).

- To ensure the effective management of disasters at national, provincial and local level, coordination and support were provided for the implementation of the National Disaster Management Act and Framework. The department reports on the functionality of, and compliance with, the provincial Disaster Management coordinating structures.
- The department participated in the process of repatriating the victims of the church collapse in Nigeria by coordinating and managing the combined provincial memorial.
- To ensure that services are delivered in an integrated and sustainable manner, the department continued to promote integrated development and planning within municipalities. It also facilitated and coordinated processes aimed at ensuring that municipal IDPs are credible and implementable, and are aligned with national and provincial priorities, plans and strategies.

### **Modernisation of public service**

The department monitors and reports on the accelerated delivery of municipal basic service and infrastructure delivery to meet national targets. Access to basic services remains a provincial priority. To date there has been 8853 new household connections to the electricity grid funded by department of Energy and 3613 installations of solar geysers funded by municipalities' in partnership with Department of Energy. The Luipaardsvlei Landfill site phase 4 in Mogale City is completed and benefitting about 116 000 house holds. COGTA continues to provide support in partnership with MISA to municipalities on engineering i.e. design, construction and project management in Sedibeng District, Emfuleni, Westonaria, Merafong, Randfontein and Lesedi. Municipal infrastructure projects are realised through the MIG funding programme headed by COGTA. A Water Conservation and Water Demand Management Strategy will be completed with an implementation plan to reduce water losses by 7 per cent in all municipalities by 2018/2019.

### **Transformation of the state and governance**

The department has supported and enhanced the capacity of traditional leadership and local governance institutions in the City of Tshwane (Amandebele Ba Lebelo and Amandebele Ndzunza Sokhulumu Traditional Councils), where municipal council sittings are attended by the two traditional leaders. The minutes of meetings are prepared, and resolutions tracked and implemented. The Department also monitors traditional councils' compliance with the PFMA and reporting standards. A capacity skills audit was conducted and priority areas for intervention were identified.

A provincial partnership with traditional leadership is established to address the Initiation School policy framework and legislation, implementation and guidelines. A draft policy framework and procedures manual relating to the practice of initiation in the province has been prepared, and a stakeholder workshop on the draft procedure manual on initiations was held on 10 December 2014.

### **Modernisation of public service**

The aim is to strengthen the leadership, management and administrative capacity of the Department through efficient and effective policies, HR, resources and processes. The Department is in consultation with the Department of Public Service and Administration (DPSA) to finalise the organisational structure, and there are engagements with all relevant stakeholders on the proposed structure. The HR plan has been developed and should be approved by the end of the 2014/15 financial year.

### 3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2015/16)

The current plan draws on chapter 13 of the National Development Plan (NDP) (Capable and Developmental State). The department's strategic posture is also shaped by the Ten Pillar Programme to radically transform, modernize and reindustrialize; this underlies the Department's role in overseeing and supporting "A Decisive Spatial Transformation, Accelerated Social Transformation, Transforming of the State and Governance and Modernisation of the Public Service" in Gauteng in the next five to fifteen years. The department has identified the following priorities, over the next five years, in support of the Ten Pillar Programme.

#### Transformation of state and governance

##### **Strategic Objective 1: Promotion and establishment of organs of popular power and democratic systems (street committees, ward committees, block committees)**

The department has a responsibility to ensure that the programmes of government are community-driven and that communities have a pivotal role to play. To ensure that communities influence decision-making in the province and especially at municipal level, the department will review the current situation and take steps to strengthen the organs of peoples' power.

Purpose: The organs of people's power will be promoted to avoid imposition of the invited spaces and the creation of an environment conducive to strategic social dialogue. This will ensure that communities remain engaged and that they feel comfortable and free from manipulation. The initiatives will aim to deepen people-centred government through a refined model of the programme relating to ward committees and CDWs. In addition, the department is preparing for the 2016 local government elections, for which voter education will be provided in all municipalities and communities. R10 million has been set aside for this function.

The review process will involve consultation with municipalities, communities and other spheres of government; the findings of the review will be carried out over time. The department will host a ward councillor conference in 2015, and will implement the resolutions of the inaugural conference.

#### Transformation of state and governance

##### **Strategic Objective 2: Ensure effective participation by local government in the inter-governmental relations (IGR) system**

Purpose: The mandate of the department is to ensure that the spheres of government operate in a coherent, cohesive and integrated manner and that basic services are provided in a seamless way. This requires the department to strengthen its co-ordination and facilitation capacity for the benefit of the province's government and citizens. Therefore, in the coming year the department will review the present intergovernmental relations structures and, as needed, establish new ones in order to eliminate silos and duplication of programmes. Functional programmes will be supported and those which are dysfunctional and/or superfluous will be replaced. The functionality of the IGR structures will be institutionalised through approval by the Executive Council and the Premier's Coordinating Forum.

#### Transformation of state and governance

##### **Strategic Objective 3: Facilitate and promote the creation of a GCR through the metropolitan system**

In order to realise a globally competitive Gauteng City Region (GCR), the provincial government has resolved to establish a single-tier system of local government. The GCR is larger than the Gauteng province and has its own identified boundaries. It connects towns and cities including Johannesburg, the capital city of Tshwane and Ekurhuleni, and functions as a single, integrated region linked by flows of people, resources and raw materials, and by energy, economic and communications networks.

Purpose: The Province has five regions. Two cities are yet to be established in order to fully realise the single-tier system of local government. This will be achieved through municipal mergers. The municipalities earmarked for merger in 2016 are: Lesedi LM and Ekurhuleni Metropolitan Municipality; and Westonaria and Randfontein LMs, Sedibeng District Municipality, Emfuleni LM and Midvaal LM to establish River City Metropolitan Municipality. The Department will spearhead the merger of the municipalities in 2016.

## Modernisation of the public service

### Strategic Objective 4: Establishment of an effective, efficient, responsive, accountable and resilient local government

The National Development Plan (NDP) calls for the establishment of a strong, capable, developmental state. Furthermore, the Back-to-Basics programme recently launched by the Minister of Cooperative Governance and Traditional Affairs argues that municipalities that are performing well should meet the following indicators: putting people first; delivering basic services; good governance; sound financial management; and building capacity.

In response to the above, the department will undertake the following programmes:

- Enhancing the integrity, transparency and accountability of local government and addressing corruption, reducing waste and the cost of doing business;
- Capacity building and development (leadership, management and oversight);
- Enforcing compliance with legislation and directives, and intervening where necessary;
- Developing targeted and differentiated administrative and governance instruments to support municipalities;
- Consolidating bulk service plans for the three LMs in the Sedibeng Region;
- Coordinating and reporting on the implementation of the Sedibeng Regional Sanitation Scheme; and
- Establishing the Provincial Disaster Management Centre (PDMC).

The process of restoring the PMDC will draw on the existing district and metropolitan Disaster Management Centres. The business plan and structure of the centre has been endorsed by DPSA and is ready for tabling in the Executive Council for approval. The Department has set aside R35 million to ensure that the PDMC is restored and functions optimally. These funds will be used to procure IT and other equipment for the centre, and pay for its lease and other required resources.

## Modernisation of the public service

### Strategic Objective 5: Provision of basic services in line with the Back-to-Basics approach

Seamless and efficient delivery of basic services is one of the most important attributes of a well-performing municipality. It is therefore the fundamental responsibility of municipalities to ensure that basic services are provided to the citizens as encapsulated in the Constitution.

In response to this requirement, the department will undertake the following programmes:

- Coordinate municipal infrastructure master plans in order to achieve the provincial infrastructure master plan of the Planning Division in the Office of the Premier;
- Oversee, monitor, evaluate and report on the implementation of the Sedibeng regional sewer scheme through a cooperative arrangement with Rand Water, the Department of Water Affairs and Sanitation and Sedibeng District; and
- By means of MoU's with sector departments and state-owned enterprises (SOEs), facilitate and monitor the provision of basic services.

## Transformation of state and governance

### Strategic Objective 6: Financial management and viability

- Sound financial management is a critical component of a well performing municipality. To achieve this objective, the department will undertake the following programmes:
- Support the implementation of municipal viability and sustainability strategies at local municipality level;
- Facilitate the development of municipal billing and revenue-generation strategies;
- Led by the provincial Treasury, provide hands-on support to municipalities on financial systems and policies; and
- Champion the municipal programme aimed at achieving unqualified audits without matters of emphasis.

## Transformation of state and governance

### Strategic Objective 7: Contribute to province-wide infrastructure planning and performance

The department has a pivotal role in ensuring that municipalities are able to deliver the basic services as required by law. These include contributing to planning for and delivery of amenities and related infrastructure, and maintenance and funding of these services.

In meeting these obligations, the department will:

- Ensure that municipalities appoint qualified and competent staff in order to deliver on their mandates;
- Develop the water security strategy and management plan in support of the GCR.
- Ensure the establishment of the Rapid Response Team to intervene where there are service delivery problems and to support the War Room on service delivery.

### **Transformation of state and governance**

#### **Strategic Objective 8: To contribute to province-wide local economic development and planning**

Economic development and integrated development planning are critical performance areas for local government. The Department of Economic Development (DED) is responsible for enabling economic development planning through instruments such as the Provincial Growth and Development Strategy (PGDS). The Department is also responsible for helping municipalities to translate provincial plans into local economic development plans and spatial development frameworks that support the development and growth of the local economy.

To achieve this objective, the department will carry out the following activities, amongst others:

- Ensure the development and adoption of municipal IDPs aligned to national and provincial plans, while reflecting the economic and service delivery needs of communities; and
- Facilitate and coordinate relationships between municipalities and the various sector departments and other role-players in the area of economic development; and promote investment in infrastructure for economic growth.

### **Modernisation of the public service**

#### **Strategic Objective 9: Creation of the internal institutional capacity to support the repositioning of the department**

For the department to meet its statutory obligations, it must build its own capacity and assist municipalities to build theirs. To achieve this, the department will undertake the following programmes:

- Professional and development programmes, in partnership with LGSETA and other professional bodies, to equip its personnel, traditional councils and those of municipalities, including councillors, to carry out their responsibilities effectively and efficiently;
- Host a summit on disability mainstreaming in local government in 2015; and
- Ensure that all vacant and funded posts and structures of the department and municipalities are approved and filled in order to build the required capacity and capability to deliver services.

### **Transformation of state and governance**

#### **Strategic Objective 10: Improve the developmental and governance capacity of the institution of traditional leadership**

Section 12 of the Constitution directs organs of state to provide necessary support to the institution of traditional leadership. It is part of the legislative mandate of the department to provide this support. It will do so by:

- Providing necessary hands-on administrative, governance and financial and legal support to the traditional councils in line with the legislation;
- Developing and implementing the policy regulating initiation schools in the province. This will be undertaken in partnership with the departments of Education and Health; and
- Monitoring the participation of traditional leaders in the activities of municipal councils and intervene accordingly.

## **4. REPRIORITISATION**

The department has decided to reprioritise funds within the current allocation to meet the targets and priorities of the new executive. The request for new funds will be submitted to Provincial Treasury. The department is supporting the GPC in establishing a new Provincial Disaster Management Centre in compliance with the relevant legislation. R12 million is reallocated within personnel to where individuals are placed on the approved organisational structure of Cooperative Governance and Traditional Affairs. The department reallocated R18 million from contractors and agencies outsourced in favour of capacitating municipalities by improving municipal service delivery in support of transformation of the state and governance.

## 5. PROCUREMENT

In the coming financial year, the department will:

- Continue with the re-establishment of the Provincial Disaster Management Centre; this was not done during the current financial year.
- Implement the public participation strategy for identifying functionality gaps for local municipalities and in ward committees.
- Support municipalities in developing and adopting the Public Participation Framework.
- Provide training and development for ward committees for all municipalities.
- Continue to strengthen the MPAC as a watchdog of accountability within municipalities.
- Support municipalities in developing and implementing customized municipal recruitment, performance management system (PMS) and retention strategies.
- Assist municipalities to adhere to the norms and standards of the revised PPF.
- Implement the government debt strategy in all municipalities.
- Implement the Sedibeng Regional Sanitation Scheme.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Equitable share	327 200	257 840	273 657	338 598	338 598	338 598	404 972	416 763	437 601
Conditional grants				2 000	2 000	2 000	2 000		
<b>Total receipts</b>	<b>327 200</b>	<b>257 840</b>	<b>273 657</b>	<b>340 598</b>	<b>340 598</b>	<b>340 598</b>	<b>406 972</b>	<b>416 763</b>	<b>437 601</b>

The department receives equitable share funding for its operational requirements. This amounted to R327.2 million in 2011/12 and decreased to R257.8 million in 2012/13 due to the demerger of the department from the former Department of Housing. The department's allocation increased to R274 million in 2013/14 when additional funds were allocated for compensation of employees. In 2014/15, the department received a conditional expanded public works programme (EPWP) grant of R2 million to support job creation in communities. This increased the total allocation to R340.6 million. The increase in the 2015/16 allocation to R407 million caters for the PDMC project; municipal Operation Clean Audit initiatives; the increase in the allocation to the CDW programme so that a CDW can be employed in each ward; and voter education for the upcoming local government elections. The allocation increases to R437.6 million over the MTEF period; this includes the allocation for maintaining the PDMC.

### 6.2. Departmental receipts

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Sales of goods and services other than capital assets	127	360	130	140	140	20 256	141	148	156
Interest, dividends and rent on land	18	25	25	25	25	25	26	27	29
Transactions in financial assets and liabilities	468	56	300	300	300	158	314	331	347
<b>Total departmental receipts</b>	<b>613</b>	<b>441</b>	<b>455</b>	<b>465</b>	<b>465</b>	<b>20 439</b>	<b>481</b>	<b>506</b>	<b>532</b>

Departmental receipts increased from R455 000 in 2013/14 to R465 000 in 2014/15. The growth of revenue in 2015/16 is as a result of increased parking fees from the staff of the Department of Human Settlement salaries that are still being settled by COGTA and amount to R481 000. Over the 2015 MTEF, revenue collection remains relatively stable with slight increases from R481 000 in 2015/16 to R532 000 in 2017/18.

The main sources of revenue are parking fees from staff members, third party transactions such as commissions, sale of tender documents, interest from staff debts and servitudes from Eskom. Revenue varies from month to month due to the nature of service.



## 7. PAYMENT SUMMARY

### 7.1. Key assumptions

The assumptions that underpin the department's MTEF 2015 budget are summarized below. The department has a 5.6 per cent wage increase for 2015, and 5 per cent over the MTEF. A 5.6 per cent increase in Goods and Services is anticipated, in line with projected consumer price inflation (CPI). The following elements have been taken into consideration when determining budgets for personnel and other economic classifications for the 2015 MTEF:

- Number of staff, vacancies and possible changes over the MTEF;
- Basic salary costs including improvement of conditions of service adjustment from 1 April each year;
- Salary increases for officials with occupation-specific dispensations (OSDs);
- Provision for filling vacant posts caused by the de-merger of the two departments;
- The need to fill CDW vacancies in wards;
- The establishment of the new PDMC;
- Provision for the merger of municipalities prior 2016 municipal elections as per proclamation by the Municipal Demarcation Board (MDB)
- Provision of funding to municipalities for the HIV/AIDS programme;
- Provision for deployment of engineers and chartered accountants to targeted municipalities; and
- Continuous provision for Operation Clean Audit initiatives.

### 7.2. Programme summary

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Administration	58 158	37 207	80 766	126 113	114 863	114 864	125 632	135 169	141 928
2. Local Governance	184 323	142 700	158 629	173 278	177 855	174 665	196 976	194 117	203 823
3. Development Planning	28 785	25 097	28 239	34 088	40 686	39 373	77 116	79 223	83 185
4. Traditional Institutional Management	3 147	3 766	6 023	7 119	7 194	7 194	7 248	8 253	8 666
<b>Total payments and estimates</b>	<b>274 413</b>	<b>208 770</b>	<b>273 657</b>	<b>340 598</b>	<b>340 598</b>	<b>336 096</b>	<b>406 972</b>	<b>416 763</b>	<b>437 601</b>

### 7.3. Summary of economic classification

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>249 414</b>	<b>206 942</b>	<b>266 880</b>	<b>330 498</b>	<b>328 118</b>	<b>323 578</b>	<b>366 796</b>	<b>375 452</b>	<b>394 225</b>
Compensation of employees	207 695	182 711	200 300	252 131	252 131	252 133	266 482	281 299	295 364
Goods and services	41 719	24 231	66 580	78 367	75 987	71 445	100 314	94 153	98 861
Transfers and subsidies to:	23 888	369	2 485	5 100	7 380	7 380	10 030	7 380	7 749
Provinces and municipalities	20 000			2 000	5 000	5 000	7 500	5 000	5 250
Households	3 888	369	2 485	3 100	2 380	2 380	2 530	2 380	2 499
<b>Payments for capital assets</b>	<b>1 002</b>	<b>1 257</b>	<b>4 263</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>30 146</b>	<b>33 930</b>	<b>35 627</b>
Machinery and equipment	448	830	4 263	5 000	4 986	4 986	30 146	33 930	35 627
Software and other intangible assets	554	427			14	14			
<b>Payments for financial assets</b>	<b>109</b>	<b>202</b>	<b>29</b>		<b>100</b>	<b>138</b>			
<b>Total economic classification</b>	<b>274 413</b>	<b>208 770</b>	<b>273 657</b>	<b>340 598</b>	<b>340 598</b>	<b>336 096</b>	<b>406 972</b>	<b>416 763</b>	<b>437 601</b>

The table above includes reprioritization of the budget at programme and economic classification level over the 2015/16 MTEF. During 2011/12, expenditure amounted to R274 million and decreased significantly by R65 million to R209 million in 2012/13. It increased for the 2013/14 financial year by R65 million to R274 million. This represents an increase of 31 per cent, mainly because of the department's need to support municipalities after the splitting of the two departments. The budget increased significantly by R66 million to R340 million in 2014/15. This was mainly due to the refocus on the Department's mandate to support municipalities and to ensure departmental capacity by filling critical posts.

The budget for the period under review reflects steady growth, to R407 million in 2015/16. There is a slight increase to R417 million in 2016/17 and to R438 million over the MTEF. The increase is as a result of the new PMDC; implementation of priorities identified by the new administration; and the need to address the audit outcomes of municipalities during Operation Clean Audit in 2014. The increase also results from the need to fill critical CDW positions in each ward as a result of natural attrition; and to refurbish the building that will accommodate the Department.

Programme 1: Administration expenditure declines steadily from R58 million in 2011/12 to R37 million in 2012/13, mainly because of the demerger with Human Settlements. There is a significant increase to R115 million in 2014/15, after an adjustment budget. This is to enable the department to deliver on its expanding mandate of oversight of and support for municipalities and ensuring that it is adequately capacitated. The increase over the MTEF in comparison to the 2015/16 main appropriation is mainly due to the refurbishment of the building that will accommodate the Department, and the ICT infrastructure equipment that will support the department's work. Over the MTEF, the budget increases to R135 million in 2016/17 and R142 million in 2017/18.

Programme 2: Local Governance has the largest share of the budget. This is mainly allocated to core functions of the Department to ensure that Operation Clean Audit programme continues; and to address audit outcome matters raised by the Auditor-General. The budget will also ensure that the CDW programme continues through the allocation of a worker to each ward. This will alleviate the burden on ward councillors; CDWs will direct community members to the department where services are required. This programme spent R184 million in 2011/12, R143 million in 2012/13 and R159 million in 2013/14. The budget grows from R178 million in 2014/15, after an adjustment budget to R204 million over the MTEF for hands-on support to municipalities. This includes provision for ongoing ward councillor training, implementation of revenue management, Municipal Rates Property Act (MRPA) implementation and other critical activities.

Programme 3: Growth in Development and planning was stable between R29 million in 2011/12 to R28 million in 2013/14. It increased to R41 million in 2014/15 after an adjustment budget; and increases by 88 per cent to R77 million in 2015/16 as result of the allocation for the PDMC which will be restored in the coming financial year. The budget will also enable geysers to be continuously installed in communities in targeted municipalities. The allocation increases to R79 million in 2016/17 and to R83 million in 2017/18, in line with Pillar 4: transformation of state and governance.

Programme 4: The Traditional Institutional Development budget grows slightly over the MTEF, mainly to support and enhance the capacity of traditional leadership and local governance institutions in the City of Tshwane (Amandebele Ba Lebelo and Amandebele Ndzunza Sokhulumu traditional councils). In addition, the budget will provide for continuous training of traditional council members as part of the transformation of state and governance. The Department of Traditional Affairs (DTA) and the Local Government Sector Education and Training Authority (LGSETA) will facilitate a national skills audit of traditional leaders and its councillors.

The budget for compensation of employees increased slightly from R252 million in 2014/15 to R266 million in 2015/16, with a further increase to R295 million over the MTEF. This increase mainly relates to filling critical vacant positions; implementing the Occupational Specific Dispensation (OSDs); Improvement in Condition of Service (ICS) and wage salary agreements; and ensuring CDWs in each ward.

The expenditure for goods and services grows significantly from R42 million in 2011/12 to a budget of R78 million in 2014/15. Over the MTEF, it increases to R100 million in 2015/16 and decreases to R99 million in 2017/18. The increase is due to work being carried out in relation to the PCMC; refurbishment of the building that will accommodate the Department; and ICT software licenses and servers for the new building. This increase will assist the Department to roll out Operation Clean Audit and to deal with audit issues raised by the Auditor-General; and to continue to train ward councillors, implement revenue management and implement the priorities and programmes of the new administration. This will assist the municipalities to turn around their finances, strategies and audit outcomes as part of the transformation of state and governance.

Total budget for machinery and equipment decreased by 33 per cent between the 2014/15 and 2015/16 financial years. This is mainly because procurement of tools of the trade had been completed. The allocation for the coming year is earmarked for the refurbishment of the department's building. The slight increase over the outer years of the MTEF is due to ongoing maintenance of the building, and providing tools of trade to new appointees.

**7.4 Infrastructure payments**

N/A

**7.4.1 Departmental infrastructure payments**

N/A

**7.4.2 Maintenance**

N/A

**7.4.3. Departmental Public-private-partnership (PPP) projects**

N/A

**7.5 Transfers****7.5.1. Transfers to public entities**

N/A

**7.5.2. Transfers to other entities**

N/A

**7.5.3. Transfers to local government**

TABLE 7.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
<b>Category A</b>	<b>20 000</b>								
Ekurhuleni Metro	20 000								
<b>Category B</b>				<b>2 000</b>	<b>5 000</b>	<b>5 000</b>	<b>7 500</b>	<b>5 000</b>	<b>5 250</b>
Emfuleni				500	1 500	1 500	1 000	1 000	750
Lesedi				500	500	500	1 500	1 000	1 500
Randfontein				500	1 000	1 000	2 250	1 500	1 500
Westonaria				500	1 500	1 500	2 250	1 500	1 500
Merafong City					500	500	500		
<b>Total transfers to municipalities</b>	<b>20 000</b>			<b>2 000</b>	<b>5 000</b>	<b>5 000</b>	<b>7 500</b>	<b>5 000</b>	<b>5 250</b>

The table above shows transfers to municipalities by transfer type and category (A, B and C). During the current year, the department transferred R2 million to municipalities for job creation as part of the EPWP grant; this was only allocated in 2014/15. These functions mainly rest with the department of Public Works (DPW). The department has also transferred funds to municipalities to an amount of R3 million for implementation of GRAP 17 and for performance management systems (PMS). Funding from the department to municipalities in the coming financial year and over MTEF will be for various projects including continued implementation of GRAP 17, PMSs and the EPWP.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

The main goal of this programme is to strengthen and align the department's organizational capacity and capability to deliver on its mandate. It enables the Department's business units to perform efficiently by providing corporate support (HR, financial management, SCM, ICT, risk management and facilities management). The programme ensures effective and efficient leadership, management and administrative support to the core business of the department by refining organizational strategy and structure in compliance with appropriate legislation and practice. The programme's outputs are a reflection of Pillar 5 (modernisation of the public service which seeks to achieve an efficient, effective and developmental oriented public service and an empowered, fair and inclusive citizenry).

#### Programme objectives

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

#### Key Policies, priorities and outputs

- Develop policies, provide strategic direction and monitor and evaluate the department's programmes, support services and operations;
- Render strategic and focused HRM support to ensure effective execution of the department's functions and strategy;
- Render effective and economic financial management services to the department; ensure the alignment of strategy and budget; manage expenditure, reporting and the supply chain;
- Render corporate services within the department and ensure the efficient execution of the department's functions and strategy (structure; resources: budget, physical and human; systems);
- Manage the risk strategy of the department;
- Anti-corruption enforcement;
- Building capacity and capability to professionalise the department;
- Monitor and support legislative compliance;
- Establish and support viable and accountable governance structures;
- Improved integration and planning;
- Facilitate access to information;
- Provide sound legal advice and support to the department.

TABLE 7.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Office Of The MEC	6 630	1 236	2 816	2 960	2 960	3 760	3 986	4 029	4 231
2. Corporate Services	51 528	35 971	77 950	123 153	111 903	111 104	121 646	131 140	137 697
<b>Total payments and estimates</b>	<b>58 158</b>	<b>37 207</b>	<b>80 766</b>	<b>126 113</b>	<b>114 863</b>	<b>114 864</b>	<b>125 632</b>	<b>135 169</b>	<b>141 928</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>53 172</b>	<b>35 394</b>	<b>73 989</b>	<b>118 013</b>	<b>107 383</b>	<b>107 346</b>	<b>119 756</b>	<b>127 484</b>	<b>133 858</b>
Compensation of employees	34 763	25 799	46 211	86 089	74 839	74 841	86 206	92 739	97 376
Goods and services	18 409	9 595	27 778	31 924	32 544	32 505	33 550	34 745	36 482

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
<b>Transfers and subsidies to</b>	<b>3 875</b>	<b>354</b>	<b>2 485</b>	<b>3 100</b>	<b>2 380</b>	<b>2 380</b>	<b>2 530</b>	<b>2 380</b>	<b>2 499</b>
Households	3 875	354	2 485	3 100	2 380	2 380	2 530	2 380	2 499
Payments for capital assets	1 002	1 257	4 263	5 000	5 000	5 000	3 346	5 305	5 571
Machinery and equipment	448	830	4 263	5 000	4 986	4 986	3 346	5 305	5 571
Software and other intangible assets	554	427			14	14			
<b>Payments for financial assets</b>	<b>109</b>	<b>202</b>	<b>29</b>		<b>100</b>	<b>138</b>			
<b>Total economic classification</b>	<b>58 158</b>	<b>37 207</b>	<b>80 766</b>	<b>126 113</b>	<b>114 863</b>	<b>114 864</b>	<b>125 632</b>	<b>135 169</b>	<b>141 928</b>

As indicated in the table above, expenditure and budget against programme 1 fluctuate over the seven years under review. The programme showed increased expenditure from R58 million to R81 million between 2011/12 and 2013/14. This is mainly attributed to the de-merger, as Human Settlements absorbed most of the administrative and operational activities of this programme during the period of the merger. In 2013/14, the department had to fund its activities as a stand-alone entity. The budget increased significantly by R45 million in 2014/15, after the de-merger, when the department became the department of Cooperative Governance and Traditional Affairs. The programme budget in 2014/15 was R126 million; during 2015/16, it remained at this figure. It increases to R142 million over the 2015 MTEF. The growth in the budget caters for refurbishing and ongoing maintenance of the building to be occupied in the next financial year, and for the ICT infrastructure to be installed in the building. The additional funds also relate to ICS installations in the building and filling of vacant positions identified by the Department as critical to its core functions.

The growth in the budget of the MEC's office is mainly to enable it to run its functions and activities. The expenditure decreased from R6 million in 2011/12 to R1 million in 2012/13 because the MEC's outreach programs were funded from the OPSCAP budget during the merger. In 2013/14, the budget for the sub-programme was R2.8 million. It increased to R3 million in 2014/15 and R4 million in 2015/16 and remains at R4 million over the 2015 MTEF.

The sub-programme Corporate Services expenditure increased from R51 million to R78 million between 2011/12 and 2013/14. In 2014/15, the budget increases to R123 million before decreasing to R121 million in 2015/16 and increasing to R138 million in 2017/18. The growth in the budget is mainly due to refurbishment of the Department's building, ICT infrastructure, communication, software licenses and marketing for MEC events.

The programme's budget on compensation of employees was R86 million in 2014/15 and in 2015/16, increasing to R97 million in 2017/18. This increase is mainly to fill vacant positions critical the capacity of support services which is part of the recruitment drive of the department. Additional funding is allocated for the wage agreement between the state and labour unions.

The budget for goods and services increases slightly from R32 million in 2014/15 to R34 million in 2015/16. It increases to R35 million and R36 million for 2016/17 and 2017/18 respectively. The increase caters for the envisaged procurement of ICT infrastructure, software licenses, refurbishment of the new building and marketing for the MEC's outreach programmes to municipalities.

Expenditure on households fluctuates between R2.3 million and R2.5 million for the respective years of the MTEF. The budget for machinery and equipment increases marginally as result of the refurbishment of the building that will accommodate the department due to the de-merger. This will also include the supply of tools of the trade which relates to the provision of capital assets for the appointment of new staff members and to meet the priorities of the new executive.

## PROGRAMME 2: LOCAL GOVERNANCE

The Local Governance Programme seeks to strengthen the developmental state by enhancing participatory governance and institutional stability as well as building the capacity and capability of local government to achieve its constitutional mandate. The goal of the programme is to promote and facilitate viable and sustainable local governance in line with Pillar 4: transformation of state and governance.

The objectives to be achieved under this programme include:

- To provide management and support services to local government within the regulatory framework;
- To monitor and support municipalities to ensure financially viable and sustainable municipalities in accordance with applicable Acts;
- To deepen democracy by promoting community participation through appropriate structures, processes and systems, and by facilitating access to government services;
- To coordinate, cooperate and integrate support and monitor capacity building initiatives;
- To improve municipal performance through enhanced monitoring, reporting and evaluation;
- To improve the image of local government;
- To implement a differentiated approach to local government in the province;
- To monitor and support legislative compliance;
- To establish and support viable and accountable governance structures;
- To promote intergovernmental and stakeholder relations, and improved integration and planning;
- To facilitate the devolution of powers and functions to ensure stable local government;
- To improve public participation;
- To implement an appropriate finance model for local government to promote sustainability and viability;
- To enforce anti-corruption measures;
- To provide urban management and built environment planning;
- To build capacity and capability towards professionalizing local government;
- To develop policy towards differentiated approaches and social inclusivity;
- To enhance participatory governance through CDW programmes; and
- To facilitate access to basic services for poor communities.

TABLE 7.8 SUMMARY OF PAYMENTS AND ESTIMATES: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Municipal Administration	4 093	2 993	10 519	8 423	9 223	9 767	12 283	12 599	13 229
2. Municipal Finance	27 026	15 619	10 726	10 749	10 869	10 410	10 192	11 599	12 179
3. Public Participation	109 400	113 479	116 017	132 990	133 491	129 965	142 377	138 128	145 035
4. Capacity Development	43 804	10 609	11 252	10 796	11 619	11 869	18 754	17 938	18 835
5. Municipal Performance Monitoring, Reporting And Evaluation			10 115	10 320	12 653	12 654	13 370	13 853	14 546
<b>Total payments and estimates</b>	<b>184 323</b>	<b>142 700</b>	<b>158 629</b>	<b>173 278</b>	<b>177 855</b>	<b>174 665</b>	<b>196 976</b>	<b>194 117</b>	<b>203 823</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>164 310</b>	<b>142 685</b>	<b>158 629</b>	<b>172 278</b>	<b>173 855</b>	<b>170 665</b>	<b>191 476</b>	<b>189 117</b>	<b>198 572</b>
Compensation of employees	147 115	130 592	130 844	139 937	144 514	144 514	146 457	153 230	160 892
Goods and services	17 195	12 093	27 785	32 341	29 341	26 151	45 019	35 886	37 680
<b>Transfers and subsidies to:</b>	<b>20 013</b>	<b>15</b>		<b>1 000</b>	<b>4 000</b>	<b>4 000</b>	<b>5 500</b>	<b>5 000</b>	<b>5 250</b>
Provinces and municipalities	20 000			1 000	4 000	4 000	5 500	5 000	5 250
Households	13	15							
<b>Payments for capital assets</b>									
<b>Total economic classification</b>	<b>184 323</b>	<b>142 700</b>	<b>158 629</b>	<b>173 278</b>	<b>177 855</b>	<b>174 665</b>	<b>196 976</b>	<b>194 117</b>	<b>203 823</b>

The programme's expenditure decreased from R184 million to R159 million between the 2011/12 and 2013/14 financial years. The decrease was due to the changing of projects whilst the department was merged with the Department of Housing, although the needs for increased support to municipalities and deployment of CDWs for each ward remained necessary. The budget increases by R24 million from R173 million in 2014/15 to

R197 million in 2015/16. There is a decrease to R194 million in 2016/17 and an increase to R204 million in 2017/18. This increase is needed to provide continuous support to municipalities in relation to OPCA, training of ward committees and councillors, deployment of CDWs to each ward, conducting research, conducting intergovernmental relations, and filling vacant positions where necessary to the functioning of intergovernmental relations (IGR). This programme relates to the transformation of state and governance.

The budget of sub-programme Municipal administration is mainly to provide research studies and to deal with the powers and functions on intergovernmental relations in line with the transformation of state and governance. The budget increases from R8 million in 2014/15 to R12 million in 2015/16, an increase of 33 per cent. The allocation increases to R13 million in the final year of the MTEF period. These increases are as a result of the promulgation of gazettes for the holding of elections at municipalities, conducting research studies on powers and functions and the development of the oversight and accountability model. The increased allocation is also attributed to the amalgamation of various municipalities in preparation for the 2016 local government elections.

Sub-programme Municipal Finance has a budget of R11 million in 2014/15 and in 2015/16 it has an allocation of R10 million and a slight increase to R12 million in 2016/17 and R12 million 2017/18. The budget caters for continuous initiatives which include interventions on asset management, resolutions on Auditor-General issues, tariff modelling, data cleansing, GRAP 17 training, research on policies, guidelines and legislation necessary to the enhancement of revenue and improve debtor management and implementation of smart metering within municipalities as part of the transformation of the state and governance.

Sub-programme Public participation has an allocation that grows from R133 million in 2014/15 to R142 million in 2015/16, an increase of 7 per cent. There is a further increase to R145 million over the 2015 MTEF to provide for setting up 508 ward committees in all municipalities. The allocation will also cater for updating the skills audit and training ward committees in Metros and local municipalities. The training is aimed at improving the level of engagement of ward committees in planning processes, and fostering civic responsibility in planning and development. Another module of the training focuses on conflict management to empower ward committees to facilitate good community relations amongst ward stakeholders and mitigate conflicts of interest within community groups over development issues. The department is also planning to improve relations between ward committees and CDWs in order to foster coordination of activities and strengthen service delivery in communities. The CDW programme will continue to play a supporting role in the implementation of the framework by assisting with coordination between the spheres of government and monitoring service delivery points in line with Pillar 5: Modernisation of the public service.

Capacity Development: this sub-programme's expenditure remained constant at R11 million in 2012/13 and 2013/14. This was due to the fact that support to municipalities continues by deploying engineers from SAICE and chartered accountants from SAICA. The allocation increases by R7 million to R18 million in 2015/16 and 2016/17 and to R19 million in 2017/18. The sub-programme will continue to provide hands-on support to improve the audit outcomes through Operation Clean Audit, targeting identified municipalities in line with the modernisation of the public service. The sub-programme will focus on infrastructure verification and intangible assets identification to ensure prudent asset management in municipalities.

Municipal Performance Monitoring: This sub-programme's allocation amounted to R10 million in 2014/15 and R13 million in 2015/16. Over the 2015 MTEF the allocation increases to R15million. The allocation is mainly to implement the Municipal Property Rates Act (MPRA) in all municipalities.

In relation to compensation of employees, expenditure has been fluctuating over the years. It increased from R131 million in 2013/14 to R140 million in 2014/15. There is a further increase to R146 million in 2015/16, a 1.4 per cent increase. The allocation for compensation of employees over the MTEF further increased to R161 million. These increases relate to filling of positions in all sub-programmes within the programme particularly CDWs to be deployed to each ward in all municipalities; and to comply with the Exco resolution and Infrastructure Development Unit for filling engineering posts. These increases also relate to anticipated wage agreements.

Allocation on goods and services increased from R28 million in the 2013/14 financial year to R32 million in the 2014/15 financial year. It further increases to R45 million in 2015/16 before decreasing to R38 million over the MTEF. These increases relate to meeting the continuing OPCA initiatives, and catering for municipal capacity building programmes and ward and councillor training. This will include research to be conducted, and the continuous customized municipal recruitment and retention strategy and human resource development framework. It will also provide critical and scarce skills training including the deployment of technical expertise in targeted municipalities in line with transformation of state and governance.

The allocation for transfers and subsidies transfers funds to the targeted municipalities for implementation of GRAP 17 and PMS.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: LOCAL GOVERNANCE

Performance measures	Estimated Annual Targets		
	2015/16	2016/17	2017/18
Number of seminars held on topical local government issues	2	3	3
Number of topical local government policy issues reviewed/ commented on	1	1	1
<b>Sub-Programme: Municipal Finance</b>			
Number of municipalities provided with Hands-on Support to maintain their infrastructure asset registers in line with the GRAP 17 requirements	2	3	3
Number of Municipalities provided with Hands-on-Support in the areas of Revenue enhancement and debtor management	Government debt strategy implemented in all Municipalities	Government debt strategy implemented in all Municipalities	Government debt strategy implemented in all Municipalities
<b>Sub-Programme Public Participation</b>			
Number of advocacy initiatives undertaken to support participatory democracy	12	12	12
Number of municipalities supported to develop and adopt the current Public Participation Framework (PPF)	4	10	Review implementation of PPF
<b>Sub-programme Capacity Development</b>			
Number of Municipalities supported in developing and implementing a customized Municipal Recruitment and Retention Strategy	3	3	Nothing Planned
Number of targeted municipalities monitored and supported to improve the PMS	2	2	Impact Assessment of support rendered in implementation of PMS
Number of officials trained in critical and scarce skills	500	500	Induction Training for newly appointed managers.
Number of municipalities supported to spend MIG	7	7	7
Sub-programme Municipal performance monitoring, reporting and evaluation			
Number of reports compiled on municipal budget process, and assessment of AFS, APR and municipal performance in terms of the Municipal Finance Management Act (MFMA)	12	12	9 compliance reports compiled on MFMA, MPRA, POBA
Number of reports on the analysis of municipal annual budgets	12	12	4 reports on state of municipal finances
Number of reports compiled on the implementation of Remuneration of Public Office Bearers Act (POBA)	13	13	9 compliance reports compiled on MFMA, MPRA, POBA

### PROGRAMME 3: DEVELOPMENT AND PLANNING

#### Programme description

This programme seeks to coordinate, facilitate and promote integrated development and planning in municipalities to ensure that services are delivered in an integrated and sustainable manner in line with the transformation of state and governance.

#### Programme objectives

- It facilitates and coordinates processes to ensure that municipal IDPs are credible, implementable and aligned with national and provincial outcomes, plans and strategies;
- It ensures strategic management of provincial land for economic and social purposes;
- It provides coordination and support for the implementation of the National Disaster Management Act and Framework to ensure the effective management of disasters at national, provincial and local level;
- It ensures the accelerated delivery of municipal basic service and infrastructure delivery to meet national targets;
- Coordination and support is provided for the implementation of the National Disaster Management Act, the Fire Brigade Services Act and the Disaster Management Framework to ensure the effective management of disasters at national, provincial and local level;
- It ensures the accelerated delivery of municipal basic service and infrastructure delivery to meet national targets;
- It facilitates integrated urban management and planning;
- It improves integration and planning; and
- It increases community based planning.



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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Land Use Management	4 781	4 639	4 767	5 332	5 332	3 617	5 946	6 261	6 574
2. Idp Coordination	8 463	9 494	3 387	4 844	5 584	5 549	5 870	6 372	6 690
3. Disaster Management	12 033	9 137	12 363	19 394	19 516	18 571	53 156	56 135	58 942
4. Municipal Infrastructure	3 508	1 827	7 722	4 518	10 254	11 636	12 144	10 456	10 978
<b>Total payments and estimates</b>	<b>28 785</b>	<b>25 097</b>	<b>28 239</b>	<b>34 088</b>	<b>40 686</b>	<b>39 373</b>	<b>77 116</b>	<b>79 223</b>	<b>83 185</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>28 785</b>	<b>25 097</b>	<b>28 239</b>	<b>33 088</b>	<b>39 686</b>	<b>38 373</b>	<b>48 316</b>	<b>50 599</b>	<b>53 129</b>
Compensation of employees	23 028	23 040	19 355	21 251	27 849	27 849	28 871	30 142	31 650
Goods and services	5 757	2 057	8 884	11 837	11 837	10 524	19 445	20 456	21 479
<b>Transfers and subsidies to</b>				<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>2 000</b>		
Provinces and municipalities				1 000	1 000	1 000	2 000		
Payments for capital assets							26 800	28 625	30 056
Machinery and equipment							26 800	28 625	30 056
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>28 785</b>	<b>25 097</b>	<b>28 239</b>	<b>34 088</b>	<b>40 686</b>	<b>39 373</b>	<b>77 116</b>	<b>79 223</b>	<b>83 185</b>

Spending on the programme remained constant at R28 million between 2011/12 and 2013/14, recording a slight decline to R25 million in 2012/13. The allocation for the programme: Development and Planning increases from R28 million in 2013/14 to R34 million in 2014/15. The programme allocation increases significantly to R77 million in 2015/16, to R79 million in 2016/17 and to R83 million over the MTEF to cater for the establishment and maintenance of the PMDC in line with the transformation of state and governance. The increase is mainly for the conceptualization of the new PMDC and its infrastructure equipment; IDP coordination within municipalities; and installation of geysers for communities on targeted municipalities.

Land Management sub-programme allocation amount to R5 million in 2014/15 and increases slightly to R6 million over the MTEF. This is due to the on-going transfer of properties to beneficiaries and the vesting of properties in the state; this is taking longer than expected as only the Minister of Land Affairs can authorize vesting which relates modernisation of the public service. This increase is also due to the disposal of redundant properties on the land asset register and the allocation of title deeds which is on-going.

Integrated Development Planning sub-programme allocation increases from R5 million in 2014/15 to R6 million in 2015/16 and R7 million in the outer year of the MTEF. The allocation will be used for IDP education and training, the roll out of the IDP framework, inter-governmental IDP engagements and municipal analysis and the MEC commenting process to be conducted by the department in various municipalities. The slight additional funding request on this sub-programme is aimed at ensuring the successful implementation of the inter-governmental planning roadmap to ensure the alignment of IDPs with the NDP and the Gauteng 2055 vision, which is in line with transformation of state and governance.

The Sub-Programme Disaster Management allocation increased from R19 million in 2014/15 to R53 million in 2015/16. This was to establish the new PMDC. The increase over the MTEF to R59 million is attributed to the fact that the department will be maintaining the centre and liaising with municipalities on disaster issues as part of Pillar 4: Transformation of state and governance. The increase will be part of the implementation of the new PMDC including the maintenance and the coordination of its structures to ensure a link with the municipalities.

The sub-programme Municipal Infrastructure allocation increases from R4.5 million in 2014/15 to R11 million for the outer year of the MTEF. The allocation for this sub-programme is due to the need for increased interventions in water conservation and water demand management which will be implemented in Lesedi and Mogale, and the extension to other municipalities including Emfuleni and Westonaria. The budget caters for the continued review of sector plans; this is a legislative requirement in terms of the Water Act and the Municipal Systems Act

and informs the Gauteng Integrated Infrastructure Master Plan initiated by the GPC. The allocation to the sub-programme also relates to the development of the electricity loss management strategy and the database of alternative/efficient energy projects in the province in line with transformation of state and governance.

Compensation of employees increases from R19 million in 2013/14 to R21 million in 2014/15 and R32 million over the MTEF as a result of expected filling of OSD positions within the unit. Over the MTEF, the increases are meant to supplement costs of living as result of wage agreements.

There is a 33 per cent increase on goods and services from R9 million in 2013/14 to R12 million in 2014/15. The budget increases to R21 million over the MTEF. The growth is due to the gradual establishment of new PDMC; the connection of free basic services to registered indigent communities; the vesting and transfer of properties to beneficiaries; the review and integration of municipal IDPs; and implementation of water conservation and water demand management in four targeted municipalities. It also provides for continuous deployment of engineers to municipalities for technical support. The installation of geysers has become a cost driver for this sub-programme. Allocation of R27 million for 2015-16 has been made for the establishment of the PMDC. The allocation for the outer year of the MTEF amounts to R30 million and will be used for maintenance of and equipment for the centre.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: DEVELOPMENT AND PLANNING

Performance measures	Estimated Annual Targets		
	2015/16	2016/17	2017/18
Number of households with access to basic electricity supply	40 000 HH	50 000 HH	50 000 HH
Number of households reached with basic services funded by MIG	Water – 1 500 HH Sanitation- 1 500 HH	Water – 1 500 HH Sanitation- 1 500 HH	Water – 1 500 HH Sanitation- 1 500 HH
Number of households with access to basic refuse removal services	23 000 HH	23 000 HH	23 000 HH
Fully functional Provincial Disaster Management coordinating structures.	Provincial Disaster Management coordinating structures functional.	Provincial Disaster Management coordinating structures functional.	Provincial Disaster Management coordinating structures functional.
Number of quarterly reports on Disaster Risk Reduction and Management Strategies for events completed.	4 Quarterly monitoring reports completed on the Disaster Risk Reduction and Management Strategies	4 Quarterly monitoring reports completed on the Disaster Risk Reduction and Management Strategies	4 Quarterly monitoring reports completed on the Disaster Risk Reduction and Management Strategies
Number of preparedness exercises and risk reduction strategies completed for Gautrain Rapid Rail Link.	Continued monitoring and coordination of risk reduction strategies for the Gautrain Rapid Rail link.	Continued monitoring and coordination of risk reduction strategies for the Gautrain Rapid Rail link.	Continued monitoring and coordination of risk reduction strategies for the Gautrain Rapid Rail link.
Number of disaster management awareness campaigns conducted	4 awareness campaigns of Disaster Management conducted.	4 awareness campaigns of Disaster Management conducted.	4 awareness campaigns of Disaster Management conducted.
Fully functional Provincial Fire & Rescue Services coordinating structures	Provincial Fire & Rescue Services coordinating structures functional.	Provincial Fire & Rescue Services coordinating structures functional.	Provincial Fire & Rescue Services coordinating structures functional.
Number of municipalities with approved IDP's	12	12	12
Number of intergovernmental IDP engagements held through the Gauteng IDP Technical Steering Committee to ensure alignment and coordination to: Linking to IDP's outcomes Reflect provincial capital projects and budgets in IDP'S	4	4	4
Number of identified municipalities implementing the revised IDP framework	12	12	12
Number of participants receiving IDP education	100	100	150
Number of municipalities participating in the IDP analysis and receiving MEC comments	12	12	12

### PROGRAMME 4: TRADITIONAL INSTITUTIONAL DEVELOPMENT

#### Programme description

The programme promotes and facilitates viable and sustainable traditional institutions by enhancing the capacity traditional leadership and local governance institutions in line with Pillar 4: Transformation of state and governance.

The key performance areas are:

- Traditional Institutional Administration;

- Traditional Resource Administration;
- Rural Development Facilitation; and
- Traditional Land Administration

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Traditional Institution Administration	1 723	1 596	5 061	4 466	4 463	4 742	4 081	4 824	5 065
2. Traditional Resource Administration	919	1 481	436	1 601	1 601	940	1 687	1 776	1 865
3. Rural Development Facilitation	209	300	72	404	404		688	791	831
4. Traditional Land Administration	296	389	454	648	726	1 512	792	862	905
<b>Total payments and estimates</b>	<b>3 147</b>	<b>3 766</b>	<b>6 023</b>	<b>7 119</b>	<b>7 194</b>	<b>7 194</b>	<b>7 248</b>	<b>8 253</b>	<b>8 666</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>3 147</b>	<b>3 766</b>	<b>6 023</b>	<b>7 119</b>	<b>7 194</b>	<b>7 194</b>	<b>7 248</b>	<b>8 253</b>	<b>8 666</b>
Compensation of employees	2 789	3 280	3 890	4 854	4 929	4 929	4 948	5 187	5 447
Goods and services	358	486	2 133	2 265	2 265	2 265	2 300	3 066	3 219
<b>Transfers and subsidies to</b>									
Payments for financial assets									
<b>Total economic classification</b>	<b>3 147</b>	<b>3 766</b>	<b>6 023</b>	<b>7 119</b>	<b>7 194</b>	<b>7 194</b>	<b>7 248</b>	<b>8 253</b>	<b>8 666</b>

The budget for the programme remained constant at R7 million in 2014/15 and 2015/16 before increasing to R8 million and R9 million in 2016/17 and 2017/18 respectively. This increase is attributed to the expected National Traditional Bill still to be passed by Parliament; this recognizes Khoisan leaders as traditional leaders. The increase is also for statutory payments to tribal authorities by the department to assist them to function effectively, meet their mandate to the communities and enable the department to finance the Kings' commemorations. The allocated budget will also meet the obligations and needs of the tribal authorities.

The allocation to the sub-programme Traditional Institutional Administration remained constant at R4 million for 2014/15 and 2015/16 before increasing to R5 million in 2016/17 and 2017/18 respectively. This allocation is attributed to the increase in expenses for traditional leadership including remuneration of traditional leaders and filling of critical vacancies within the directorate.

The allocation for this sub-programme remains constant at R2 million for 2014/15 and for all the years of the 2015 MTEF. This relates to Pillar 4, which is transformation of state and governance.

The sub-programme Rural Development Facilitation receives a substantial increase from the previous years as a result of the maintenance of the new vehicles procured during the previous financial year. The increase in allocation over the MTEF also caters for the running costs of these vehicles.

The expenditure and allocation on this sub-programme's budget remains constant at R1 million for 2014/15 and for all the years of the 2015 MTEF. The allocation is used mainly for capacity building programmes in traditional leadership and the development of women within tribal communities. The funding will be utilized to continuously integrate the traditional leaders into the mainstream of the municipal councils. The allocation to this sub-programme has increased slightly as a result of the increased intake of women to be capacitated.

Compensation of employees allocation increased to R5 million for 2014/15 and remained constant for all the years of the 2015 MTEF. This is due to a slight increase of remuneration of traditional chiefs and their staff members including the increase in departmental staff members as result of wage agreements.

The allocation on goods and services remained constant at R2 million for 2014/15 and 2015/16 before increasing to R3 million in 2016/17 and 2017/18 respectively. The increase is attributed to envisaged grant, transfers and financing of commemorations of traditional leaders, and the operational activities of the department.

**SERVICE DELIVERY MEASURES****PROGRAMME 4: TRADITIONAL INSTITUTIONAL DEVELOPMENT**

Performance measures	Estimated Annual Targets		
	2014/15	2015/16	2016/17
Number of traditional councils complying to legislative prescripts	2	2	2
Number of Local House of Traditional Leadership established and complying to legislative prescripts	1	1	1
Number of Traditional council members trained	20	20	20
Number of events organised to support traditional communities and their institutions	2 cultural events and 1 rural women's empowerment session.	2 cultural events and 1 rural women's empowerment session.	2 cultural events and 1 rural women's empowerment session.

**9. OTHER PROGRAMME INFORMATION****9.1. Personnel numbers and costs****TABLE 7.14: PERSONNEL NUMBERS AND COSTS: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

Personnel numbers	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	As at 31 March 2018
1. Administration	115	115	114	114	136	136	136
2. Local Governance	752	598	598	598	504	504	504
3. Development Planning	61	61	61	61	48	48	48
4. Traditional Institutional Management	8	8	10	10	12	12	12
<b>Total provincial personnel numbers</b>	<b>936</b>	<b>782</b>	<b>783</b>	<b>783</b>	<b>700</b>	<b>700</b>	<b>700</b>
Total provincial personnel cost (R thousand)	207 695	182 711	200 300	252 133	266 482	281 299	295 364
Unit cost (R thousand)	222	234	256	322	381	402	422

**TABLE 7.15: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS**

	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
<b>Total for province</b>									
Personnel numbers (head count)	936	782	783	783	783	783	700	700	700
Personnel cost (R thousands)	207 695	182 711	200 300	252 131	252 131	252 133	266 482	281 299	295 364
<b>Human resources component</b>									
Personnel numbers (head count)	15	16	17	17	17	17	17	17	17
Personnel cost (R thousands)	5 700	5 800	5 838	5 840	5 840	5 840	5 842	5 850	6 142
Head count as % of total for department	1.6%	2.0%	2.2%	2.2%	2.2%	2.2%	2.4%	2.4%	2.4%
Personnel cost as % of total for department	2.7%	3.2%	2.9%	2.3%	2.3%	2.3%	2.2%	2.1%	2.1%
<b>Finance component</b>									
Personnel numbers (head count)	20	20	21	21	21	21	21	21	21
Personnel cost (R thousands)	7 200	7 400	7 727	7 730	7 730	7 730	7 780	7 790	8 179
Head count as % of total for department	2.1%	2.6%	2.7%	2.7%	2.7%	2.7%	3.0%	3.0%	3.0%
Personnel cost as % of total for department	3.5%	4.1%	3.9%	3.1%	3.1%	3.1%	2.9%	2.8%	2.8%
<b>Full time workers</b>									
Personnel numbers (head count)	743	745	745	745	745	745	745	745	745
Personnel cost (R thousands)	207 695	182 711	200 300	252 133	252 133	252 133	266 482	281 299	295 364
Head count as % of total for department	79.4%	95.9%	95.1%	95.1%	95.1%	95.1%	106.4%	106.4%	106.4%
Personnel cost as % of total for department	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

As a matter of urgency, the department is in the process of finalizing its service delivery model and organizational

structure as it is now a stand-alone entity. Critical vacant positions are to be filled in the next financial year to ensure that all core functions and support functions are delivered appropriately. Personnel numbers of the department may increase as placement of staff is not finalized. The difference between the current establishment and Persal is due to the fact that the department is still paying compensation of employees in the Department of Human Settlement. The figures may change as the Persal clean-up is currently under way.

## 9.2. Training

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Administration	482	67	1 683	6 461	6 461	6 461	5 502	6 501	6 826
Subsistence and travel	241	67							
Payments on tuition	241		1 683	6 461	6 461	6 461	5 502	6 501	6 826
Other									
2. Local Governance	1 077	4 467	1 000	1 100	1 100	1 100	1 100	1 080	1 134
Subsistence and travel									
Payments on tuition	1 077	67	1 000	1 100	1 100	1 100	1 100	1 080	1 134
Other		4 400							
3. Development Planning		4 400	2 400	3 160	3 160	3 160	2 660	2 660	2 793
Subsistence and travel									
Payments on tuition		4 400	2 400	3 160	3 160	3 160	2 660	2 660	2 793
Other									
4. Traditional Institutional Management		40	600	780	780	780	1 380	1 080	1 134
Subsistence and travel									
Payments on tuition		40	600	780	780	780	1 380	1 080	1 134
Other									
<b>Total payments on training</b>	<b>1 559</b>	<b>8 974</b>	<b>5 683</b>	<b>11 501</b>	<b>11 501</b>	<b>11 501</b>	<b>10 642</b>	<b>11 321</b>	<b>11 887</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Number of staff	936	782	783	783	783	783	700	700	700
Number of personnel trained	235	282	120	120	120	120	120	120	126
of which									
Male	94	94	40	40	40	40	40	40	42
Female	141	188	80	80	80	80	80	80	84
Number of training opportunities	40	47	68	68	68	68	68	68	71
of which									
Tertiary	24	24	50	50	50	50	50	50	53
Workshops	12	12	16	16	16	16	16	16	17
Seminars	2	2	2	2	2	2	2	2	2
Other	2	9							
Number of bursaries offered	9	24	50	50	50	50	50	50	53
Number of interns appointed	28	33	10	10	10	10	10	10	11
Number of learnerships appointed		5							
Number of days spent on training	19	19	100	100	100	100	100	100	105

The allocation for training for the department is related to bursaries to employees to increase capacity in departmental programmes so that the constitutional mandate can be achieved. The training offered through bursaries relates to computer training, financial management, project management and other training related to the functions of the department. The table shows the gender breakdown and types of training. The training budget is centralised in programme 1 under HR for better coordination and management. The department is funding studies of the CDWs to improve their capacity to deliver better service.

## 9.3. RECONCILIATION OF STRUCTURAL CHANGES

N/A

# **ANNEXURES TO ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE**

TABLE 7.18: SPECIFICATION OF RECEIPTS: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
<b>Tax receipts</b>									
Sales of goods and services other than capital assets	127	360	130	140	140	120 256	141	148	156
Sale of goods and services produced by department (excluding capital assets)	127	360	130	140	140	140	141	148	156
Sales by market establishments	127	360	130	140	140	140	141	148	156
Interest, dividends and rent on land	18	25	25	25	25	25	26	27	29
Interest	18	25	25	25	25	25	26	27	29
Transactions in financial assets and liabilities	468	56	300	300	300	158	314	331	347
<b>Total departmental receipts</b>	<b>613</b>	<b>441</b>	<b>455</b>	<b>465</b>	<b>465</b>	<b>20 439</b>	<b>481</b>	<b>506</b>	<b>532</b>

TABLE 7.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>249 414</b>	<b>206 942</b>	<b>266 880</b>	<b>330 498</b>	<b>328 118</b>	<b>323 578</b>	<b>366 796</b>	<b>375 452</b>	<b>394 225</b>
Compensation of employees	207 695	182 711	200 300	252 131	252 131	252 133	266 482	281 299	295 364
Salaries and wages	177 680	159 860	200 300	219 354	219 431	252 133	231 917	244 652	256 884
Social contributions	30 015	22 851		32 777	32 700		34 565	36 647	38 480
Goods and services	41 719	24 231	66 580	78 367	75 987	71 445	100 314	94 153	98 861
Administrative fees	24	24	268	402	315	270	235	298	313
Advertising	192	689	4 763	3 063	2 923	2 652	5 111	3 008	3 159
Minor assets	282	163	522	689	714	605	712	579	608
Audit cost: External	869	966	399	3 246	3 346	3 116	3 199	3 658	3 840
Bursaries: Employees	26	25	254	864	864	785	929	866	910
Catering: Departmental activities	617	480	814	1 624	1 904	1 948	3 364	3 477	3 651
Communication (G&S)	8 587	6 326	4 994	7 779	7 779	9 314	6 500	7 922	8 318
Computer services	375	141	3 522	3 584	3 494	3 489	3 830	5 382	5 651
Consultants and professional services: Business and advisory services	9 655	1 390	320	6 817	5 738	5 354	1 819	1 285	1 349
Consultants and professional services: Legal costs		9	100	711	705	716	792	767	805
Contractors	1 316	329	466	2 786	2 797	2 580	3 686	1 339	1 406
Agency and support / outsourced services	2 491	3 005	24 552	13 776	10 102	9 200	27 982	23 023	24 174
Entertainment		36	145	712	548	600	20	41	43
Fleet services (including government motor transport)			1 510	1 640	1 176	1 181	2 200	2 634	2 766
Housing	12								
Inventory: Clothing material and accessories			56				800		
Inventory: Food and food supplies	2								
Inventory: Fuel, oil and gas		1							
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	139		16						
Inventory: Other supplies		4							
Consumable supplies	260	194	2 804	2 542	3 057	3 195	6 061	5 628	5 909
Consumable: Stationery, printing and office supplies	1 374	1 241	2 806	2 550	3 222	2 554	3 523	3 604	3 784
Operating leases	5 657	715	400	2 200	2 200	2 200	2 100	2 541	2 668
Property payments	2 223	428	18	899	899	1 280	1 261	1 885	1 979
Transport provided: Departmental activity	28								
Travel and subsistence	4 724	3 473	3 726	6 268	7 426	7 146	7 101	7 230	7 592
Training and development	1 318	2 890	7 243	9 607	9 730	6 130	10 849	12 136	12 743

# Vote 7 - Cooperative Governance and Traditional Affairs • EPRE - 2015/16

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Operating payments	114	270	173	636	1 027	992	1 452	1 545	1 622
Venues and facilities	1 434	1 432	6 709	5 972	6 021	6 138	6 788	5 308	5 573
Transfers and subsidies	23 888	369	2 485	5 100	7 380	7 380	10 030	7 380	7 749
Provinces and municipalities	20 000			2 000	5 000	5 000	7 500	5 000	5 250
Municipalities	20 000			2 000	5 000	5 000	7 500	5 000	5 250
Municipalities	20 000			2 000	5 000	5 000	7 500	5 000	5 250
Households	3 888	369	2 485	3 100	2 380	2 380	2 530	2 380	2 499
Social benefits	19	15		30	30		330	357	375
Other transfers to households	3 869	354	2 485	3 070	2 350	2 380	2 200	2 023	2 124
<b>Payments for capital assets</b>	<b>1 002</b>	<b>1 257</b>	<b>4 263</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>30 146</b>	<b>33 930</b>	<b>35 627</b>
Machinery and equipment	448	830	4 263	5 000	4 986	4 986	30 146	33 930	35 627
Transport equipment							1 000	1 925	2 021
Other machinery and equipment	448	830	4 263	5 000	4 986	4 986	29 146	32 005	33 606
Software and other intangible assets	554	427			14	14			
<b>Payments for financial assets</b>	<b>109</b>	<b>202</b>	<b>29</b>		<b>100</b>	<b>138</b>			
<b>Total economic classification</b>	<b>274 413</b>	<b>208 770</b>	<b>273 657</b>	<b>340 598</b>	<b>340 598</b>	<b>336 096</b>	<b>406 972</b>	<b>416 763</b>	<b>437 601</b>

TABLE 7.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>53 172</b>	<b>35 394</b>	<b>73 989</b>	<b>118 013</b>	<b>107 383</b>	<b>107 346</b>	<b>119 756</b>	<b>127 484</b>	<b>133 858</b>
Compensation of employees	34 763	25 799	46 211	86 089	74 839	74 841	86 206	92 739	97 376
Salaries and wages	30 289	22 441	46 211	75 279	64 829	74 841	74 808	80 462	84 485
Social contributions	4 474	3 358		10 810	10 010		11 398	12 277	12 891
Goods and services	18 409	9 595	27 778	31 924	32 544	32 505	33 550	34 745	36 482
Administrative fees	10	10	40	196	96	69	92	118	123
Advertising	139	396	1 226	1 078	1 033	1 061	460	500	525
Minor assets	282	163	502	466	475	475	115	169	177
Audit cost: External	869	31	399	3 246	3 346	3 116	3 199	3 658	3 840
Bursaries: Employees	26	25	254	864	864	785	864	866	909
Catering: Departmental activities	337	237	302	611	619	693	1 187	1 034	1 086
Communication (G&S)	4 061	2 470	1 506	3 800	3 800	3 800	2 000	3 197	3 357
Computer services	178	51	2 405	2 870	2 870	2 870	3 230	4 416	4 637
Consultants and professional services:									
Business and advisory services	1 594	1 390	22	1 166	1 166	1 160	1 000	422	443
Consultants and professional services:									
Legal costs		1	100	500	494	500	570	533	559
Contractors	1 316	329	257	2 364	2 369	2 154	3 300	963	1 011
Agency and support / outsourced services	380	2	8 908	419	532	494	411	454	477
Entertainment		36	93	407	307	369	20	21	22
Fleet services (including government motor transport)			1 510	1 640	1 176	1 181	2 200	2 634	2 766
Housing	12								
Inventory: Clothing material and accessories							800		
Inventory: Food and food supplies	2								
Inventory: Fuel, oil and gas		1							
Inventory: Materials and supplies	1		16						
Inventory: Other supplies		4							
Consumable supplies	181	194	2 176	1 657	2 140	2 283	3 440	2 938	3 085
Consumable: Stationery, printing and office supplies	1 216	782	2 223	1 390	1 810	1 885	1 482	2 555	2 683
Operating leases	661	564		2 200	2 200	2 200	2 100	2 541	2 668
Property payments	2 201	427		662	662	662	500	959	1 007
Transport provided: Departmental activity	28								
Travel and subsistence	3 905	1 775	410	2 133	2 176	2 056	2 130	2 268	2 381
Training and development	241	242	2 419	2 034	2 034	2 034	2 054	2 098	2 203



R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Operating payments	94	121	1	534	576	567	1 310	1 330	1 396
Venues and facilities	675	344	3 009	1 687	1 799	2 091	1 086	1 074	1 127
Rental and hiring									
Transfers and subsidies	3 875	354	2 485	3 100	2 380	2 380	2 530	2 380	2 499
Households	3 875	354	2 485	3 100	2 380	2 380	2 530	2 380	2 499
Social benefits	6			30	30		330	357	375
Other transfers to households	3 869	354	2 485	3 070	2 350	2 380	2 200	2 023	2 124
<b>Payments for capital assets</b>	<b>1 002</b>	<b>1 257</b>	<b>4 263</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>3 346</b>	<b>5 305</b>	<b>5 571</b>
Machinery and equipment	448	830	4 263	5 000	4 986	4 986	3 346	5 305	5 571
Other machinery and equipment	448	830	4 263	5 000	4 986	4 986	3 346	5 305	5 571
Software and other intangible assets	554	427			14	14			
<b>Payments for financial assets</b>	<b>109</b>	<b>202</b>	<b>29</b>		<b>100</b>	<b>138</b>			
<b>Total economic classification</b>	<b>58 158</b>	<b>37 207</b>	<b>80 766</b>	<b>126 113</b>	<b>114 863</b>	<b>114 864</b>	<b>125 632</b>	<b>135 169</b>	<b>141 928</b>

TABLE 7.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>164 310</b>	<b>142 685</b>	<b>158 629</b>	<b>172 278</b>	<b>173 855</b>	<b>170 665</b>	<b>191 476</b>	<b>189 117</b>	<b>198 572</b>
Compensation of employees	147 115	130 592	130 844	139 937	144 514	144 514	146 457	153 230	160 892
Salaries and wages	124 872	114 508	130 844	121 433	125 699	144 514	127 261	133 131	139 787
Social contributions	22 243	16 084		18 504	18 815		19 196	20 100	21 105
Goods and services	17 195	12 093	27 785	32 341	29 341	26 151	45 019	35 886	37 680
Administrative fees	14	12	176	85	98	116	25	44	46
Advertising	53	93	1 058	785	785	762	3 825	844	886
Minor assets			15	174	184	95	338	249	262
Audit cost: External		935							
Bursaries: Employees							65		
Catering: Departmental activities		8	87	383	398	379	556	358	375
Communication (G&S)	4 526	3 856	3 488	3 953	3 953	5 488	4 500	4 725	4 961
Computer services			547						
Consultants and professional services:									
Business and advisory services	8 014		298	3 649	2 635	2 264	597	629	661
Contractors			194		6	4			
Agency and support / outsourced services	2 111	3 003	13 205	10 156	6 904	6 101	18 262	13 544	14 221
Entertainment			52	295	231	231			
Inventory: Materials and supplies	138								
Consumable supplies	79		10	25	25	7	222	238	249
Consumable: Stationery, printing and office supplies	100	32	535	606	858	356	1 174	167	175
Travel and subsistence	591	1 018	2 228	2 851	3 856	3 644	2 880	3 174	3 333
Training and development	1 077	2 500	3 479	5 829	6 094	3 416	7 896	8 632	9 064
Operating payments		73	80	37	301	290	44	137	144
Venues and facilities	492	563	2 333	3 513	3 013	2 998	4 635	3 146	3 304
<b>Transfers and subsidies</b>	<b>20 013</b>	<b>15</b>		<b>1 000</b>	<b>4 000</b>	<b>4 000</b>	<b>5 500</b>	<b>5 000</b>	<b>5 250</b>
Provinces and municipalities	20 000			1 000	4 000	4 000	5 500	5 000	5 250
Municipalities	20 000			1 000	4 000	4 000	5 500	5 000	5 250
Households	13	15							
Social benefits	13	15							
<b>Total economic classification</b>	<b>184 323</b>	<b>142 700</b>	<b>158 629</b>	<b>173 278</b>	<b>177 855</b>	<b>174 665</b>	<b>196 976</b>	<b>194 117</b>	<b>203 823</b>

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## 7.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADITIONAL INSTITUTIONAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>3 147</b>	<b>3 766</b>	<b>6 023</b>	<b>7119</b>	<b>7194</b>	<b>7 194</b>	<b>7 248</b>	<b>8 253</b>	<b>8 666</b>
Compensation of employees	2 789	3 280	3 890	4854	4929	4 929	4 948	5 187	5 447
Salaries and wages	2 379	2 825	3 890	4166	4241	4 929	4 232	4 403	4 623
Social contributions	410	455		688	688		716	784	823
Goods and services	358	486	2 133	2265	2265	2 265	2 300	3 066	3 219
Administrative fees			22	40	40	15	40	40	42
Advertising			3						
Assets less than the capitalisation threshold			5	20	20	13	30	40	42
Catering: Departmental activities	15		89	150	150	115	150	150	157
Consultants and professional services:									
Business and advisory services	47								
Agency and support / outsourced services			989	1104	1104	996	744	1 298	1 363
Consumable supplies				1	1	21	1	1	1
Consumable: Stationery, printing and office supplies	38	82	48	100	100	75	365	380	399
Travel and subsistence	38	22	298	400	400	439	470	557	585
Training and development			221	200		186	200	200	210
Operating payments	20	13							
Venues and facilities	200	369	458	250	450	405	300	400	420
<b>Total economic classification</b>	<b>3 147</b>	<b>3 766</b>	<b>6 023</b>	<b>7119</b>	<b>7194</b>	<b>7 194</b>	<b>7 248</b>	<b>8 253</b>	<b>8 666</b>